

3 September 2009

North Lincolnshire and North East Lincolnshire: *The South Humber Gateway*

Summary of policy/project

North Lincolnshire and North East Lincolnshire have established cross boundary infrastructure to develop economic opportunities on the largest employment site in Yorkshire and Humber.

Description

Located within the local authority boundaries of North Lincolnshire and North East Lincolnshire councils, the South Humber Gateway is the largest development site that fronts a deep-water estuary in the UK. It covers some four square miles – just under 1,000 hectares. Hardly surprising then, that it's a location in demand and with private capital pouring in worth an estimated £2bn over the coming years, it speaks volumes for investor confidence.

There is no lack of ambition to make this happen. The vision for the South Humber Gateway is for it to become the north of England's global gateway. This is eminently attainable, supported by the growth of the South Humber ports of Immingham and Grimsby that collectively are the UK's busiest by tonnage of cargo handled, accounting for 10% of the country's sea-borne trade. As the UK's fastest growing ports complex the ports are also a top ten European Port and the East Coast's largest ro-ro port.

The green light has also been given to a £100m improvement of the A160/A180 supported by an extra £30m from the Government that will further open up the South Humber Gateway and provide a direct link to the Port of Immingham. The area is also the base for a truly world-class energy centre with growing interest from the renewable process industries sector. It is home to two of the UK's largest oil refineries, owned by ConocoPhillips and Total UK, which provide 27 per cent of the UK's refinery capacity. Alongside this is the development of ConocoPhillips' combined heat and

power plant that will be one of the worlds largest. In addition to three large gas-fired power stations operated by Centrica and E.ON there are several smaller bio-mass power stations, with plans for a £600m investment from the Drax Group to build a biomass fuelled power plant. Other companies such as Abengoa, Europe's largest bio-ethanol producer, are committed to the SHG. The vast rural hinterland bordering the South Humber Gateway is capable of producing large supplies of bio-mass feedstock.

The South Humber Gateway is geographically and technically well placed to serve the needs of the rapidly expanding offshore wind sector in terms of installation, servicing and future manufacturing and assembly operations.

What problems does the policy/project solve?

The South Humber Gateway will make a major contribution to reducing carbon emissions and to the outcomes of the government's green energy agenda.

Has the idea worked elsewhere?

This is an emerging area of work so, although other areas are interested in the development of green energy production, few may have the land and infrastructure in place.

What were the difficulties of implementation?

Obtaining public funding for major infrastructure projects to match private investment can be a problem. State Aid appears to be a reoccurring issue in this regard and clarity about constraints is needed.

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What is the cost of implementation?

The estimated costs are approaching £200m. However, £140m of this funding is from the Highways Agency A160 Road Improvement Scheme.

What is the evidence of success?

Just weeks after councillors for North Lincolnshire Council were told of major investor interest in the South Humber Gateway, comes news of a multi-million pound investment that is set to create around 5000 jobs over the next 10 years.

It represents a huge development and vote of confidence in the local economy. 80 per cent of the four square miles covered by the South Humber Gateway falls in North Lincolnshire. Covering around 1,500 acres, this huge development is welcomed in the present economic downturn, when most parts of the country are losing jobs. A planning application by Able UK - a major landowner on the South Humber Gateway - has now been submitted to the council. If approved, it would signal direct investment by the company of around £100m. But it would trigger much greater levels of investment.

The project would see the creation of transport depots, warehousing and external storage areas, together with offices, a business park linked to the estuary, motel and truck stop restaurant. The area will be landscaped to both encourage and protect wildlife. Able UK plans to invest around £100m over the next ten years; plans must be processed through the councils planning procedure.

In addition, Drax Power Limited ("Drax") is planning a

£600m renewable energy plant - the Heron Renewable Energy Plant - on land at the southwest edge of the Port of Immingham. As part of the planning process, with consent from the Government's Department of Energy and Climate Change, Drax has pledged to consult widely with interested parties, including North Lincolnshire Council, the Environment Agency, Natural England, members of the public and other organisations.

The development will bring many benefits, including local employment opportunities, and contribution to reducing emissions of carbon dioxide ("CO₂") and other greenhouse gases. Up to 850 jobs will be created during the three-year construction, and 150 local jobs once the plant is operational. 1.85 million tonnes of CO₂ will be saved each year compared to emissions from the country's current generation mix, and each plant will provide enough renewable electricity to power around 530,000 homes.

After its success contracting for biomass supplies with local farmers, Drax is keen to encourage further development of locally grown energy crops and other renewable supplies. Drax is also committed to investigating options for increasing the overall efficiency of the plant through the supply of surplus steam and/or heat to local industry or housing.

Would this work in other Councils?

The South Humber Gateway is a very large area of land which may not be available to all councils but the partnership principles and the strategic infrastructure approach would be relevant.

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What advice would you give any Councils wishing to adopt this idea?

The key issue is the development of strong partnership working across council boundaries, with the wider public agency community, the private sector and local communities. Central to this is the creation of decision making bodies that can be influential in overcoming major challenges. Engaging with RDAs, government offices, local MPs and regional ministers is vital. Establishing funding streams and effective marketing strategies are other important issues.

Other Comments

It is essential to have a clear programme of projects, effective monitoring and a commitment to achieving clear outcomes.

For more information

For more information on this scheme please contact Gordon Kell, Community Planning Co-ordinate in North Lincolnshire. Email Gordon.kell@northlincs.gov.uk or phone 01724296007.

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