

Subject: **South Denes Energy Update**

Report to: **Economic Development Committee – 4th June 2018**

Report by: **Director of Development, Great Yarmouth Borough Council**
Economic Development Manager, Norfolk County Council

SUBJECT MATTER/RECOMMENDATIONS

This report is to provide Members with an overview of the energy related economic development activity in the South Denes peninsular of Great Yarmouth.

Great Yarmouth Borough Council and Norfolk County Council play a leading role in developing and promoting the South Denes area as a nationally significant asset that contributes to the local, regional and national UK economy. Supporting this ambition is the targeted regeneration and development of the Energy Park, Enterprise Zone and Outer Harbour.

RECOMMENDATIONS: Members are asked to note the contents of the report.

1. INTRODUCTION/BACKGROUND

- 1.1** Great Yarmouth is rapidly being recognised as one of the two most important deep water ports serving the offshore renewables sector on the east coast of England, a sector that is worth £39 billion with the main focus around the Southern North Sea.
- 1.2** Great Yarmouth is uniquely positioned to capitalise on this and the port should be recognised as nationally significant and strategically important to delivering a key part of the UK's industrial strategy.

National context

- 1.3** The UK is entering a new supply era with North Sea self-sufficiency in oil and gas ending and gas imports increasing to meet demand. Whilst traditional oil and gas sectors are providing a large number of jobs and investment, businesses are being forced to look at diversification into new supply chains around renewable and low carbon sectors. This change can and is providing significant opportunities for Norfolk and Suffolk, in particular Great Yarmouth and Lowestoft who are well placed to take advantage of this growing market.
- 1.4** Nationally there is significant investment planned moving towards 2030 with £235 billion in offshore wind in North West Europe and £114 billion in offshore wind in the UK, with targets to increase generation capacity from 13 gigawatts today to 30 gigawatts by 2030. This investment will help meet one third of the UK's electricity needs with investment of up to £48 billion made to date in UK offshore infrastructure and the targeted creation of 27,000 skilled jobs across the UK, mainly in coastal areas.
- 1.5** Currently the East of England provides 9% of the UK's energy with an annual turnover of £11.9 billion (2013 figure), 4,918 companies and 86,748 employees. Of this Norfolk and Suffolk have a combined annual turnover of £2.9 billion, employing 21,399 people across 1,224 companies.

- 1.6** Supporting this growing national and global ambition, the Great Yarmouth Energy Park centered around Nelson's Monument in South Denes was launched in late 2013. Its purpose is to regenerate the area within close proximity to the Port, through targeted redevelopment, bringing sites into re-use through both private and public initiatives.

2. Energy Park

- 2.1** The Great Yarmouth Energy Park is complementary to the Enterprise Zone at the port. The arrival of the East Anglia Array, as well as other windfarm projects is a limited window of opportunity to secure inward investment to Great Yarmouth with the supply chain and operations and maintenance requiring proximity to the windfarms and potentially both deep water harbour and river port access.
- 2.2** The strategy for the Energy Park is a reflection of the demand on the port area, in particular by the renewables energy sector. The Enterprise Zone status of the port area predicts a demand for sites that is likely to be higher than the supply within the port, creating a pressure on land adjacent to the port.
- 2.3** The strategy of the Great Yarmouth Energy Park addresses the 'need' to regenerate the project area due to the outdated and generally run down appearance with an ambition to target, and secure inward investment within the Energy Park. This approach offers opportunities for development that addresses the need to regenerate the area and attracting new businesses with an energy focus to the area.
- 2.4** Norfolk County Council and Great Yarmouth Borough Council officers attend a number of key events to attract investment including the upcoming Global Offshore Wind exhibition in Manchester (June 2018), the Southern North Sea EEEGr event (May 2018) and MIPIM 2018 in London under the banner of the East of England Energy Zone.
- 2.5** Part funding for the project has been put in place by Norfolk County Council from the Norfolk Infrastructure Fund of £2.75m with Great Yarmouth Borough Council contributing £250,000 from its capital reserves.
- 2.6** Work is progressing at pace around the Energy Park with land assembly remaining a key priority together with securing agreements with a number of non-related port related businesses to relocate off site. A summary of key activities include:
- Vanguard Point
- 2.7** The demolition of Vanguard Point has been completed on time and is currently being marketed with the benefit of Enterprise Zone status.
- Millora Works (2 acres approx.)
- 2.8** Pre-planning consultations are underway with neighbouring businesses in relation to site clearance. Ingleton Wood are appointed pre-planning principle designer and currently preparing draft documentation ready for tender.

- Ocean Yard (2 acres approx.)

2.9 Site demolition contract is out to tender with clearance anticipated to be completed by the 3rd quarter of 2018.

- ITS Site (Havenshore South): (1 acre approx.)

2.10 The demolition contract is currently out to tender with clearance also expected by the 3rd Quarter 2018.

2.11 The demolition contract is currently out to tender with clearance also expected by the 3rd Quarter 2018.

- Monument area

2.12 Following an agreement with Great Yarmouth Borough Council, Global Signs & Engraving are in the process of relocating from its old base on Admiralty Road to two brand new industrial units on the Blackfriars Court quarter of the acclaimed Enterprise Zone in Beacon Park. The move is part of work to establish the Great Yarmouth Energy Park at South Denes, ensuring that businesses related to the energy sector continue to have land available, close to the riverport and Outer Harbour, so the borough is best placed to capture the significant future jobs, investment and regeneration opportunities anticipated in the sector. Their old base is being marketed to the energy sector and port-related companies.

3. South Denes Enterprise Zone / Local Development Order

3.1 The Enterprise Zone opened in April 2012 to encourage offshore energy, port and logistics activity in the South Denes area as well as the closely located Beacon Park in Gorleston. The complementary Local Development Order (LDO) is in place until 31st March 2023 which covers the 136 Hectares of employment land in the South Denes peninsular and facilitates a simplified planning process.

3.2 The Enterprise Zone has provided companies with a wide range of benefits, including a business rate discount of up to £275,000 over five years, a simplified planning process and access to superfast broadband. There will be a £50 billion investment in the East of England energy sector in the next 20 years. The Great Yarmouth and Lowestoft Enterprise Zone has been established to maximise the opportunities.

3.3 South Denes Enterprise Zone Key Statistics:

Jobs created – 231
 Number of businesses – 10
 New floor space – 4108 m²
 Number of construction jobs – 10

3.4 A summary of the most recent investment activity in the South Denes area includes:

- Vattenfall

3.5 Vattenfall have recently signed a memorandum of understanding with Peel Ports for

an operation base within the port. This exciting deal is likely to create up to 150 jobs within Great Yarmouth in relation to the Norfolk Vanguard and Norfolk Broads offshore windfarm projects.

- Premier Inn Hotel

- 3.6** Construction of an 81 bedroom Premier Inn Hotel is progressing on programme with an anticipated opening of Spring 2019.

- Triton Knoll

- 3.7** The New Anglia Local Enterprise Partnership has offered £1m of Enterprise Zone income towards the £3m port enhancement needed for Triton Knoll. Investment in crane infrastructure will provide a long term asset for the port. This public investment will help work towards securing business to the port that may look at alternative port options.

- 3.8** The South Denes Enterprise Zone has been very successful which is highly supported by Peel Ports Ltd.

- 3.9** The wider LDO area has seen significant recent investment from businesses which include: BH Bus, Statoil, Seajacks and Veolia & Peterson. The latter deals with new business in the field of decommissioning offshore platforms, the first of which was received in July 2017 - The Shell Leman BH platform accommodation block.

4. Infrastructure Update

- **Great Yarmouth Third River Crossing**

- 4.1** Major investment is ongoing around infrastructure needed to support the growth in the energy sector with £120million being invested in the Great Yarmouth Third River Crossing and £9 million being invested to secure congestion relief and sustainable transport improvements within the borough to support regeneration and economic growth. This is in addition to ongoing work to deliver much needed improvements to the A47 by Highways England.

- 4.2** A third river crossing supports the town's role as part of the East of England Energy Zone, as a centre for Offshore Renewable Engineering and provides the capacity for regeneration, economic growth and act as a catalyst for investment. It will provide much needed connections between the strategic road network and the fast growing energy related Enterprise Zone and is crucial in providing linkages across the River Yare to the economic growth hub in the South Denes peninsula.

- 4.3** A third river crossing will deliver numerous benefits to the area and will solve a number of existing problems, including the current lack of connectivity, which severely restricts movement in Great Yarmouth. This results in congestion and ultimately limits the economic potential of the Enterprise Zone, Energy Park, South Denes Business Park and the deep water outer harbour.

- 4.4** Government successfully awarded Norfolk County Council £98 million in the 2017 autumn statement to take the bridge to the next stage of design and planning, with construction being planned for 2023.

- **A47 Road Investment**

4.5 Highways England are progressing their programme of Road Investment Strategy projects. As part of their current phase 1 funding, the projects being progressed in Norfolk are:

- Easton to North Tuddenham dual carriageway
- Thickthorn major junction improvement
- Blofield to Burlingham dual carriageway
- Vauxhall roundabout junction improvement at Great Yarmouth
- Gapton Hall roundabout junction improvement at Great Yarmouth

- **River Yare Tidal Defences**

4.6 Finally it was announced on 23rd May 2018 that Great Yarmouth BC and the Environment Agency have successfully bid for £8.2 million of New Anglia Local Enterprise Partnership Growth Deal Funding to match £30 million of investment from the Environment Agency to improve the flood defenses along the River Yare. This bid was supported by the Great Yarmouth Tidal Defence Business Partnership and will support the programme of economic growth activity.

5. FINANCIAL IMPLICATIONS

None for this report.

6. RISK IMPLICATIONS

None for this report.

7. CONCLUSIONS

There is an ambitious programme of delivery and promotion for the South Denes area in the energy sector. A number of enquiries are being received from companies seeking laydown on a short term basis, as well as opportunities for longer term investment. Great Yarmouth Borough Council and Norfolk County Council are fully committed to pursuing the development of the Energy Park, Third River Crossing, Tidal Defences and the Enterprise Zone as a vital catalyst for regeneration and economic growth.

8. RECOMMENDATIONS

Recommendations: Members are asked to note the contents of this report.

9. BACKGROUND PAPERS

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Great Yarmouth Economic Strategy
Financial Implications (including VAT and tax):	Considered
Legal Implications (including human rights):	Considered
Risk Implications:	Considered
Equality Issues/EQIA assessment:	Considered
Crime & Disorder:	Considered
Every Child Matters:	Considered