

## **Economy, Culture and Tourism Scrutiny**

<b>DATE</b>	13/03/2025
<b>REPORT OF</b>	Carolina Borgstrom, Director of Economy, Environment and Infrastructure.
<b>SUBJECT</b>	South Humber Industrial Investment Programme (SHIIP), Economic Development and Inward Investment
<b>STATUS</b>	Open

### **CONTRIBUTION TO OUR AIMS**

The South Humber Industrial Investment Programme (SHIIP) was developed with the specific aim of supporting a 'Stronger Economy' through the development of industrial land by unlocking investment through the provision of a new link road, two ecological mitigation sites and the creation of infrastructure on the largest of our 6 Enterprise Zones.

### **EXECUTIVE SUMMARY**

SHIIP is a strategic programme, and one of the most ambitious industrial projects in North East Lincolnshire's history, with the primary goal of de-risking industrial investment given the complexities of developing close to the estuary.

Developed to unlock large scale industrial investment, create jobs, and generate income through retained business rates on our Enterprise Zones, this report gives an outline of the programme, the Enterprise Zone sites and some of the private sector developments they are attracting and the intricacies of realising these investments.

### **MATTERS FOR CONSIDERATION**

Scrutiny panel have requested a report which outlines the South Humber Industrial Investment Programme (SHIIP) priorities and progress, and information on Economic Development and Inward Investment across the borough. There is no decision required, but the panel is asked to consider the report.

### **1. BACKGROUND AND ISSUES**

The programme, developed in 2016, supported by £7.9m in grant funding through the Greater Lincolnshire and Humber LEAs, and European Regional Development Fund plus a £23.6m corporate investment, set out to deliver infrastructure improvements, unlock land for development, create jobs, and generate income through retained business rates on our Enterprise Zones.

Since the programme was developed, the SHIIP sites have been included within the outer boundary of the successful bid for a Humber Freeport, which, through retained

business rates on the Freeport tax sites will see reinvestment which promotes growth, job creation and trade.

North East Lincolnshire, and particularly areas around Immingham and Stallingborough, are also expected to benefit from the development of carbon capture, usage and storage (CCUS) projects, including the Viking CCS project which was confirmed as being awarded Track 2 status by the Department for Energy Security and Net Zero (DESNZ) in December 2023. Upon completion, this would transport captured carbon dioxide 55km from Immingham to Theddlethorpe, storing 10 million tonnes of CO<sup>2</sup> by 2030 into depleted gas reservoirs beneath the seabed.

The three key projects of SHIP are:

1. The Humber Link Road
2. The Strategic Mitigation Project
3. The development of the largest Enterprise Zone, now known as Pioneer Park.

The Humber Link Road, completed in January 2021, provided an upgrade and extension to Moody Lane to create a link to Hobson Way in Immingham, creating the new Energy Park Way. This 1.5-mile stretch of road has unlocked development land previously inaccessible and provided an alternative route between Grimsby and Immingham for traffic movements, not only improving pinch points on the A180, but reducing travel time between the ports.

The Strategic Mitigation Project was created to promote economic growth whilst conserving the environment and was the first of its type in Europe, winning a Natural Environment award in 2021 for Planning Excellence. Developed through partnerships with industry and environmental groups such as Natural England, RSPB, and the Environment Agency, the project builds mitigation land in advance of industrial demand, offsetting the impact of development. The first two phases are complete, providing 150 acres of sustainable bird habitat.

These two projects mean prospective investors benefit from significantly enhanced and resilient highway infrastructure and moreover, have an almost immediate solution to mitigating against the challenges of wintering birds which can otherwise cause circa 18 months of uncertainty, delay and cost increase to proposed developments. Investors have cited these schemes as key factors in them considering North East Lincolnshire as a potential location and it demonstrates how it is possible to be ecologically responsible whilst still promoting economic growth.

Pioneer Park is the largest of six Enterprise Zones allocated in North East Lincolnshire, comprising an area of circa 230 acres of industrial development land (210 acres being Enterprise Zone). It is worth noting that 64 hectares (158 acres) is allocated as employment land in the Local Plan 2013 to 2032, adopted in 2018, with 20 hectares (50 acres) anticipated to be delivered within the plan period.

Preliminary works including securing outline planning; road, utility, and other infrastructure was completed with a view to attracting further investment.

The Council has subsequently sold land to both HETA (Humberside Engineering and Training Association), who have expanded to meet industry demand for apprenticeships, DFDS for the construction of a new regional office facility on a 7-acre parcel of land and, myenergi, who have expanded their site presence significantly. Two further sites on Phase 1A in the Council's ownership are in advanced negotiations.

The remaining c200 acres of the site, in multiple ownerships, was acquired by ABP (Associated British Ports) in December 2023 to support the growth of port related activity in the region.

The significance of Enterprise Zones, allocated in 2016, is that the Local Authority retain 100% of collected business rates on the sites for a period of 25 years, and the premise of SHIP is that business rates will pay back the corporate investment (and more).

North East Lincolnshire has six sites allocated as Enterprise Zones, covering almost 200ha (494 acres) of development land, shown on the attached map as follows:

1. Pioneer Park, Stallingborough
2. HumberGate, Energy Parkway, Grimsby
3. Imm-Port, Queens Road, Immingham
4. Immingham Energy Park, Queens Road, Immingham,
5. Portlink 180, Energy Parkway, Grimsby
6. Moody Lane, Grimsby

The Economy and Growth team are proactive in promoting North East Lincolnshire as a place to invest and create jobs. Utilising social media, two websites, and sector propositions which showcase the different industries, the team promote and support local, regional, national, and international enquiries. Working in collaboration with the Development and Growth Board industry leads, the team continually update and identify sector opportunities and lead on trade visits, tours, and introductions to local supply chains and training providers. They maintain strong relationships with the Department of Business and Trade (DBT) and overseas DBT representatives to keep them informed of local opportunity to ensure they are well sighted on the benefits of the region.

The Economy and Growth team have an excellent reputation for being enabling and supportive, and the service provided, alongside the benefits of the mitigation scheme and new link road have been cited by several investors, as a key reason for choosing North East Lincolnshire as a place to invest.

One of the reasons for this reputation is the forward-thinking attitude of the team. For example, when approached by myenergi, a fledgling company with huge growth potential but restricted by the size of their premises, the team saw an opportunity to apply for £950,000 Local Growth Fund to meet the viability gap required to build a state of art office/manufacturing unit on Pioneer Park. Whilst generating a revenue income for the council through rents, this was a standalone project and not included

within the SHIP financial model. The construction of this building set a precedent on the type of business activity the Council would prefer around the main entrance to the site and has attracted quality developments, including HETA and DFDS.

The building is leased to myenergi and has become their flagship headquarters, and they have subsequently purchased and self-funded the build of a distribution warehouse on the adjoining plot. Both buildings are on the Enterprise Zone area of the site so alongside the rental income of the first building, the council retains the business rates on both buildings.

Another example of the proactive approach to attracting investment is the recent award of £10,000,000 Freeport Seed Capital funding to provide a grant scheme to address the financial viability gap which prevents speculative investment in commercial buildings, particularly industrial units where the realistic achievable rental value does not enable a return which balances the level of investment required to develop. Subject to planning permission, this will see at least 100,000 sq.ft of industrial space developed on Enterprise Zone land, attract more than £11,000,000 of additional private sector investment, and provide much needed space for supply chain and business growth opportunities.

The team have a close working relationship with the landowners of all the Enterprise Zone sites and have developed a coordinated approach to marketing these sites for development which achieves the objectives of SHIP.

The following provides a summary of the current position on each of the sites.

### **1. Pioneer Park, Stallingborough**

As referred to earlier, Phase 1A has been developed by the council. Phases 1b and 2 have outline planning permission and the Council will now work alongside ABP as an inward investor, assisting where possible, to see development delivered. ABP applied for outline planning consent on Phase 3 for eighty acres of automotive storage in December 2024, and has indicated that it intends to bring forward applications in 2025 to develop site infrastructure, and bulk storage facilities over a phased period. This is also the site for 100,000 sq.ft of industrial space supported through the Freeport seed capital speculative unit scheme referred above.

### **2. HumberGate, Energy Parkway, Grimsby**

The site in its entirety is the former Courtaulds site, which is still home to fibre producers Blue Star and Technical Absorbents, along with other, newer occupants. Most recently, LeMond, an American newcomer to the carbon fibre manufacturing sector who have licenced a new technology from Deakin University in Australia, have obtained planning permission to build their first carbon manufacturing facility in the UK on the HumberGate site, committing some £30m into the first phase. Two undeveloped brownfield areas within the site have Enterprise Zone status, divided into several plots, and the majority of these are now in advanced negotiations for several industrial activities, including waste to energy and storage facilities.

### **3. Imm-Port, Queens Road, Immingham**

This 50-acre site forms part of the proposed Immingham Green Energy Terminal, an ABP/Air-Products hydrogen production and storage development. The project is subject to a Development Consent Order (DCO) due to the scale being categorised as Nationally Significant Infrastructure. The application was submitted in 2023, and it was announced in February 2025 that the Secretary of State for Transport has consented to the development. Once operational, the plant would create 1,400 direct jobs, £4.6bn in economic value, and produce 300MW of hydrogen per annum, the equivalent of 210 tonnes per day, and the Economy and Funding team are supporting Air Products to bring this project forward.

### **4. Immingham Energy Park, Queens Road, Immingham**

A 24-acre site owned by Able UK. Approximately ten acres has potential to see a 25MW waste to energy plant developed by North Beck Energy which gained planning permission in 2018. The project has seen some challenges in securing the necessary funding, but all planning conditions were discharged in 2023 and if funding successfully secured, the development would create forty jobs locally. The remainder of the site is being actively marketed by the landowners.

### **5. Portlink 180**

A 78-acre site, located adjacent to the new link road, and earmarked for the waste to jet fuel project, Altalto, which was granted planning permission in 2020. The company are currently in Front End Engineering Design (FEED) phase, with a successful Department for Transport grant of £27m allocated towards the cost. In addition, they have secured control of the site through a partnership agreement, and assuming future funding is secured hope to be on site within the next 2-3 years.

### **6. Moody Lane, Grimsby**

The former Tioxide site, this is a large complex site undergoing phased development. The first part was the delivery of Riverside Business Park which is completed and provides 100,000 sq. ft of flexible business units. The site was developed in three phases, the last phase completing in 2022.

The remainder of the site, renamed the Future Grimsby Site, is owned by ABP and designated as the Customs site for the Humber Freeport. Covering 89 acres, recently part leased to Group Cat who are distributors for French car manufacturers Stellantis. Approximately two thirds of the site is still available for development and is being proactively promoted for a number of uses.

## **7. RISKS AND OPPORTUNITIES**

Any development is not without risk, and the aim of SHIP was to reduce that risk to investors as much as possible for elements within the councils' control, such as the creation of mitigation land, construction of the link road, establishing development land as Enterprise Zone status, and securing outline planning

permission on the Pioneer Park site at Stallingborough. All these factors mitigate identified risk factors associated with large scale development, especially in an area such as ours on an estuary.

Other unforeseen risks outside of our control, can become apparent at any time. Examples of this include a recent challenge from Anglian Water to ensure supply of water for industrial use in the midterm, until new proposed water treatment and desalination plants have been constructed. Officers have been working closely with Anglian Water and government to ensure a proactive and collaborative approach to finding solutions is taken.

The opportunities that SHIP, and emerging priorities such as industrial decarbonisation, investment into new renewable energy technology such as hydrogen, CCSU, and waste to energy, are significant for the local economy. For instance, private industry has identified that to achieve targets for industrial decarbonisation, it is anticipated that up to 1,000 engineering apprentices/new entrants into industry per year will be required by 2030 – a tenfold increase in current numbers, and already significant investment to increase capacity at the facility is underway.

## **8. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

A proactive and supportive approach to attracting investment generates a positive reputational impact for the council by increasing certainty for developers and encouraging private investment.

## **9. FINANCIAL CONSIDERATIONS**

As outlined earlier in the report, the programme was supported by £7.9m grant funding through the Greater Lincolnshire and Humber LEPs, and European Regional Development Fund.

In addition, £23.6m net corporate resource was allocated to enable the delivery of SHIP.

Capital receipts of £21.05m have subsequently been secured through land disposals, with a further £3m of disposals in the pipeline.

In addition to the capital programme, the Enterprise Zone benefit to the council is 100% retained business rates until 31 March 2041. As mentioned, the initial SHIP business case was based on retained business rates being secured to more than offset the corporate capital funding alongside the investment and job ambitions.

To date, a total of £752,000 of new business rates on Enterprise zone sites has been achieved. Where a business qualifies for a business rate relief, this additional amount is claimed and refunded through the business rating system and added to receipts, bringing the above figure closer to £1,000,000, and these will continue to increase annually as projects are built out. It should be noted that to date, it is the smaller developments on Pioneer Park and Riverside Business Park which have been completed, large developments once complete can realise business rates

upwards of £1m per annum.

The forecasts are kept under review given the Enterprise Zones are, by their very nature, subject to macro-factors. As outlined above, most of the Enterprise Zone sites could already deliver significant investment, but initial timescales predicted by developers is often pushed back significantly either because of a reliance on policy or funding to enable construction to begin.

## **10. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

Attracting investment, particularly in new and emerging green energy production, creates the need for high value jobs and careers. Investors are encouraged to engage with skills providers and invest in a local workforce.

## **11. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS**

The SHIP model, and in particular the mitigation project within it is designed in a way that will recognise and realise the economic and social benefits of a high-quality working environment whilst working towards and developing a greener infrastructure and helping to reduce the impacts of climate change.

Since completion of the first site at Cress Marsh, 118 different species have been recorded, including more than half of the target Special Protection Area (SPA) bird species, and on the Novartis Ings site a Wetland Birds Survey in 2023 revealed 500 curlews, the highest number recorded since 1998. Additional ecological benefits on the sites include the seasonal use of grazing cattle to play a vital role in controlling vegetation and creating microhabitats for invertebrates.

## **12. MONITORING COMMENTS**

In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result, no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

## **13. WARD IMPLICATIONS**

The development is located within the Immingham ward. However, all wards will benefit from the economic implications.

## **14. BACKGROUND PAPERS**

Cabinet report - South Humber Industrial Investment Programme (SHIP) – 8th July 2015.

Cabinet report – South Humber Industrial Investment Programme – 13th January 2016

Cabinet report – Review of South Humber Industrial Investment Programme, Investment and Return on Investment – 14th December 2017

Cabinet report – SHIP Review and Stallingborough Compulsory Purchase Order –

13th January 2021

Cabinet report – Compulsory Purchase Order relating to land at Stallingborough  
Industrial Development Site – 20th July 2022

Cabinet Report – Pioneer Business Park – 30<sup>th</sup> November 2023

**15. CONTACT OFFICER(S)**

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