

Subject: Offshore Energy update report

Report to: Economic Development Committee 1 April 2019

Report by: Development Director, GYBC  
Economic Development Manager, Norfolk County Council

#### **SUBJECT MATTER/RECOMMENDATIONS**

The offshore energy sector represents a significant opportunity for Great Yarmouth with a planned private sector investment of £39million over the next 20 years in the southern North Sea. Members will be given a tour of the Great Yarmouth Outer Harbour facilities (in advance of the meeting) together with a brief presentation on the work being undertaken with partners to unlock the potential for the area. This report is a summary of recent activity.

#### **RECOMMENDATION**

Members are recommended to note the contents of this report and endorse the pro-active workstreams.

## **1. INTRODUCTION/BACKGROUND**

- 1.1 A report was presented to this committee in June 2018 which highlighted the major opportunity that exists off our coast, what the County and Borough Council together with the New Anglia Local Enterprise Partnership, East of England Energy Group (EEEGr) and other partners are undertaking or planning and what the impact could be.

#### **National context**

- 1.2 In the last quarter of 2018, over the UK as a whole, total energy production was 0.7 per cent higher than in the third quarter of 2017. This rise in output was driven by increased gas, bioenergy and renewables (wind, solar and hydro) production levels.
- 1.3 Natural gas production was 4.4 per cent higher than the third quarter of 2017, despite consumption falling (by 4.1%). This resulted in gas imports falling by 17 per cent, whilst exports fell by 14 per cent.
- 1.4 Of electricity generated in the third quarter of 2018, gas accounted for 38.6 per cent, down from 39.9 per cent in the third quarter of 2017, whilst coal accounted for 2.5 per cent, down from 2.9 per cent in the third quarter of 2017. Nuclear generation accounted for 22.9 per cent of total electricity generated in the third quarter of 2018, down from 24.0 per cent in the third quarter of 2017.

- 1.5 Low carbon electricity's share of generation increased from 54.0 per cent in the third quarter of 2017 to a record high of 56.0 per cent in the third quarter of 2018, due to increased renewables generation. Renewables' share of electricity generation increased to a record 33.1 per cent, up from the 30.0 per cent share in the third quarter of 2017. Renewable electricity capacity was 43.2 GW at the end of the third quarter of 2018, a 10 per cent increase (3.9 GW) on a year earlier. Overall renewable electricity generation was up 10 per cent compared to the same quarter in 2017.
- 1.6 Overall, this shows that the two key areas of energy generation that are buoyant and look set to maintain or grow that position are both centred around Great Yarmouth. The town's position as a key energy centre will be maintained and it is our role to exploit this opportunity to enable further business growth.
- 1.7 It is worth repeating the planned investments - 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.
- 1.8 The Government's Contract for Difference auction, which awards subsidies to enable offshore wind projects to take place, was due to be undertaken in February this year. In the autumn it was announced that the auction would be moved back to May 2019. We expect to gain some insights as to the investment intentions of key businesses around this time.

## **2. LAND ASSEMBLY & UTILISATION**

- 2.1 The Great Yarmouth Energy Park (appendix 1) was launched in late 2013 to regenerate the project area which surrounds the Monument in South Denes - targeted redevelopment and re-use of sites by private and public sectors, focusing on the energy industry.
- 2.2 The ambition is to secure inward investment to the area, to generate economic growth and improve the environment by redevelopment. The strategy is a reflection of the demand on the port area, in particular by the renewables sector. The Great Yarmouth Energy Park is complementary to the Enterprise Zone at 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. The opportunity presented by the new economic activity has been the trigger.

- 2.4 Land assembly remains a key priority together with securing agreements with a number of non-port related businesses to relocate 'off site'. As part of the first phase of land assembly GYBC have obtained a number of freehold brownfield sites and wishing to build on the success of these acquisitions and subsequent site clearances the next stage is the appointment of a commercial property agent/s (planned April 2019 onwards) to deliver and support the marketing of these sites for future port & energy sector related development.
- 2.5 Discussions continue with non-port related businesses to relocate out of the Energy Park. Due to the sensitive nature of these discussions they remain commercially confidential.
- 2.6 As to current site activity within South Denes progress is being made with (see plan in appendix 1):

**Block 1 (Tectra) & Block 4a (Ocean Yard North)** – Brineflow Properties & Handling Ltd are nearing the completion of Phase 1 & 2 (the Tecta site) of their £4 million expansion & relocation to Great Yarmouth Energy Park. Phase 3 of their expansion plans (Ocean yard North) is to be progressed this year and will comprise of warehousing and offices. As part of the agreement with GYBC they will release their current 5-acre site beside the outer harbour which will be promoted by the council to offshore energy businesses, ensuring the borough is best placed to capture the significant jobs, investment and regeneration opportunities in these growing areas.



**Millora Works & adjacent site (Block 12 & 13b)** – Site clearance of the numerous dilapidated buildings & structures is underway and completion is anticipated in May 2019 releasing around 2.6 acres for future development.



### 3 PROMOTION

- 3.1 Norfolk County Council and Great Yarmouth Borough Council officers have attended a number of key offshore energy events since the last meeting to attract investment including:

Global Offshore Wind exhibition in Manchester (June 2018) at which we had 12 supply chain businesses co-exhibiting, keynote speeches from all of the offshore wind developers (drawing some of the largest audiences over the whole event). Over 30 leads were generated which are being managed.

- 3.2 The East of England Energy Zone partnership is reviewing its marketing strategy later this year and we will update members on any significant changes.
- 3.3 In July 2018 a delegation of officers from the Borough and County Council, and the New Anglia Local Enterprise Partnership together with the Leader, held a meeting with the Energy Minister, the Rt Hon Claire Perry MP, to present a case for Government co-investing in the key offshore energy projects in the town to attract investment. The Energy Minister was very receptive to the projects, our aspirations and appreciated their potential national impact. She tasked her key advisors to work with us.
- 3.4 The Minister launched the **national Offshore Wind Sector Deal in Great Yarmouth in March 2019**. We lobbied hard to ensure the Minister was fully up to speed with the capability, aspirations and opportunities in our area.
- 3.5 **Southern Terminal Expansion** – This project is to enable 2 consecutive offshore wind projects to take place in the port – or for other uses including decommissioning. We are working with Peel Ports to fully appreciate the regulatory and planning requirements, before detailed costings and the economic case are explored.



- 3.6 **Manufacturing facility** – Discussions with potential investors are ongoing and with the recent formal announcement by Crown Estate that Round 4 will progress it should add further impetus to investment decisions.

#### **4. ENTERPRISE ZONE / LOCAL DEVELOPMENT ORDER**

- 4.1 The borough's top-performing Enterprise Zone at Beacon Park and South Denes, focused on the offshore energy sector, has attracted £180m investment since 2012, with the Government committing £98m towards a third river crossing joining the Enterprise Zone and Port to the trunk road network.
- 4.2 The previous report detailed the establishment of the Enterprise Zone, covering both South Denes and Beacon Park, which opened in April 2012 to encourage offshore energy, port and logistics activity. The complementary Local Development Order (LDO) provides a simplified planning process and is in place until 31st March 2022. This covers the 136 hectares of employment land in the South Denes peninsular as well as the 16 hectares at Beacon Park.
- 4.3 The latest Enterprise Zone deliverables (since April 2012) are:
- Jobs created – 834
  - Number of businesses – 33
  - New floor space – 34,919 m2
  - Number of construction jobs – 553

#### **5. GREAT YARMOUTH THIRD RIVER CROSSING**

- 5.1 The previous report provided the background to this major project and Members have been engaged through the Great Yarmouth Transport and Infrastructure Steering Group reporting to Economic Development Committee. More recent updates include:
- a) Norfolk County Council have awarded the construction contract to BAM Farrans – a joint venture between two construction industry leaders. BAM Farrans has developed a twin leaf bascule bridge design with the counterweights below-deck. They will now be working with the project team at Norfolk County Council to finalise the detailed design and construction requirements for the bridge.
- b) The overall project remains on programme. The application for a Development Consent Order is due to be submitted shortly, with a public examination expected later this year and construction due to start on site towards the end of next year. The finalised design details will be confirmed when submission of the Development Consent Order is made to the Planning Inspectorate. These details will also take into account the feedback received from the recently completed consultation process.
- c) In the summer of 2018, further details about the bridge were announced including:

- **Designs for the approaches to the bridge on either side**, including a new five-arm roundabout to be created on the western side of the river and a dual carriageway road to link Harfrey's roundabout to the new roundabout and then continue onto the bridge and over the river to meet South Denes Road at a traffic-light controlled junction.
- **Information regarding the opening function of the bridge.** It is estimated that the bridge would be available for use by road traffic for 22 hours and 38 minutes a day. Openings to allow taller vessels through would take around five and a half minutes each time at an average of 15 openings a day based on anticipated river traffic levels in 2023.
- **Traffic modelling, forecasting how traffic would use the Third River Crossing and traverse the town as a result.** This shows that the new bridge would be anticipated to carry 19,400 vehicles a day in 2023, rising to 21,700 in 2038.
- **The provision of cycling and walking routes.** A number of dedicated and shared use walking and cycling routes are proposed around the Third River Crossing, with pavements and an off-carriageway cycling route provided on the bridge itself.

## 6. FINANCIAL IMPLICATIONS

All within existing budget utilising Enterprise Zone generated funding to promote investment.

## 7. RISK IMPLICATIONS

None for this report.

## 8. CONCLUSIONS

- 8.1 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 Enterprise Zone, Energy Park and Third River Crossing as vital catalysts for regeneration and economic growth.
- 8.2 In combination with other workstreams, the Local Government Chronicle has recently awarded this activity 'Highly Commended' in the Driving Growth category

at the 2019 awards.

## 9. RECOMMENDATIONS

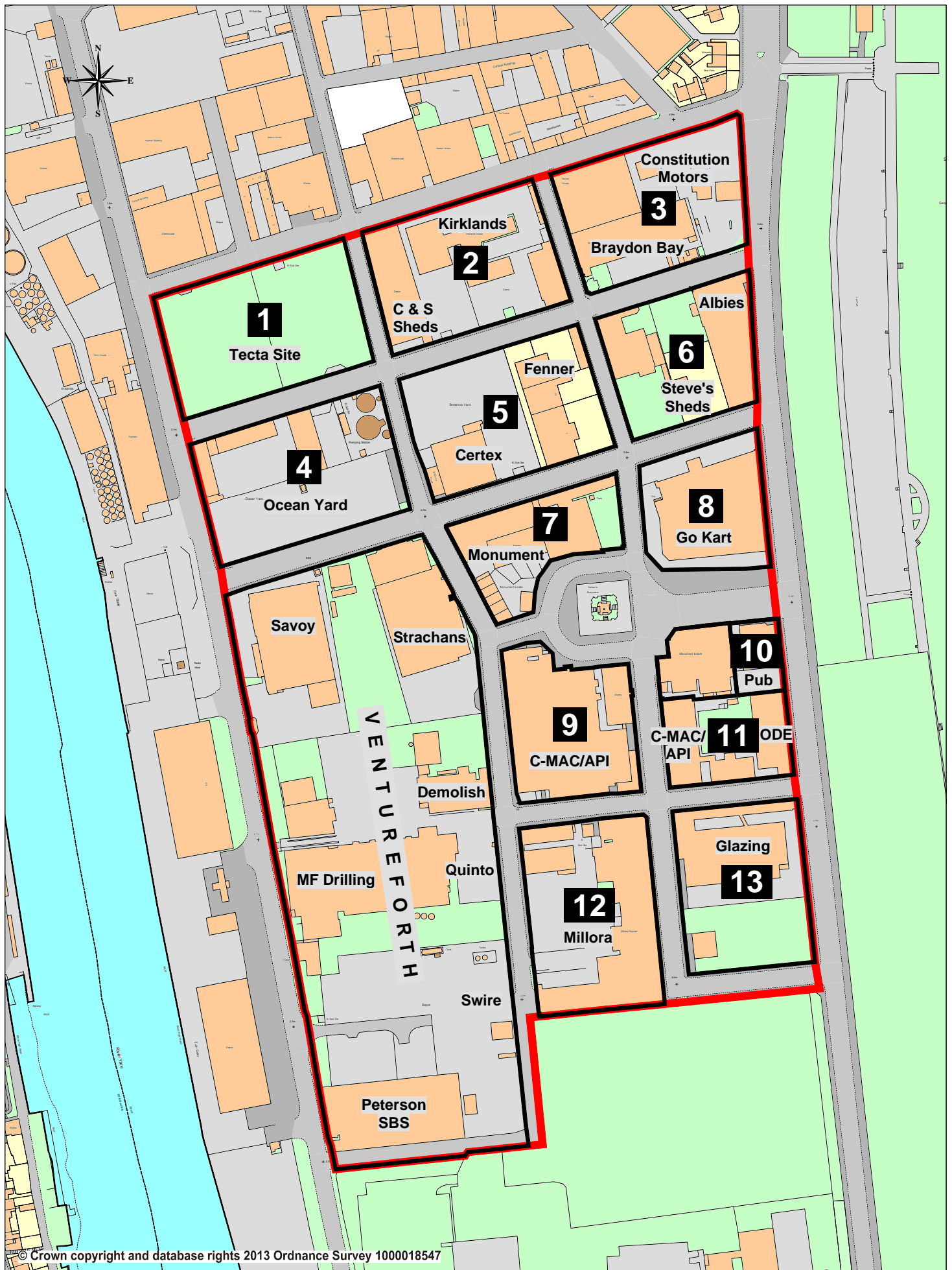
Members are recommended to note the contents of this report and endorse the proactive workstreams.

*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:	Considered
Section 151 Officer Consultation:	Considered
Existing Council Policies:	Great Yarmouth Local Plan Core Strategy; Economic Growth Strategy & Local Development Orders (South Denes and Beacon Park)
Financial Implications (including VAT and tax):	Existing budget: Business Rates generated through the Enterprise Zone
Legal Implications (including human rights):	Considered
Risk Implications:	Considered
Equality Issues/EQIA assessment:	Considered
Crime & Disorder:	Considered
Every Child Matters:	Considered

## **APPENDIX 1: ENERGY PARK, SOUTH DENES, GREAT YARMOUTH**





**GREAT YARMOUTH**  
BOROUGH COUNCIL

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