South Tees Area Spatial Framework

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1. Summary
1.1 The case for change

South Tees has world-class credentials in the petrochemical, process and steel industries and is also home to Teesport, the second largest port in the UK. South Tees extends across a wide area on the edge of the Middlesbrough conurbation, it is the location of major industrial complexes in primary sectors including petrochemicals, port and logistics, and steel, as well as a range of vacant and underused industrial sites and a number of smaller industrial and commercial operations. This industrial heartland therefore provides a home for process industries, utilities and services, port and logistics, steel manufacturing, supply chain and ancillary businesses and light industrial parks.

It is however a dynamic place where levels of industrial activity and investment are driven by many complex factors including the global market, lack of local decision making, interdependencies with surrounding industries and specific infrastructure requirements. The partial mothballing of the Teesside Cast Products blast furnace plant (February 2010) and its subsequent reopening (March 2011), combined with a number of other industries that have closed or are at risk as a result of the global economic recession of 2008 / 11, demonstrate the potential vulnerability of the South Tees economy. However, as has been seen, new industries replace the old, and with the support of economic accelerators such as the Tees Valley Enterprise Zone with sites in Redcar and Cleveland, South Tees will continue to be a major economical asset to Redcar & Cleveland.

This is the South Tees Spatial Framework, one of four such documents setting out the vision, objectives and key interventions for different areas in the Borough (the others are Redcar, Greater Eston and East Cleveland). This Spatial Framework provides area and site specific projects that sit under the overarching document, Economic Futures: A Regeneration Strategy for Redcar & Cleveland. This sets the Borough-wide context and strategies for change. These documents are supported by a number of technical appendices that include the baseline evidence and consultation undertaken.

Corus Teesside Cast Steel Products plant at Redcar was mothballed in February 2010 with the loss of 1,600 jobs after a crucial contract fell through. However, in March 2011, Thai firm Sahaviriya Steel Industries (SSI) purchased the site with the aim of creating a safe, successful and sustainable business, which will lead to the business becoming a world-class steelmaker. SSI are currently in the process of recruiting 1000 new employees and analysing the condition of the plant whilst developing comprehensive plans for a successful return to operations.
1.2 South Tees Vision

South Tees Industrial Excellence

South Tees will continue to be known throughout the UK as a powerful engine room of the industrial economy, with major facilities for the Ports, Petrochemicals and Power generation sectors.

The Port will have expanded to provide additional deep berths with matching shore based infrastructure to handle and process goods through a modern transport infrastructure, using rail and road for onward shipment. Reclamation of sites will allow new use for surface and enclosed storage and processing of goods. The Port will be the hub for major logistics operations, serving the North East of England in particular.

South Tees will continue to be a global player in the Petrochemicals industries and successive investments in new facilities and processes will have been attracted by the unique infrastructure offer, which has delivered sites and provides easy ‘plug-in’ to utilities, materials and power along with the ability to deal with carbon emissions locally and in a sustainable fashion. The continuing reputation of South Tees for leading edge petrochemicals will have retained and attracted a highly skilled technical and managerial workforce that also enjoys access to lifestyles driven by the Cleveland coast and countryside. The success of the petrochemicals industry will have paved the way for SMEs to flourish in the region.

The strategic management of the North South Tees sites will also have fostered the development of a Power hub, including environmental industries based around waste management and recycling, and energy production through biofuels, biomass and waste. More sustainable power generation and the Eco Park, together with reclamation of sites and the removal of redundant infrastructure, will help shift the perception of South Tees, presenting a cleaner, greener image of industry on Teesside.

1.3 Key Interventions

The key interventions within South Tees are centred around the themes of:

- **Strengthening the strategic infrastructure** to create the right conditions for inward investment including acquisition and remediation of sites, to make **North and South Tees a Competitive Investment Location**;
- **Building upon the core strengths** that already exist in South Tees, particularly the processing industries and the Port;
- **Developing new industries** in response to the decline in some existing industries and to maximize the potential of the vast industrial area.

1.4 North South Tees Industrial Framework

A prime objective of Tees Valley Unlimited is to support and develop the world class process, energy, steel and port industries. The North South Tees Industrial Development Framework project was conceived to understand how this ambitious goal can be achieved. The project aims to understand when investments may be made, where they should be targeted, what constraints exist and how these may be mitigated.

This involved assessment of assets and infrastructure focusing on land, energy, utilities (including pipelines and product storage cavities), flood risk, contamination, health and safety consultation zones, ecology, transportation and logistics.

The North South Tees Industrial Framework covers a wider study area than that included within the Redcar Regeneration Masterplan, which only covers the South Tees area that falls within the Borough of Redcar & Cleveland. The proposals within the wider North South Tees Framework include projects for example, related to infrastructure to support industrial activity and development north and south of the River Tees.

It is important to take the proposals contained in the South Tees Spatial Framework within the context of the wider study and to refer to both reports to understand the full range of interventions that impact upon South Tees.
1.5 Delivery Plan

Central to the delivery of this strategy is the establishment of the sub-regional Local Enterprise Partnership (LEP), Tees Valley Unlimited (TVU). This new locally-owned partnership between local authorities and business organizations, will help create jobs, new business and boost the local economy both within the wider sub-region and specifically within South Tees through the delivery of its strategic priorities. The LEP will play a central role in undertaking activities to drive economic growth and the creation of local jobs. They are also a key vehicle in delivering Government objectives for economic growth and decentralisation, whilst also providing a means for local authorities to work together with business in order to quicken the economic recovery.

The LEP will provide the leadership, direction, and resources to realise the vision for South Tees, with support from RCBC. It will be tasked with delivering a land and infrastructure plan that will open up South Tees to new business.

Given current economic conditions there is an undoubted requirement for a significant economic stimulus package; a package that will not only protect and support jobs, but also begin the process of delivering further physical and economic investment into the subregion. This support has been provided in the form of the Tees Valley Enterprise Zone (EZ). The Tees Valley EZ will encompass 12 individual sites across the five Tees Valley boroughs, offering stimulating financial incentives to help attract real investment and growth and deliver significant job opportunities by 2015 and beyond. Tees Valley EZ will be led by the TVU and will offer significant benefits to the Wilton Industrial Site and the Port in South Tees and Kirkleatham in Redcar.

This is one of only a small number of areas across the country which can now additionally offer large-scale occupiers enhanced capital allowances against the cost of their plant and machinery.

1.6 Outcomes and Impacts

In spite of the recession of 2008 / 11 a number of new inward investment opportunities are being pursued. The employment forecasts include these known opportunities, the potential for the port to increase its capacity and the likely benefits from the work of a well funded delivery vehicle. The key interventions should create some 4,800 jobs, and bring forward nearly 300 ha of land.

<table>
<thead>
<tr>
<th>Key Project</th>
<th>Output</th>
<th>Companies</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Zone</td>
<td>235 Hectares of Land made available</td>
<td>60 new businesses by 2015</td>
<td>1,800 Jobs*</td>
</tr>
<tr>
<td>Eco - Park</td>
<td>56 Hectares specialist business park</td>
<td>6 Companies assisted</td>
<td>900 Jobs</td>
</tr>
<tr>
<td>South Tees Port / Wharfside</td>
<td>Upgrading of Port capacity</td>
<td>n / a</td>
<td>2,000**</td>
</tr>
<tr>
<td>Energy Enterprise</td>
<td>n / a</td>
<td></td>
<td>50 Jobs</td>
</tr>
<tr>
<td>New Space for New Opportunities</td>
<td>1,500m² of employment space</td>
<td>6 companies assisted</td>
<td>60 Jobs</td>
</tr>
<tr>
<td>Skills for a Modern Economy</td>
<td>70 training beneficiaries per annum</td>
<td>10 companies assisted</td>
<td></td>
</tr>
</tbody>
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* Enterprise Zone job calculations are based upon private sector led major inward investment through capital allowances
** Port plans indicate up to 7,000 jobs. This is over an extended time period. Potential for 2,000 jobs over the short and medium term.
2. South Tees: Vision & Objectives
The Vision and Objectives for South Tees encapsulate the aspirations for the industrial area, addresses the key issues that need to be resolved through the Regeneration Masterplan and reflect the existing industrial strengths and assets. They also build on the LDF Core Strategy Vision and Objectives.

**World Class Industry**
South Tees is home to a number of world-class industrial businesses. The area is an industrial hub, that, together with the North Tees industrial area drives a substantial part of the sub-region’s Gross Domestic Product (GDP), as well as regional and national productivity. It is home to Teesport, the second largest port in the UK, petrochemical and process industries, and steel. This industrial heartland provides a home for process industries, utilities and services, port and logistics, steel manufacturing, supply chain and ancillary businesses and light industrial parks.

**Local Employment**
Historically, South Tees was an important employment source for local residents and there was a strong relationship between Greater Eston and Redcar residents and South Tees. This relationship has reduced dramatically in recent years, with increased automation, decline in industries and a trend of those in higher paid and skilled jobs at South Tees, living outside the Borough.

**Dynamic and Integrated Economy**
South Tees is a dynamic place where levels of industrial activity and investment are driven by many complex factors and specific infrastructure requirements. The difficulty of predicting the future strength of key industries at South Tees was made evident through the various announcements surrounding the steel industry during the 2008 / 11 economic recession. However South Tees will continue to be a major economic asset to Redcar & Cleveland and the wider region. Accordingly there should be a clear focus on achieving the maximum value possible, measured in terms of supporting and growing the local economy and delivering local employment and benefits, from development coming forward in South Tees. Investment and development proposals should therefore be resisted where they do not realise the greatest economic benefits from the use of the land at South Tees.

The key sectors and sector interaction in South Tees are identified in the diagram below (North South Tees Industrial Framework 2009).
South Tees operates globally and there are issues around the lack of local decision making power, with limited local land ownership. This puts the area in a vulnerable position with decisions based on the interests of the individual business, irrespective of the linkages and interdependencies between them.

The existing industry has significant energy requirements and produces waste products that have the potential for re-use. The future of South Tees, linked to a global shift to address climate change, should seek to harness the area’s potential as an energy / environmental hub.

At the local level, there are also some negative consequences of an industrial area of this scale, creating a strong industrial image of the area.

**Key Issues**

A series of baseline papers have been produced to support the proposals identified within this Regeneration Masterplan. Reference should be made to the baseline papers within the technical appendices.

The key headlines from the analysis of South Tees are:

- The Port and Petrochemicals industry are existing key assets with national and international status;
- There are a large number of companies located at South Tees offering a good supply of well paid, high skilled and innovative jobs. These jobs are attractive to people commuting in to the Borough, particularly from rural villages in North Yorkshire;
- Industries can be fragile in response to market forces and the recession is reducing the demand for products and there have been a number of recent closures on the Wilton Estate;
- Corus Teesside Cast Products partially mothballed the Redcar Corus steelworks site in February 2010. However in March 2011, Thai firm Sahaviriya Steel Industries (SSI), purchased the site with the aim of creating a safe, successful and sustainable business. SSI are currently in the process of recruiting 1000 new employees and analysing the condition of the plant whilst developing comprehensive plans for a successful return to operations;
- The multi-national nature of a large number of industries mean that they act in the interest of their internal business interests rather than the area and their impact on interdependent industries;
- Restricted ownerships make land assembly difficult and the level of site contamination can mean high costs for remediation;
- Existing highway infrastructure is focussed on provision for industrial and private vehicles, but lacking for sustainable modes, e.g. cycling and walking. Linkages between industry and surrounding residential areas are minimal and would benefit from improvement;
- Future developments must take due consideration of the surrounding sites of environmental significance to ensure no adverse effects. This shall include appropriate levels of consultation and assessment.

**Physical Constraints** | **Other Constraints**
--- | ---
Private land ownership | World demand levels / economic conditions
Land condition | Access to finance and markets
Electricity grid | Non strategic sites for owning companies
Access to pipelines | Leadership role and coordination
Health & safety consultation zones | Information
Flood risk | World demand levels / economic conditions
Services costs (e.g. energy) | Access to finance and markets
Protected habitats sites

**Key Assets**

The key assets within South Tees are:

- Established Port and processing industries;
- Internationally, nationally and regionally recognised for it’s industry;
- Existing road and rail infrastructure to facilitate access for industry between Middlesbrough and the Redcar & Cleveland Borough;
- Utilities infrastructure to supply existing industries and a surplus in energy supply;
- Large areas of unused brownfield land;
- River Tees;
- Existing environmental improvements and gateway.

The vision should draw on these assets and set out what South Tees will look like in 15 years time.
2.2 South Tees Vision and Objectives

Vision: South Tees: Industrial Excellence

South Tees will continue to be known throughout the UK as a powerful engine room of the industrial economy, with major facilities for the Ports, petrochemicals and power generation sectors.

The port will have expanded to provide additional deep berths with matching shore based infrastructure to handle and process goods through a modern transport infrastructure, using rail and road for onward shipment. Reclamation of sites will allow new use for surface and enclosed storage and processing of goods. The port will be the hub for major logistics operations, serving the North East of England in particular.

South Tees will continue to be a global player in the petrochemicals industries and successive investments in new facilities and processes will have been attracted by the unique infrastructure offer, which has delivered sites and provides easy ‘plug-in’ to utilities, materials and power along with the ability to deal with carbon emissions locally and in a sustainable fashion.

The continuing reputation of South Tees for leading edge petrochemicals will have retained and attracted a highly skilled technical and managerial workforce that also enjoys access to lifestyles driven by the Cleveland coast and countryside. The success of the petrochemicals industry will have paved the way for SMEs to flourish in the region.

The strategic management of the North South Tees sites will also have fostered the development of a power hub, including environmental industries based around waste management and recycling, and energy production through biofuels, biomass and waste. More sustainable power generation and the Eco Park, together with reclamation of sites and the removal of redundant infrastructure, will help shift the perception of South Tees, presenting a cleaner, greener image of industry on Teesside.
The objectives for South Tees are framed in accordance with the Regeneration Masterplan overarching objectives and supplement the Vision for South Tees.

Objectives

Diversifying and strengthening the local economy

- An area of continued global, national and regional economic significance;
- An area protected for related industry, maintaining and releasing land to further support the industries;
- Protection of petrochemical specific infrastructure and clusters;
- Encourage expansion of the port facility and associated businesses over adequate hinterland;
- An established environmental technology cluster, with a recycling and energy focus, linking to existing industries where possible;
- Encourage links with education and university facilities to encourage research and development in appropriate sectors as well as provision of appropriate accommodation for start-up businesses.

Improving connectivity

- Ensuring South Tees continues to have appropriate access to the strategic highway network, with infrastructure developed in accordance with new and expanding development to maintain its viability and attractiveness;
- Providing connectivity between residential areas and employment centres on South Tees, where possible by promotion of a demand responsive public transport network.

To protect, conserve and enhance the Borough’s built, historic, cultural and natural environments

- Improved natural environment of the Tees Estuary;
- Remediate key sites for industrial use;
- Continued focus on highway environmental improvements;
- Celebrating the industrial heritage and nature of the South Tees and a move to a cleaner greener industrial image.

Delivery of healthy, sustainable, inclusive and cohesive communities

- Recognising a separation between the residential areas to the south, east and west of the industrial areas to improve the image of these areas as attractive places to live;
- Ensuring access to the employment and training opportunities for residents of Redcar & Cleveland;
- Creating residential areas of choice (supported by great schools and local facilities) that retain higher earning households in the Borough.
### Strengths

- Important source of employment across the Tees Valley;
- Industries of a global scale and importance, and competitive location for sub sectors such as petrochemicals;
- Petrochemical industry with a global status;
- Research and development linked to the petrochemical industry;
- The Port – second largest in the UK;
- Large number of companies and skilled workforce;
- Supply of well paid, high skilled, innovative / creative jobs;
- Natural asset – the River Tees and Coast;
- Existing road and rail infrastructure geared toward industrial uses;
- Highly accessible by road for both private and freight vehicles;
- Access to port and sea borne freight;
- Large areas of land are potentially available for further development.

### Weaknesses

- Port network is private and not accessible by all vehicles;
- Lack of public transport accessibility and infrastructure;
- Public transport access is poor – poor quality stations and lack of buses within the industrial complexes;
- Global industries - limited / no control local influence;
- Higher paid jobs are attractive to people commuting in to the Borough, particularly from rural villages in North Yorkshire;
- Restricted ownerships in places and single ownership (Corus) of large swathes make land assembly difficult;
- Site contamination – high costs for remediation;
- Reduction in land values following recession affect viability and / or appetite to sell land (Corus);
- Recession impacts and potential loss of established industry and jobs;
- Current rail infrastructure does not cater for high shipping containers;
- Dependency on a limited number of traditional industries;
- The downturn in demand for steel and the partial mothballing of Corus steelworks in February 2010.

### Opportunities

- Teesport and the Northern Gateway;
- Further expansion of Port related activity;
- Dredging the Port to increase the depth and capacity;
- Existing rail infrastructure provides scope for expansion to local land uses;
- Sites and infrastructure available for people looking to locate in the area;
- Significant developer interest and agency interest in environmental / waste / energy technologies;
- Reputation as a location with a long history of a significant mass of industrial uses with limited constraints – establishing greater linkages to these will bring wider benefits to the Borough and the Sub-Region;
- Eco Park – diversifying established business base;
- Setting up a URC – setting a coherent vision and coordinating delivery;
- Special Investment Fund – tax increment financing could be an opportunity;
- Concentrate on heavy industry, logistics – vast swathes of land available and on sites where nobody else wants to be;
- New investment continues to be secured;
- Energy produced on site and an increasing surplus available to new companies;
- CO₂ sequestration could cut carbon costs for industries;
- New owner of Redcar steelworks (Sahaviriya Steel Industries (SSI) who are looking to develop a safe and sustainable business.

### Threats

- Investment in road and rail infrastructure is required, to accommodate existing and new development and maintain the areas attractiveness as a preferred industrial location for businesses;
- Cost of highways improvements - may not all be met by developers and regional funding / Highways Agency;
- Limited private sector investment available to improve the area;
- Structural funding not available – or attracting funding from One North East difficult;
- Ports gaining a monopoly if they expand, at the expense of diversified industries;
- Limited depth of the river to serve the deep sea container market;
- New facilities in other ports in the south of England;
- Interdependencies between industries, yet they are ran as individual businesses The loss of one industry could impact on others;
- Lack of public sector land ownership and global industries – little control over retaining businesses / employment;
- Global drop in demand for products and international restructuring of capacity in some sub sectors – prone to market ups and downs – a dynamic environment;
- Gaining control of land parcels (from Corus);
- Bringing forward Eco Park and other existing projects, given land ownership issues and current economic environment;
- Retaining core infrastructure / jobs that are left. Once gone, cannot get them back.

**SWOT Analysis**
3. Spatial Framework for the South Tees Area
3. Core Themes

South Tees is both Redcar & Cleveland’s biggest challenge and its biggest economic opportunity. The South Tees area is the industrial heartland of the Tees Valley and a nationally important economic cluster. It has long provided the motor for the Tees Valley economy. The South Tees economic structure is however going through a period of change as major businesses restructure and the economic landscape changes. The delivery plan recognises the strategic importance of successfully repositioning South Tees to ensure that it can continue to act as the anchor for the Redcar & Cleveland economy.

The scale of change required in South Tees is massive and the regeneration masterplan acknowledges this challenge, as does the parallel study of the North – South Tees Industrial Framework. A complete package of new measures will be required to re-establish this area and build upon its world class reputation for industrial excellence. That reputation, built on steel and petrochemicals will in the future be driven more by energy and environmental technologies.

The Spatial Framework introduces the proposed interventions to address the key issues in South Tees and provides a strategy to build on the key economic assets of the area and diversify the business base. It is accompanied by a plan which illustrates the proposals. The Spatial Framework introduces the proposed interventions to address the key issues in South Tees and provides a strategy to build on the key economic assets of the area and diversify the business base. It is accompanied by a plan which illustrates the proposals. The overarching proposal for the South Tees area will be delivered by TVU (supported by RCBC) which has sufficient power and resources to strategically manage the area and create the conditions in which South Tees thrives and grows and its potential is maximised. Within this, the interventions are centred around the themes of:

- Land assembly to bring forward serviced land to support the needs of new business and create the right conditions for inward investment
- New development – a transformational programme of developments in key sectors to respond to a decline in some existing industries and to maximize the potential of the vast industrial area;
- Creating appropriate workspace – within the areas of South Tees that cater for a large number of smaller industries, in recognition of the importance of this sector within the wider Redcar & Cleveland economy;

The diagram below illustrates the core objectives of the South Tees delivery plan - to deliver a land and infrastructure plan that will open up South Tees to new business and create the conditions to support new development - and the projects that will enable the achievement of these core objectives.
3. Spatial Framework for the South Tees Area

3.2: Land Assembly

Delivery of the transformation programme for South Tees will require leadership at a strategic level within the Council and will be built upon a strong foundation. It will be important to ensure that all stakeholders are committed to the vision and objectives for South Tees and, where appropriate, that they are part of the delivery mechanism. Intervention is required to deliver a significant reservoir of new land that can be drawn down to meet business needs.

Redcar & Cleveland Borough Council will be at the heart of the regeneration of the South Tees. This delivery strategy has been created to ensure that through strategic intervention the Council can pave the way for the renewal and diversification of industry across the spatial area.

Strengthening the strategic infrastructure in South Tees will be critical to drawing inward investment into the area and responding to the current decline in some industries. TVU supported by RCBC will take the main role in coordinating and strengthening of the strategic infrastructure.

Remediation and Infrastructure Provision

To deliver the objectives for South Tees, land must be assembled and made ready for market. In respect of land assembly, remediation and infrastructure provision, funding of up to £50 million may be required between 2012 and 2015. In order to bring forward land to market in South Tees, public sector intervention is required. This could be sought from existing sources, such as Central Government in the form of Regional Growth Fund and European Structural Funds and from the new funds secured from Tax Increment Financing associated with the Enterprise Zone. The initial phases of the intervention plan could see up to 300 acres of land being brought into public sector control. The focus should be along the extensive corridor around the A66/A1085 and should include focused investment on land which could soon see a return on the investment in terms of economic growth and job creation for the Borough particularly:

- Land identified under the Enterprise Zone for Enhanced Capital Allowances and Tax Increment Financing;
- those in single ownership;
- land to support the growth of the Port; and
- managing the supply of sites for “new industrials”, including the Eco Park.

Planning policy, combined with other statutory powers, also has a key role to play in ensuring that development gets taken forward in the most appropriate location within South Tees. Furthermore, all sites identified through the Enterprise Zone will benefit from simplified planning, principally through the use of local development orders.

3.3 New Development – Transformational programme

South Tees (together with North Tees) drives a substantial part of the sub-region’s Gross Domestic Product (GDP), as well as regional and national productivity, with the core industries of steel, processing / petrochemicals and the Port / logistics.

Enterprise Zone

Tees Valley Unlimited on behalf of the 5 local authorities has developed a proposal for an Enterprise Zone, which was approved by Government on 30th June 2011. The zone covers a variety of financial incentives to secure private investment and generate growth, including Business Rate Discounts, Tax Increment Financing & Capital Allowances.

The rationale for the Enterprise Zone is to:

- Support existing petrochemical, process and engineering industries to modernise making them more sustainable and competitive
- Create an attractive platform to secure large-scale inward investors, particularly foreign direct investment in the petrochemical, process and advanced engineering sectors
- Encourage the growth of existing and new supply chains to support our large-scale industries
- Support the emerging and fast growing digital sector

Teesside Port

Teesside Port is a key asset for South Tees. An important gateway for imports and exports, PD Ports has extensive expansion plans, which includes the development of the “The Northern Gateway Container Terminal” - a £300 million deep sea container terminal. It is estimated that the development will create 500 new jobs directly associated with the port and up to 5,000 new jobs in the logistics and shipping sectors.

Logistics and Distribution

The development of the Northern Gateway Container Terminal has already acted as a catalyst for growth in the logistics and distribution sectors within South Tees:
3. Spatial Framework for the South Tees Area

- Asda Wal-Mart has established a £20 million operational logistics and distribution facility at Teesport, that has created 300 jobs;
- Tesco Import Centre has been completed (site of 66 acres, which will create up to 800 jobs).

The Regeneration Masterplan supports the expansion of the Port and logistics, with the main focus being on the availability of land and infrastructure to assist the growth of the sector. The Task Force will be of key importance to this.

Wilton International

Wilton International is an industrial zone that operates at a global scale. However, it also presents an issue to policy makers and those involved in economic development, as the area is vulnerable to economic slowdown and changes in global trading practice. The multi-national ownership of the Wilton plants means that Redcar & Cleveland can exercise little control over the future development of this area. The interdependencies between industries further emphasises this vulnerability. Nevertheless, positive intervention to support research and innovation will serve to maintain the attractiveness of South Tees as a location for national and international investment in the petrochemical process industry.

Steel

The industry has not been considered as a major growth sector within the Masterplan due to mothballing in February 2010 with a loss of 1600 jobs. However in March 2011 Thai Firm Sahaviriya Steel industries (SSI) purchased the site with the aim of creating a safe, successful and sustainable business which will lead to the business becoming a world class steel maker. SSI are currently in the process of recruiting 1000 new employees and analysing the condition of the plant whilst developing comprehensive plans for a successful return to operations.

New Industries

Key opportunities for growth and diversification exist within South Tees which will protect the area from some of the effects of the global recession. This includes waste management, energy from waste and biomass, biofuels, biotechnology and new sectors within the processing industry. There are a number of proposals that will kickstart the diversification of South Tees into new sectors. These include:

- The development of two biomass power stations within the PD Ports Teesport facilities and the MGT Teesside Renewable Energy Plant;
- Development at Wilton International, which is at the forefront of research and development in the sub-region and home to the Wilton International Centre and The Innovation Connector (Teesside University);
- Feasibility work is underway on the economic impacts of investing around £1billion in a CO2 collection network (CCS network) which would help meet carbon targets and avoid high carbon prices for businesses locating in South Tees.
- A £2bn plant is planned within the Wilton area to process heavy crude oil. The plant will be one of Europe’s largest hydrogen plants and could ‘kick-start’ the development of a significant hydrogen economy.

Of particular note is the planned South Tees Eco Park (ST2) on Corus owned land, which will specialize in environmental technologies and management, including waste management and will also enable companies to integrate their operations. The Regeneration Masterplan supports this proposal as it will anchor the park, and similar operations should be encouraged and developed in the environmental technologies sphere.

The North South Tees Industrial Framework identifies a series of linked proposed public sector interventions which should be taken forward. Some of these are already incorporated in the Spatial Framework / project proformas while others need further consideration in terms of prioritisation and feasibility.

1) Develop and deliver ten ‘sector development plans’ (SDPs) for North South Tees where specific opportunities have been identified. The ten sectors selected are;

- offshore wind,
- marine,
- oil and gas fabrication and decommissioning,
- port-related,
- carbon capture and storage network,
- power generation,
- bulk chemicals,
- biotechnology,
- biofuels,
- waste / resource recovery
- Steel.

It is intended that each SDP will articulate market analysis, identify sub sectors of importance to North South Tees, carry out analysis of existing operations and possible investments, obtain buy-in from agencies and authorities and develop an action plan of organisations to target, marketing strategy and objectives.

Collectively, there is an opportunity to implement a programme of initiatives across industry sectors that, taken as a
whole, would demonstrate transitioning an entire industrial area to low carbon operation, creating a Low Carbon Industrial Transition Economic Area (LCITEA).

2) Review and improve leadership, governance and coordination.
There is a need for a dedicated ‘executive’ leadership function, to drive through initiatives, deal with conflicts and issues as they arise, represent stakeholders if required and to provide clarity on roles and responsibilities. This role can be fulfilled by the newly appointed Local Enterprise Partnership, Tees Valley Unlimited.

Moreover, given the numerous agencies and authorities with stakeholder interests in the study area, a strategic task force is recommended to improve coordination and present a ‘joined up’ message to private sector operators and potential investors. The functions that are required are described below:

- Ownership and coordination of sector development plans;
- Ongoing strategic intelligence to assist with key decision making and lobbying. Coordination of spatial development and the study area strategic spatial plan;
- Provision of available sites for development;
- Provision of knowledge & expertise to operators, investors and developers to ‘de-risk’ projects in relation to a range of issues e.g. grant access, electrical connection);
- Coordination of funding arrangements for off site infrastructure;
- Support to key existing operations and development projects to assist the private sector to achieve its objectives;
- Coordination, negotiation and communication between landowners, operators and agencies to identify mutually beneficial opportunities and resolve issues.

- Promotion, branding and lobbying. An extremely important function to improve the image of the study area, this should be allied to the sector development plans;
- A medium to long term plan to clear redundant sites;
- Agreement of individual private sector contributions by industry to a Low Carbon Industrial Transition Economic Area.

3) Local Energy and Site Infrastructure Proposals.
These five related projects include:

- Improving availability of key wayleave corridors either through investment or influence to provide access to pipeline corridors for key operators and investors;
- Exploring options for integrating energy use, especially at North Tees / Seal Sands;
- Development of district heat networks;
- Site Energy Optimisation, through provision of specialist external expertise (where required) to assist industry in optimising energy production and use;
- Influencing service costs in order to obtain competitive rates through assistance to operators and / or service providers by financial influence or lobbying.

4) Transport and Logistics.
These projects include:

- North South Tees Roads - review and monitoring of local road network and monitoring /co-ordination of public and private sector investments;
- Development of a River Management Database as a strategic tool to de-risk capital dredging, if and when required;
- North South Tees Rail Interventions – including formation of a rail users group to identify opportunities for increased use of rail sidings and rail heads and to assess connectivity.

Assessment of interventions in terms of urgency and importance indicates the following high priorities:

- Agree and implement the overarching leadership and coordination function including developing a clear and consistent message – with effective engagement with regional and national bodies;
- Specific support to key development projects;
- Agree the land use planning protocol – protect the key sites and coordinate infrastructure improvements;
- Compile sector development plans for bulk chemicals, steel, carbon capture and storage, offshore wind and oil / gas / marine decommissioning.

Strategically, the North East has recently been named (July 2009) as a Local Carbon Economic Area (LCEA), initially in relation to ultra low carbon vehicles (and the Nissan plant in Sunderland). Tees Valley Unlimited (TVU) is seeking to widen this opportunity to include existing and emerging sectors within the Tees Valley such as offshore wind, district heat systems and carbon capture and storage and to define a ‘Centre for Excellence for the Low Carbon Industry’ within Tees Valley.
Harnessing wind energy in an industrial environment
3.4 Developing new industries

The New Space for New Opportunities proposal recognises the importance of the industrial estates in South Tees, such as Warrenby Industrial Estate and Teesport Commerce Park, the SME’s that are the ‘lifeblood’ of these estates and the need to provide opportunities for future growth and development of the business base.

3.5 Supporting Projects

A set of supporting projects will create the conditions for the successful delivery of the core themes of the South Tees Delivery Plan.

Transport and Connectivity

A number of improvements are proposed to guarantee continued high quality access to industry, as an attractor to new businesses and industries. This includes improvements to the existing rail infrastructure to accommodate high shipping containers between South Tees and the East Coast Mainline and a new east-west link. Junction improvements along the A66 will aid traffic flow along this priority route into the Borough and South Tees. Investment and improvements to South Bank train station (within the Greater Eston Spatial Framework and Proformas) which will promote it as a viable station for commuting purposes and provide improved access to local employment sites, strengthen public transport links for business and connect residential areas to the wider region.

Skills and Training

Education and training is a fundamental project that supports all of the industries and will be critical for re-training those that are affected by the current job losses. This includes opportunities to enhance linkages between schools, colleges and careers advice and considers the new skills that will be required in South Tees in the future.

Environmental Projects

The provision of well planned and structured boundary treatments (Green Shoots) are proposed to existing and new industries to help mitigate negative visual effects, as well as providing wildlife corridors. This will also serve to further create a visual buffer between the industry and residential areas at Greater Eston, whilst not impacting on their accessibility. A long term project to preserve and retain the disused tower (Dorman Long) at South Bank Coke Ovens as an iconic structure will provide a framework around which long term regeneration can take place.

3.6 Projects

The spatial framework for South Tees and the location of the projects are illustrated opposite. The projects are summarised in the following tables and further detail is provided in the ‘Project Proformas’ contained in an appendix to this document.
3. Spatial Framework for the South Tees Area

KEY
- Existing Port (ST3)
- Borough boundary
- Railway
- Train Station
- Industrial estate improvements
- Potential direction of port growth
- Eco park (ST3)
- A66/A1065 corridor focus for development
- Boundary treatments (ST6)
- New South Tees dock road (ST5)
- A66 Junction Improvements

KEY PROJECTS
A Teesport commerce park (ST4)
B Tilbury Road, Greater Eston (GE5)
C Remodelled South Bank, Greater Eston (GE7)
D Motorsports park, Greater Eston (GE5)
E Land north of the motorsports park, Greater Eston (GE5)
F Skippers Lane, Greater Eston (GE5)
G South Bank Coke Ovens - disused tower as an iconic structure (ST8)
H Bran Sands Lagoon drained and filled for critical port infrastructure
J Warrenby industrial estate (ST4)
**3. Spatial Framework for the South Tees Area**

<table>
<thead>
<tr>
<th>Land Assembly</th>
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<tr>
<td><strong>Economic</strong></td>
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<tr>
<th>New Development – Transformational Programme</th>
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<tr>
<td><strong>Economic</strong></td>
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</table>
### Transport

#### Connectivity

**ST5 South Tees Transport Strategy**

The South Tees: Industrial Excellence project will be delivered over a 15 year time period. A wide ranging programme of transport measures, to ensure that development projects can be adequately supported, have been brought together in a single package to maximise the attractiveness of South Tees as a destination for major industry.

The measures seek to deliver the following:

- Ensure that access from South Tees to the strategic highway network is maintained and, where possible, improved;
- A66 Junction Improvements
- Rail improvements across South Tees, with particular regard to existing and future industrial / businesses requirements, providing appropriate infrastructure for increased movement of rail freight;
- The movement, from east to west, across South Tees.

### Skills

#### Economic

**ST6 Training for industrial Excellence**

Ensuring that young people within the Borough are equipped with the correct skills to support the needs of the industries. A core focus of this project therefore is to establish links with universities and colleges to address some of the established and anticipated skills issues that will ensure that Redcar & Cleveland is able to remain at the cutting edge of these core industries.

### Environmental

#### Environmental

**ST7 Green Shoots**

Provision of well planned and structured boundary treatments to existing and proposed industries to help mitigate negative visual effects, as well as providing wildlife corridors and habitats.

**ST8 South Bank Coke Works**

Preservation / retention of the disused tower (Dorman Long) at South Bank Coke Ovens as an iconic structure around which regeneration can take place.

There are 2 suggestions for the tower;

- make it structurally safe, clean the façade and add feature lighting;
- make it structurally safe, clean the façade explore potential for adapting its use as accommodation for SME businesses (single / multi storey) plus feature lighting.
Projects relating to sustainable communities are contained within the Greater Eston, Redcar and East Cleveland spatial frameworks. These include:

- Attracting highly skilled workers to live in the Borough:
  - Quality housing in Greater Eston;
  - Cote d’ Redcar – Living by the Sea and a Sustainable Redcar House;
  - Town Strategies – focusing particularly on Guisborough, Loftus and Saltburn;
  - Extending the influence of the National Parks Boundary.

There are also proposals for celebrating the industry of the South Tees, past, present and future, through for example, an industrial trail.
3.7 Worklessness

Although the Borough has benefited from the large employment base at South Tees, there has been a contradiction between the scale of this local employment and the numbers of unemployed people and those who are workless. This reflects the higher skilled nature of many of the jobs, and the employers’ need to recruit the best possible candidates for jobs.

There is a need to work with many stakeholders to make more opportunities at South Tees available to local people and to remove barriers. This objective will be partly taken forward through the Borough’s Worklessness Strategy. There are a number of issues identified through the consultation process and opportunities generated by the Regeneration Masterplan which need to be taken into account in the delivery of responses to worklessness. Major issues include:

- Many young people do not have the skills to take up employment opportunities;
- There are transport difficulties in accessing many of the employer locations in South Tees.

With regard to South Tees, the Worklessness Strategy, aimed at those with fewer qualifications and limited work experience, should focus on:

- Identifying replacement demand and new employment opportunities to help prepare bespoke training courses for appropriate employment opportunities for target groups;
- Work with employers to understand their needs, where possible involving them in the design of training;
- Identify transport solutions that enable local residents to take up employment.

3.8 Outcomes and Impacts

It is important to understand what the outcomes and impacts of the South Tees projects will be on the economy of Redcar & Cleveland. South Tees is a major industrial and port location. In spite of the current recession a number of new inward investment opportunities are being pursued. The employment forecasts include these known opportunities, the potential for the port to increase its capacity and the likely benefits from the Enterprise Zone. The key interventions should create some 4,800 jobs, and bring forward nearly 300 ha of land.

<table>
<thead>
<tr>
<th>Key Project</th>
<th>Output</th>
<th>Companies</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Zone</td>
<td>235 hectares of land made available</td>
<td>60 new businesses by 2015</td>
<td>1,800 jobs*</td>
</tr>
<tr>
<td>Eco-Park</td>
<td>56 hectares specialist business park</td>
<td>6 companies assisted</td>
<td>900 jobs</td>
</tr>
<tr>
<td>South Tees Port / Wharfside</td>
<td>Upgrading of Port capacity</td>
<td>n / a</td>
<td>2,000**</td>
</tr>
<tr>
<td>Energy Enterprise</td>
<td>n / a</td>
<td>n / a</td>
<td>50 jobs</td>
</tr>
<tr>
<td>New Space for New Opportunities</td>
<td>1,500m² of employment space</td>
<td>6 companies assisted</td>
<td>60 jobs</td>
</tr>
<tr>
<td>Skills for a modern economy</td>
<td>70 training beneficiaries per annum</td>
<td>10 companies assisted</td>
<td></td>
</tr>
</tbody>
</table>

* Enterprise Zone job calculations are based upon private sector led major inward investment through capital allowances
** Port plans indicate up to 7,000 jobs. This is over an extended time period. Potential for 2,000 jobs over the short and medium term.
4. Delivery Plan
4. Delivery Plan

4.1 Structure and Governance

**Tees Valley Unlimited**

The programme of works for the delivery of the South Tees plan is designed to roll out from 2011 onwards. The delivery of the South Tees Spatial Framework will be carried out by the Local Enterprise Partnership, known as Tees Valley Unlimited, supported by RCBC. This body will deliver the Redcar & Cleveland Regeneration Masterplan programmes for South Tees, in the context of the Tees Valley Industrial Government programme.

**Enterprise Zone**

In support of the core belief that economic growth and job creation should be led by the private sector, the 2011 Budget saw the Chancellor introduce Enterprise Zones (EZs) as an accelerator of change to the economy. The Tees Valley has been identified to host an EZ, alongside 21 other areas across England. The Tees Valley EZ will encompass 12 individual sites across the five Tees Valley boroughs, offering stimulating financial incentives to help attract real investment and growth and deliver significant job opportunities by 2015 and beyond.

The rationale for The Tees Valley Enterprise Zone is to:

- Support existing petrochemical, process and engineering industries to modernise making them more sustainable and competitive
- Create an attractive platform to secure large-scale inward investors, particularly foreign direct investment in the petrochemical, process and advanced engineering sectors
- Encourage the growth of existing and new supply chains to support our large-scale industries
- Support the emerging and fast growing digital sector

Tees Valley Enterprise Zone will be led by Tees Valley Unlimited and will offer benefits to the following site within the South Tees masterplan area:

- PD Ports / South Bank Wharf
- Wilton Industrial Site - The Wilton Industrial Site in South Tees is one of only a small number of areas across the country which can now additionally offer large-scale occupiers enhanced capital allowances against the cost of their plant and machinery.

All business rates growth within the zone for a period of at least 25 years will be shared and retained by the local area, to support the Partnership’s economic priorities and ensure that Enterprise Zone growth is reinvested locally.

**Developer Contributions**

In the longer term, inward investment and developer activity will have been stimulated in the South Tees area and it may be possible to secure developer contributions from either Section 106 contributions or from the Community Infrastructure Levy.

**Section 106 Contributions**

In the context of the Regeneration Masterplan, it may be possible to secure Section 106 contributions, as a result of developer interest in South Tees. In the near to medium term, given market constraints, it will be difficult to secure Section 106 contributions. In the longer term, there will be more opportunity to do so; however the impact of the proposed introduction of the Community Infrastructure Levy must be considered.

**Community Infrastructure Levy**

The Community Infrastructure Levy (CIL) is a new charge through which local authorities in England and Wales will be empowered, but not required, to charge on most types of new development in their area.

CIL charges will be based on simple formulae which relate to the size and character of the development paying it. The proceeds of the levy will be spent on local and sub-regional infrastructure to support the development of the area.

The advantages of CIL focus on the opportunity to secure more predictability and certainty for developers as to what they will be asked to contribute. The Levy will also:

- increase fairness by broadening the range of developments asked to contribute;
- allow the cumulative impact of small developments to be better addressed; and
- enable important sub-regional infrastructure to be funded.

As with Section 106 contributions, in the longer term, following an upturn in the market, the Community Infrastructure Levy could provide a mechanism to secure developer contributions for infrastructure provision within the South Tees spatial area.

---

Part 1

Drivers of change

Delivery Plan

Section 106 Contributions

Community Infrastructure Levy
4.2 Delivery Strategy and Frameworks

Based on the approach to delivery outlined in the Economic Futures: Regeneration Strategy report, the projects for South Tees have been structured according to:

- Foundation – 0-3 years;
- Transformation – 3-8 years; and
- Sustained Regeneration – 8-15 years.

This approach will ensure that long-term sustainable regeneration is built on the foundations of existing initiatives and delivered through the successful implementation of transformational projects.
South Tees Industrial Excellence – Delivery Framework Transformation Stage:

1. Develop the onward economic strategy and programme for South Tees based upon investment in industrial excellence and in particular emerging sectors of energy and environmental technologies
2. Continuing the TVU strategic land acquisition and assembly programme through the Enterprise Zone, or other public funding;
3. Support aspirations for further expansion of Teesport;
4. Focus on new sectors with continued progress on the development of an Eco Park in South Tees and realisation of sector development plans through TVU
5. Continue the delivery of the Training for Industrial Excellence related programmes initiated in the foundation stage;
6. Give industry a genuinely competitive advantage through the delivery of significant rail improvements.

South Tees Industrial Excellence – Foundation Stage:

1. Lead on the acquisition of land and facilitate future development
2. TVU to establish The Enterprise Zones within Redcar and Cleveland to facilitate inward investment
3. Prepare the groundwork to create an Eco Park in South Tees in the transformation stage
4. Implement training and skills projects to equip the workforce with the correct skills to support the needs of South Tees industries, further supporting the delivery of Training for Industrial Excellence, and
5. Invest in infrastructure and environmental improvements to support the regeneration of South Tees, such as Green Shoots and You’ve arrived in South Tees.
6. Begin a programme of regeneration to provide appropriate business accommodation in the South Tees spatial area, though New Space for New Opportunities, which will satisfy local demand and capture small scale inward investment.

South Tees Industrial Excellence – Delivery Framework Sustained Regeneration Stage:

1. Bringing new 21st century industry to South Tees, which will benefit Redcar & Cleveland residents;
2. Celebrating the industrial heritage through projects such as South Bank Coke Ovens;
3. Continuing to look to the future.

The transformation of South Tees is complete. The sustained regeneration phase of the Regeneration Masterplan will encourage further inward investment into South Tees, increasing industrial diversification and ensuring that the area is no longer over-reliant on declining, established industries. This will take place within the Eco Park and also on the strategic sites that have been acquired and assembled by TVU in the foundation and transformation stages. South Tees will combat the effects of the recession attracting new businesses into the area from growing sectors, such as waste and recycling, activities associated with the Port, such as decommissioning, energy synergy, advanced manufacturing and logistics and distribution.

South Tees begins to benefit from the foundations laid by TVU (supported by RCBC). Projects aimed at sustaining and expanding its core sector strengths, whilst at the same time welcoming much-needed diversity into its industrial offer, begin to crystallise. Meanwhile, the strategic infrastructure necessary to encourage and enable these expansion plans will be delivered. It is intended that two key projects will drive the transformation of the South Tees area during this stage:

- Launch of the Eco-Park; and
- Further development of the South Tees Port.
4. Delivery Plan

4.3. Programme & Programme Delivery Issues

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<td>ST1 South Tees Accelerated Development Zone</td>
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<td>ST2 Eco Park</td>
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<td>ST5 South Tees Transport Strategy</td>
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<td>ST7 South Tees - Green Shoots</td>
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The Regeneration Masterplan is a 15 year strategy in a period of ongoing economic change. As such, the service plans produced by RCBC directorates may alter the programming of certain projects.
Programme Delivery Issues

The Sub-Regional Local Enterprise Partnership, Tees Valley Unlimited

TVU is the primary delivery mechanism for delivery of the South Tees spatial masterplan objectives (supported by RCBC). TVU is very much delivery-focussed, working within a North-South Tees framework and there will be a need to coordinate activity with Redcar and Cleveland Borough Council and their delivery team known as Redcar and Cleveland Development company.

For this reason, the Terms of Reference and Business Plan for TVU with regard to the South Tees area must be clearly defined and managed. It is important that a coherent approach is co-ordinated for North and South Tees together, but that the aims, objectives and vision for South Tees are achieved.

Land Ownerships

Sahaviriya Steel UK (SSI) and Tata UK are major landowners in South Tees. Delivery of the South Tees masterplan will require engagement and commitment from SSI & Tata to reach a resolution regarding land ownerships that enables the area to move forward. This is a complex issue and will need to be sensitively managed. It will be driven forward at a strategic level by TVU.

Land Assembly

It will also be necessary to ensure that there is a supply of land for development, in order to support the long term strategy for South Tees. Identifying specific sites and understanding the core site specific issues within them will be informed by the North South Tees Industrial Framework. This will provide an understanding of the land assembly issues facing particular strategic sites and how and when these may come forward. Assembling land in South Tees, much of which is currently within private ownership and much of which requires extensive remediation, is a fundamental component of the South Tees plan.

Established Industries

The industrial landscape of South Tees is changing. Primary processing industries, once the lifeblood of the area, are vulnerable and there have been a number of announcements of disinvestment from established companies in the area. This South Tees Spatial Framework and Delivery Plan must be co-ordinated in such a way that it is flexible to this changing landscape and able to respond accordingly.

Growing New Sectors

A number of growth sectors have been identified, which demonstrate potential for South Tees, in respect of industrial diversification. These include waste and recycling, activities associated with the Ports, (e.g. decommissioning), energy synergy, advanced manufacturing and logistics and distribution. The South Tees spatial masterplan must strike a balance between protecting and sustaining established industry and securing new investment from growth sectors into the area.

Linking Training and Skills to Industry

Now, more than ever, it is critical to link training and skills development programmes to the needs of established industries, including in response to changing business practices, and, perhaps more importantly, potential inward investors. For the Borough to benefit from the employment opportunities created through the additional investment that will be secured as part of TVU’s programme of intervention and the delivery of the South Tees spatial masterplan, an integrated approach is required. Young people and the existing workforce must be provided with the opportunity to gain skills in relevant qualifications, (in particular apprenticeships), re-skilling and up-skilling opportunities must be provided and links must be strengthened with further and higher education institutions to ensure the workforce remains competitive and responsive to evolving industry requirements.
## Foundation Stage: 0-3 Year Projects

<table>
<thead>
<tr>
<th>Project Ref</th>
<th>Project</th>
<th>Project Delivery Issues / Risks</th>
<th>Required Actions</th>
<th>Role / Responsibility</th>
<th>Funding Route</th>
<th>Timescale</th>
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</table>
| ST 1        | Enterprise Zone | • The Local Development Order / Simplified Planning Zone will need to be drawn up carefully to recognise the existing use pattern which includes a number of hazardous installations  
• The EZ strategy should build on the special qualities of the Wilton site - with land reserved of major strategic users, this can be achieved by using the Kirkleatham site for more ‘general’ business requirements, delivery on both sites will therefore need to be ‘joined up’.  
• Delivery will be time dependent and the lead in time on major projects can be significant - focussing on some early wins will therefore be important | Development stage  
1. Heads of terms for project  
2. Cost establishment - external funding available  
3. Resource requirements to deliver  
Delivery stage  
4. Enterprise Zone designation  
5. Simplified Planning Zone  
6. Public/ Private Sector - Gap Funding / Capital Allowances / Business Rate Discount. | TVU with RCBC | N / A | Apr ‘11  
TVU with RCBC | N / A | Sep ‘11  
TVU with RCBC | N / A | Sep ‘11  
TVU with RCBC | TVU | Apr ‘12  
TVU with RCBC | TVU | Apr ‘11  
TVU with RCBC | TVU | Apr ‘12-17 |
| ST4 | New Space for New Opportunities | • Competition from other locations;  
• Pressure on budgets;  
• Further market testing required to determine the appropriate scale of new business premises;  
• Need to engage private sector owners to secure the sub-division of existing property. | • Establish estates regeneration fund;  
• Establish Enterprise Zone;  
• Implement project – prioritise Warrenby Industrial Estate / Teesport Commerce Park. | RCBC  
RCBC, with TVU  
RCBC | Private Sector / ERDF  
Private Sector / ERDF  
Private Sector / ERDF | Apr ‘11  
Sept ‘11 onwards |
<table>
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<tr>
<th>Project Ref</th>
<th>Project</th>
<th>Project Delivery Issues / Risks</th>
<th>Required Actions</th>
<th>Role / Responsibility</th>
<th>Funding Route</th>
<th>Timescale</th>
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<tbody>
<tr>
<td>ST4</td>
<td>New Space for New Opportunities (Continued)</td>
<td>• Securing available sites; • Attracting private sector interest; • Estate management issues to maintain quality and attractiveness of development; • Provision of adequate infrastructure: transport, services, and ICT.</td>
<td>• Sign location identification; • Consultation on design and location of signs; • Construction.</td>
<td>RCBC</td>
<td>N / A</td>
<td>Apr ’10 June ’10 Sept ’10</td>
</tr>
<tr>
<td>ST5</td>
<td>You’ve arrived in South Tees</td>
<td>• Gateways are not considered worthwhile by local people; • The number of gateway locations causes delay at some locations; • Securing suitable sites; • Construction risks.</td>
<td>• Review priorities from Sector Skills Councils; • Open forums with each priority industry; • Form Skills Board – public / private partnership to guide priorities; • Secure funding; • Prepare skills strategy; • Implement skills strategy; • Performance review / evaluation.</td>
<td>RCBC</td>
<td>N / A</td>
<td>Apr ’10 June ’10 Sept ’10</td>
</tr>
<tr>
<td>ST6</td>
<td>Training for Industrial Excellence</td>
<td>• Changing national education policy; • Ensuring engagement and support of industry; • Providing relevant training in a changing environment; • Sufficient take-up of places offered.</td>
<td>• Focus on priority area; • Secure funding; • Appoint designers; • Commence improvements; • Co-ordinate longer term S106 strategy for tree-planting.</td>
<td>RCBC</td>
<td>N / A</td>
<td>Jan ’10 Sept ’10 June ’11 June ’12</td>
</tr>
<tr>
<td>ST7</td>
<td>Green Shoots</td>
<td>• Access to proposed site; • Long-term maintenance and management liability.</td>
<td>• Access to priority area; • Secure funding; • Appoint designers; • Commence improvements; • Co-ordinate longer term S106 strategy for tree-planting.</td>
<td>RCBC</td>
<td>N / A</td>
<td>Jan ’10 Sept ’10 June ’12</td>
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</table>
## Transformation 3-8 Year Projects

<table>
<thead>
<tr>
<th>Project Ref</th>
<th>Project</th>
<th>Project Delivery Issues / Risks</th>
<th>Required Actions</th>
<th>Role / Responsibility</th>
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<th>Timescale</th>
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<tbody>
<tr>
<td>ST2</td>
<td>Eco Park</td>
<td>• Ground conditions and remediation; • Securing planning and other approvals; • Sufficient demand for products to maintain viability; • Construction risk; • Land Assembly</td>
<td>• Secure investment from Graphite Resources; • Co-ordinate and agree the funding package; • Planning permission for new developments; • Implement programme.</td>
<td>RCBC, with key partners</td>
<td>N / A</td>
<td>Sept ‘13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RCBC</td>
<td>N / A</td>
<td>Dec ‘13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RCBC, with advisors, TVU</td>
<td>Private sector, TVU and other public sources</td>
<td>Dec ‘13</td>
</tr>
<tr>
<td>ST3</td>
<td>South Tees Port / Wharfside and development of associated activity</td>
<td>• Implementation subject to prevailing international trade conditions; • Limited public sector influence on this private owned industry; • The need to consider the Teesmouth and Cleveland Coast special protection area.</td>
<td>• Alignment of South Tees Masterplan Projects to growth and expansion aspirations of Teesport.</td>
<td>TVU with RCBC</td>
<td>Private Sector</td>
<td>TBC</td>
</tr>
<tr>
<td>ST5</td>
<td>Improving Linkages to South Tees Highways</td>
<td>• Linkages are too costly for the return in benefits; • Land for new links is unavailable as owned by large land holders; • New linkages will open up development sites that are not then occupied; • Unforeseen costs of diversions of existing services and rail crossing temporary closure.</td>
<td>• Commission feasibility report; • Open discussions with TVU regarding central government major business case bid; • Secure funding package; • Open discussions with private landowners for potential access routes; • Implementation.</td>
<td>RCBC</td>
<td>DfT / TFTV</td>
<td>Apr ‘13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RCBC</td>
<td>DfT / TFTV</td>
<td>Apr ‘14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RCBC</td>
<td>DfT / TFTV / S106 / CIF / private sector</td>
<td>Dec ‘14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RCBC</td>
<td>Apr ‘15</td>
<td>Dec ‘15</td>
</tr>
<tr>
<td>Project Ref</td>
<td>Project</td>
<td>Project Delivery Issues / Risks</td>
<td>Required Actions</td>
<td>Role / Responsibility</td>
<td>Funding Route</td>
<td>Timescale</td>
</tr>
<tr>
<td>------------</td>
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</tbody>
</table>
| ST5        | **Improving Linkages to South Tees Industry - Rail Improvements** | • Overall regional rail capacity not available to accommodate additional freight services from Teesport and wider South Tees area  
• Central Government chooses to fund other similar schemes rather than supporting the development of the East Coast Main Line (ECML)  
• Extended time frame due to regulatory constraints  
• Changes to national transport policy relating to rail ownership  
• Impact and input from Traffic Control Order (TCOs).  
• Modelling of the scheme may not prove that the scheme is worthwhile;  
• The construction costs and associated land purchase may be too high for the funding available;  
• Negotiations with Corus must be successful to gain the full advantages of the new link;  
• Cost risk associated with existing services and their diversion;  
• Land assembly and access issues;  
• Overall project viability;  
• Construction risk;  
• Cost risk associated with existing services and their diversion;  
• Ensuring sufficient flexibility and capacity is incorporated into the design to suit future development possibilities. | • Open discussions with TVU regarding central government major business case bid  
• Drive forward lobbying for project through STITF  
• Establish future rail requirements in line with future sector development in South Tees  
• Implement ECML and local rail improvements.  
• Strategic modeling work of the road with different options to define the most effective solution;  
• Cost benefit analysis of the various options;  
• Selection of the preferred option;  
• Consultation with local stakeholders;  
• Detailed design;  
• Construction. | RCBC    | N / A            | Apr ’10        |
|            |                                             |                                                                                              | RCBC                                                                                                                                            | RCBC                  | N / A             | Apr ’10 / 11     |
|            |                                             |                                                                                              | RCBC / TVU                                                                         | DfT                   | Apr ’13          |
|            |                                             |                                                                                              | RCBC / TVU                                                                         | DfT                   | Apr ’15 onwards  |
| ST5        | **South Tees Dock Road**                     |                                                                                              | RCBC                                                                                                                                            | RCBC and TVU, Private Investment | | Apr ’14        |
|            |                                             |                                                                                              | RCBC                                                                                                                                            | RCBC                  |                     | June ’14        |
|            |                                             |                                                                                              | RCBC                                                                                                                                            | RCBC                  | Sept ’14         |
|            |                                             |                                                                                              | RCBC                                                                                                                                            | RCBC                  | Sept ’15         |
|            |                                             |                                                                                              | RCBC                                                                                                                                            | RCBC                  | April ’16        |
### Delivery Strategy Funding Route: Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF TV</td>
<td>Transport for Tees Valley</td>
</tr>
<tr>
<td>SFA</td>
<td>Skills Funding Agency</td>
</tr>
<tr>
<td>SSC</td>
<td>Sector Skills Council</td>
</tr>
<tr>
<td>ESF</td>
<td>European Social Fund</td>
</tr>
<tr>
<td>DIT</td>
<td>Department for Transport</td>
</tr>
<tr>
<td>S106 / CIF</td>
<td>Section 106 planning agreement / obligation and / or Community Infrastructure Fund / Levy</td>
</tr>
<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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</tbody>
</table>

### Programme Funding Profile

<table>
<thead>
<tr>
<th>Programme / Project</th>
<th>Outcomes / Impacts</th>
<th>Total Budget</th>
<th>Total public sector spend required / committed</th>
<th>Delivery Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Zone</td>
<td>235 hectares of land made available 60 new businesses by 2015 1,800 jobs</td>
<td>£260m</td>
<td>£50m</td>
<td>Tees Valley Enterprise Zone</td>
</tr>
<tr>
<td>Eco Park</td>
<td>900 additional jobs</td>
<td>£135m</td>
<td>£2.47m</td>
<td>Private sector delivery, with £2.47 million committed from public sector funding sources</td>
</tr>
<tr>
<td>PD Ports Wharfside</td>
<td>2,000 additional jobs (7,000 in the long run)</td>
<td>£300m</td>
<td>£0</td>
<td>Private sector delivery</td>
</tr>
<tr>
<td>New Space for New Opportunities</td>
<td>1,500m² of premises 60 jobs</td>
<td>£4m</td>
<td>£1m</td>
<td>ERDF and Private Sector</td>
</tr>
<tr>
<td>Connectivity Projects</td>
<td></td>
<td>£26.35m</td>
<td>£26.35m</td>
<td>Major business case application to DfT required. Some private sector investment may be included</td>
</tr>
<tr>
<td>Environmental Projects</td>
<td></td>
<td>£5.25m</td>
<td>£3.25m</td>
<td>RCBC Cap Prog.</td>
</tr>
<tr>
<td>Training for Industrial Excellence</td>
<td>70 training beneficiaries per annum</td>
<td>£1.12m</td>
<td>£1.12m</td>
<td>Partnership between RCBC, SFA, SSC’s, Private Sector</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>£731.72 million</td>
<td>£84.19 million</td>
<td></td>
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</tbody>
</table>