

NORTH LINCOLNSHIRE COUNCIL

CABINET

SOUTH HUMBER BANK – PROGRESS REPORT & CHALLENGES AHEAD

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report outlines progress on the South Humber Bank – the largest development site for employment in the north of England – and plans to maximise its potential for inward investment, jobs and long-term prosperity.
- 1.2 The key points in this report are as follows:
 - The need to put in place the appropriate governance arrangements to fully exploit the undoubted potential of the South Humber Bank;
 - The need to successfully market and brand the South Humber Bank as the north of England's globally recognised trade gateway to the world and the UK's energy and renewable capital;
 - Both regionally and nationally the South Humber Bank is recognised as of international importance by both the Government and the regional development agency, Yorkshire Forward;
 - The South Humber Bank covers an area of some 1,000 hectares – almost four square miles;
 - Over the period 2008 to 2013, inward investment of an estimated £2bn can be expected;
 - The Department for Transport has recently allocated £30-million to enhance the quality of the planned and strategically important £100-million upgrading of the A160/A180; and
 - The successful and sustainable development of the South Humber Bank is key to the long-term prosperity of North Lincolnshire, the Hull and Humber Ports City Region, and will make a key contribution to the wider region's prosperity and profile.

2. BACKGROUND INFORMATION

- 2.1 The South Humber Bank represents the largest single development site in the north of England. It is also the last strategic employment site in the UK, which fronts a deep-water estuary.
- 2.2 It boasts at the Port of Immingham the UK's busiest port (66m tonnes). The South Humber Bank is the location for more than a quarter (27 per cent) of UK refinery capacity.
- 2.3 The growth in port trade is impressive: over the period 1997 to 2006, UK port trade grew by 25million tonnes or 4.5 per cent. This compares with growth of nearly 11 million tonnes (24 per cent) on the South Humber Bank.
- 2.4 By the summer of 2009, the South Humber Bank will be the location for one of the world's largest Combined Heat and Power plants.
- 2.5 The Government regards the South Humber Bank of international importance – and has stated the right infrastructure must be put in place to maximise the long-term future of the UK's largest freight port. It has backed this by allocating £30-million to remove 'bottlenecks' and increase 'capacity' on 'road links to key ports'. This represents 10 per cent of a national allocation of £300m set aside for key national road and airport schemes.
- 2.6 Given that the South Humber Bank has a major role to play in attracting inward investment and raising the prosperity of North Lincolnshire, there is a need to put in place new governance arrangements. By doing so, the council can expect to enjoy greater influence in shaping the future direction and pace of change, thereby creating a location that can significantly raise the profile of this part of the UK.
- 2.7 If a dynamic and successful Hull and Humber Ports City Region is to be realised, the South Humber Bank is going to be integral to this.
- 2.8 Initial discussions have taken place with a range of partners. It is felt this strategically located, large-scale development site is promoted as the South Humber Gateway (SHG), along with a SHG Board. The board to comprise the leaders and chief executives of North and North East Lincolnshire councils, the heads of economic development from each council, an executive director from Yorkshire Forward and a senior officer from the Government Office for Yorkshire and the Humber. The council's South Humber Bank Manager would support the board's work.

- 2.9 The board would have a range of key functions. These could include: shaping the strategic direction of the South Humber Gateway; coordinating planning and planning gain; overseeing environmental issues; marketing; accessing funding and other resources; optimising developments; managing performance; and delivering on outcomes, investment, jobs, skills and exports.
- 2.10 A SHG Operations Unit would provide the necessary support skills to drive day-to-day operations, including planning, IT support, finance, and economic development and project management. This will be expected to liaise closely with key personnel from the Environment Agency, Natural England, the Ports Authority, landowners and other key bodies.
- 2.11 Given the key nature of this location, and the proposed governance arrangements, it is suggested there is merit in formally launching this initiative to give it the necessary profile and impetus.

3. OPTIONS FOR CONSIDERATION

- 3.1 **Option 1:** The council has an enviable record in attracting inward investment and diversifying its economic base. The proposals contained in this report to give added impetus to the development of the South Humber Bank, are consistent with this approach. The creation of a formal partnership arrangement and SHG Board is seen as key to this.
- 3.2 **Option 2:** Cabinet agrees to proceed as at present – that is, without closer collaboration, in a formal partnership with a range of key stakeholders, including Yorkshire Forward and the regional Government Office.

4. ANALYSIS OF OPTIONS

- 4.1 **Option 1:** While the present arrangement has delivered investment and jobs, the pace of development needs to move up a gear. This is vital if the council is to be in a position to persuade key partners, such as Yorkshire Forward and the regional Government Office, the potential exists to handle significant investment and market the site at a national and indeed international level. Unless it can, significant external funding, especially for key infrastructure projects and the prioritising of the site for inward investment, will not be forthcoming.
- 4.2 **Option 2:** This would be insufficient to persuade key partners that the council had the capacity and commitment to partnership working to drive forward the South Humber Bank at the pace necessary for an asset of this nature and quality.
- 4.3 **Option 1:** is consistent with the Cabinet's commitment to create a prosperous and diversified economic base, helping to bridge the

present and deep-seated prosperity gap between the north and the south-east. This option will ensure Yorkshire Forward and Government departments identify and drive forward the South Humber Bank as a priority site for investment and the creation of significant employment opportunities.

5. RESOURCE AND OTHER IMPLICATIONS

5.1 Financial

5.1.1 There are no direct financial implications arising from this report. The proposals are not about adding to the council's costs, but levering in external funding to speed up the pace of sustainable development, in both infrastructure and inward investment.

5.2 Staffing

5.2.1 No additional staffing is envisaged. But to ensure the pace of development is assured, there may be a need to second staff from within the service, as and when required.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 – CRIME AND DISORDER, RISK AND OTHER)

6.1 Statutory

6.1.1 There are no statutory implications arising from this report.

6.2 Environmental and Other

6.2.1 The proposals contained in this report, notably the creation of a SHG Board, would strengthen environmental safeguards, alongside an emphasis on sustainable development. The aim is to ensure the environment is given a high priority alongside objectives for economic development and growth. The two are view as complementary.

6.3 Diversity

6.3.1 It is vital that North Lincolnshire widens its skills base and creates the employment and training opportunities for all groups and individuals, and the successful development of the South Humber Bank has a major role to play in achieving this. There will be opportunities to inform the proposed SHG Operations Unit. Indeed, it is important this takes place.

7. OUTCOMES OF CONSULTATION

- 7.1 Consultation has taken place with a range of key stakeholders. In addition, two groups have been set up for this purpose: a South Bank Delivery Group and a South Bank Ecology Group. Consultations are ongoing. There is considerable support for the creation of a South Humber Gateway Board and the aims for this board. In the present economic climate, there is, unsurprisingly, widespread support for quickening the pace of development. There is support also for creating a successful and diversified economic base while ensuring the creation of a high quality natural environment.

8. RECOMMENDATIONS

- 8.1 Cabinet approves the branding of the South Humber Bank as the South Humber Gateway so as to maximise its potential and attract the support of key partners, including Yorkshire Forward, Government Office for Yorkshire and the Humber, and North East Lincolnshire Council.
- 8.2 That Cabinet approves the creation of a South Humber Gateway (SHG) Board, supported by a SHG Operations Unit. The SHG Board to comprise the membership as listed in paragraph in 2.8, and be responsible for those functions listed in paragraphs 2.9 and 2.10.
- 8.3 Cabinet to receive regular progress reports on key developments and issues relating to the South Humber Gateway.

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Background Papers used in the preparation of this report

Department for Transport News Release – *£30m boost for Immingham Port Access Improvements*, 25 November 2008
Paper to Regional Transport Board – 12 December 2008: *Regional Funding Advice to 2018/19: Overview of the RFA Review*.