

## Finance for Business North East Fund

North East England has launched a £125m 'super fund' aimed at supporting hundreds of businesses which will help lead the North East's economic recovery.

The Finance for Business North East Fund will underpin the growth of business start-ups, technology-based companies and growing smaller businesses, helping to create jobs and prosperity for the region through targeted loans and equity investments.

Over the next five years, it will support up to 850 small and medium-sized North East companies, with the aim of creating more than 5,000 jobs.

The European Investment Bank is committing £62.5m into the fund, with £44.25m coming from the European Regional Development Fund 2007-2013 and £18.25m from regional development agency One North East. The fund is the first of its type to go live in England.

Finance for Business North East comprises six separate funds:

- NorthStar Equity Investors, an active early stage fund management company established in Newcastle since 2004, will manage the £15m Technology Proof of Concept Fund and the £20m Seed Fund.
- IP Group, which operates on a nationwide basis, will run the £25m Technology Fund from offices in Newcastle.
- Rivers Capital Partners – a new joint venture between leading technology investment firm E-Synergy and local business advisors Finance Tree of Newcastle - will manage the £7.5m Angel Match Fund.
- FW Capital, a specialist in regional investment will manage the £20m Growth Plus Fund through their new North East office.
- NEL Fund Managers, of Newcastle, will run the £20m Growth Fund.

North East Finance, based in Newcastle, will oversee the day to day running of the fund.

## Tees Valley Industrial Programme

In December 2009 the Government and One North East announced a joint £60m package of support to accelerate the transition towards a low carbon and advanced manufacturing economy in the Tees Valley, called the Tees Valley Industrial Programme (TVIP).

Since the programme's launch One North East has committed £20m which will result in the creation of over 1,200 jobs, safeguarding a further 1,100 jobs, catalysing £180m of business investment and helping create almost 700 new businesses.

Companies benefiting from the additional investments include:

- £2m into MSD Biologics UK Ltd (formerly Avecia), based in Billingham – creating up to 75 jobs over the next three to five years. The investment will allow the manufacturer of high-quality, technologically advanced biopharmaceuticals to upgrade its commercial manufacturing facility (ABC5000).
- £2m into PYReco, based in Wilton – creating 52 jobs. The investment will help fund the development of a new processing plant for the reclamation and recycling of tyres and rubber to recover carbon black, steel and oil. The project is also expected to create 240 construction jobs over the next five years.
- £1.5m into Billingham-based Tees Alliance Group, building on the Department for Energy and Climate Change's earlier investment to help the company supply the offshore wind industry, creating 110 new jobs and safeguarding a further 33. Total employment linked to the project is estimated at over 400.

The programme is also investing a £2.4m package of support for engineering apprentices. Around 150 apprentices in the Tees Valley will receive help over the next two years, including 65 from Corus's Teesside Cast Products plant.

Further examples include:

- £1.4m to help business start-ups and to support existing firms that will create and safeguard 400 jobs.

- £1.5m in European Regional Development Fund 2007-2013 support to extend enterprise coaching services as part of the Local Enterprise Growth Initiative (LEGI). The initiative aims to help increase numbers of new start-up businesses by 300 a year.

£5m to help Tees Valley companies improve their resource efficiency. The project will lever in £25-30m of private sector investment and safeguard 500 jobs.

## North East England: Leading the World in Electric Vehicle Development

One North East is establishing a leading environment for the development of low carbon vehicle technology after North East England was named as the UK's first 'Low Carbon Economic Area for Ultra-Low-Carbon Vehicles' in July 2009 by Prime Minister Gordon Brown.

One North East is investing £30m into electric vehicle development with additional funding pledged from the Government and the European Union.

Plans to develop the Low Carbon Area were given an extra boost in March 2010 when Nissan announced that it will manufacture its very first electric vehicle, the LEAF, at its production plant in Sunderland. The site will also be home to the 'European Mother Plant' for electric battery production. Together these developments will pave the way for hundreds of new skilled jobs, and secure many more roles and investment in the local supply chain.

The Low Carbon Economic Area, centred around Sunderland, South Tyneside and Easington in County Durham, will include:

- The National Low Carbon Vehicle R&D Centre (includes expertise from all five North East universities and is linked to new degree courses at the University of Sunderland);
- The National Training Centre for Sustainable Manufacturing – this the first training centre to specialise in the manufacture and maintenance of ultra-low carbon vehicles;
- An open-access test track for companies in the low carbon vehicles sector and;
- A turbine business park near Nissan to attract firms in the low carbon sector.

Working with key public and private sector partners, One North East is currently developing a strategy to take forward its electric vehicle ambitions. This includes rolling out the UK's first extensive electric vehicle charging point infrastructure.

A 'Plugged in Places' scheme has been created to carry out the instalments which will initially create three jobs to install the charging points across the region and protect 20 jobs in the public sector to repair and maintain them. It will also support 250 businesses to install charging points and train 500 people at companies installing the charging points with the skills to use them.

This trial will inform a fully-working regional infrastructure, which will be developed with support from major international partners, including Tesco, Capita Shopping Centres, British Gas, the AA and CE Electric UK.