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# 700 more jobs go in UK's north-east as work stops on energy plant

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Teesside's economy has suffered another employment blow with the sudden suspension of construction work on a renewable energy plant, costing 700 contractors their jobs.

The halt to construction at the Air Products TV2 site near Billingham, which is designed to turn waste into green energy, comes within weeks of the end of

iron and steelmaking at Redcar.

This has cost the local economy 2,200 direct jobs, plus around 1,000 contractor posts and hundreds more in the supply chain.

Andy McDonald, Middlesbrough's MP, described the latest news, which was triggered by the need to make changes to a sister plant, as "another industrial catastrophe and personal disaster for hundreds of families on Teesside".

Air Products was due this year to begin operating a £300m sister plant known as TV1. This was billed as the world's largest renewable energy facility and was expected to process up to 350,000 tonnes of waste and produce enough electricity for 50,000 homes.

TV1 was due to be commissioned last year and come into commercial operation this year, but Air Products said on Thursday it needed to make modifications to the plant before it could be commissioned. "As with many groundbreaking projects, improvements are identified as construction advances and new solutions are put in place," it said.

Consequently, construction of the £265m sister plant, TV2, has been suspended. Air Products described the suspension as temporary but could not give a date for its resumption. When building does restart, said Air Products, any modifications can be applied to TV2 cost-effectively.

Micky Blench, regional official for construction with the GMB union, said; "This is yet





another crushing blow for the workers on Teesside. Seven weeks away from Christmas 700 workers are told they are no longer required.”

He said TV2 was 75 per cent completed, with excellent productivity and very good labour relations.

TV2 was the subject of a deal in 2013 with the Cabinet Office, which agreed to buy its power for 20 years, meeting 2 per cent of the government’s overall energy consumption. The deal was expected to deliver £84m of savings through a fixed price agreement.

The twin blows of the Redcar closure and the suspension of work on TV2 are serious setbacks for Teesside as it tries to maintain but evolve its longstanding role as a centre of heavy industry expertise.

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