

# INVESTING ON THE HUMBER

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# INVESTING ON THE HUMBER

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**UNIVERSITY  
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## NORTHERN POWERHOUSE

# Powerful partners in northern regeneration

Hull and the Humber have a central role to play in achieving the aims of the Northern Powerhouse

GEORGE OSBORNE

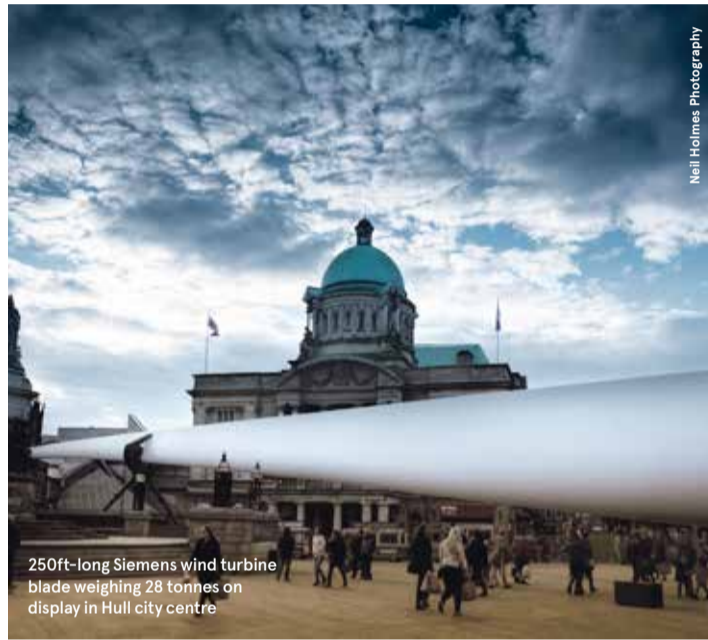
Creating a Northern Powerhouse, linking up the great towns and cities of the North to create a whole greater than its individual parts, requires us all to come together behind a common goal, increasing the contribution the North makes to the UK economy. Only with the support and buy-in of our civic leaders, civil society and businesses of all sizes will we truly achieve the ultimate goal of rebalancing our country, and creating better lives for the 15 million people of the North.

This project cannot simply be about the major cities. There are great things happening in places like Hull, Leeds, Liverpool, Manchester, Newcastle and Sheffield. But the Northern Powerhouse must be more than just urban regeneration; we have to reinvigorate those places with a rich heritage and history in making, building and innovating, exporting northern expertise and goods all over the world. The decline that many of these communities fell into over many decades is now being reversed. All our towns and cities must play their part in that.

I set up the Northern Powerhouse Partnership (NPP) in 2016 as a non-profit organisation to enable the North to speak with one voice and highlight the opportunities across the region. On our board we have some of the area's biggest employers, those who run great universities and our transport, a world-famous economist, and we are strictly cross-party, with Labour council leaders and a Conservative metro mayor working together for the North.

Cities like Hull must be at the forefront of this powerhouse. This city opened up trading routes between the UK and Europe, exporting to the Continent and all over the world. The port remains crucial to the local economy. NPP board member Associated British Ports and other companies employ 5,000 people there, with a further 18,000 employed as a result of activity around the port.

But Hull and the Humber are also forging a new path. Energy is one of the prime capabilities of the North. It's a sector in which the North is already leading the UK and, with the right level of investment, business support and government backing could become world class. From the nuclear expertise in the North West to renewables in the East, and the



250ft-long Siemens wind turbine blade weighing 28 tonnes on display in Hull city centre

Neil Holmes Photography

Education, skills, connectivity, creating new industries – this is the Northern Powerhouse I envisaged when we created the concept

fact that the Northern Powerhouse generates 41 per cent of the UK's electricity, this is a sector that can deliver jobs, growth and increased productivity for the North. NPP board members Siemens and Drax are at the heart of this.

Under the leadership of Professor Juergen Maier, Siemens have invested heavily in Hull and the Humber. As chancellor I worked hard with then-prime minister David Cameron to bring the £310-million investment in their wind turbine blade factory. I went to see it last year with other members of the NPP. It's an incredible thing to see and a vote of confidence in the future. A 250-foot, 28-tonne blade was the centrepiece of the wonderful Hull City of Culture display, linking the city's industrial future to its cultural heritage.

Fellow NPP board member Drax employ around 900 people at the power plant in Selby, the biggest single-site renewable generator in

the UK and the largest decarbonisation project in Europe. It supplies 7 per cent of the country's electricity needs, including 15 per cent of its renewable power, and a host of system support services. Half their power generation units have been upgraded from burning coal to use sustainable biomass in the form of compressed wood pellets.

When I visited last July, I saw firsthand the impact the power station has on the local economy. Crucially, 3,650 jobs depend on Drax throughout Yorkshire and the Humber, their impact generating £419.2 million for the local economy. I met one of their apprentices, Alice Gill, who had recently graduated from the four-year Drax apprenticeship scheme, to become a qualified craftsperson at the power station. Along with many other northern companies of all sizes, Drax is helping shape the careers and futures of our young people.

Our partnership believes that 900,000 northern children and young people can be directly mentored and given experience of the world of work every year; an ambitious target, but one that businesses have bought into and supported us in delivering. We want every Northern Powerhouse business to work with the same number of young people as they have northern employees. This means a digital startup with five employees can play their part just as much as major companies such as Barclays or Manchester Airports Group.

Drax welcomes 13,000 visitors to the power station each year, many of whom are students and school

pupils, giving children across Hull, the Humber and Yorkshire the opportunity to learn about energy and the careers available within the sector. It is a fantastic commitment to the next generations and one that companies of all sizes across the Northern Powerhouse are replicating.

I want the skilled workforce of the future to be able to stay in the north of England, contributing to the local economy and stimulating an increase in productivity. What I want to see is young people exploring skilled jobs from coast to coast, and from the Scottish borders to South Yorkshire and Cheshire.

Clearly, this cannot be done without a world-class transport network capable of linking the great towns and cities of the North. Northern Powerhouse Rail is a transformational project that links Liverpool and Hull with high-speed trains. It complements the huge investment in High Speed 2, which we committed to when I was in government, linking the North with the Midlands and the South. It would reinvigorate communities, slash journey times and vastly increase capacity.

Cutting journey times for commuters and families from Hull to Leeds to 45 minutes, or to Sheffield in under an hour, would have a huge impact on labour markets, job prospects and leisure travel. It is the connectivity the Northern Powerhouse deserves and must be delivered by this government. I am sure it will be.

Education, skills, connectivity, creating new industries – this is the Northern Powerhouse I envisaged when we created the concept. And Hull and the Humber must be at the heart of this Northern Powerhouse for it to succeed. ♦

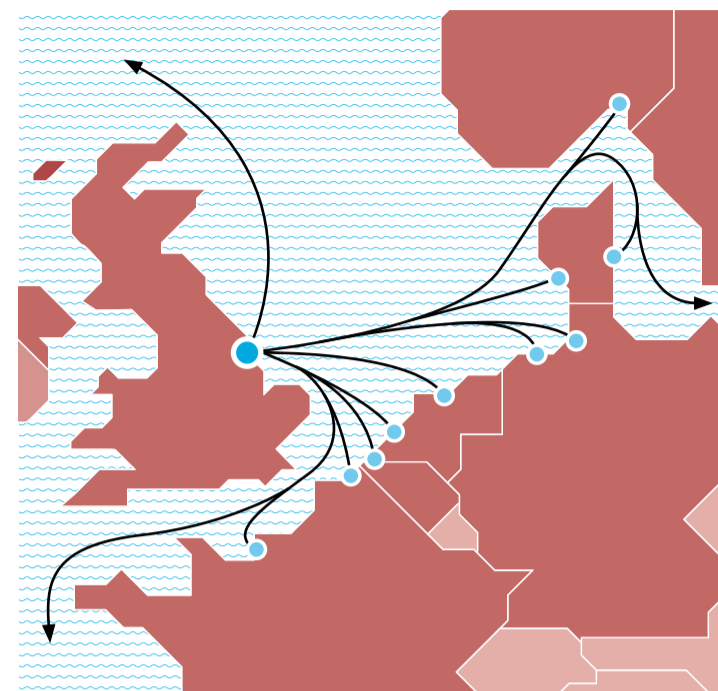


**George Osborne**  
Chair, Northern Powerhouse Partnership



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European connections from the Humber ports



Marketing Humber Bondholders

# What does Brexit mean for Humber?

The Humber region voted to leave the European Union and businesses now await the outcome of Brexit negotiations

FRANCES ROBINSON

Upstairs in Hull Maritime Museum, exhibits recall cargo ships docking from Rio de Janeiro, Cape Town and Bombay, and Scandinavian steamer routes. Hull's global connections reflect both the challenges and opportunities the region faces as it negotiates the choppy waters of Brexit.

Associated British Ports' (ABP) four Humber docks – Hull, Goole, Grimsby and Immingham – handle more than 65 million tonnes of cargo annually. The region is a net beneficiary of European Union funding and has a strong agricultural sector, supported by the EU's Common Agricultural Policy. It also voted resoundingly to leave the EU. For the region, like the country as a whole, much depends on the decisions reached by EU and UK leaders.

The government's apparent intention to leave the Customs Union is prominent in the debate, in part because of concerns about the pressure this could put on the Channel ports. "There's anxiety about what happens in Dover,"

says David Leighton, ABP group head of corporate affairs. "If the French authorities in Calais chose to implement disproportionate new checks on cargo, this could cause serious disruption."

"There's an opportunity there for the Humber to help businesses that are anxious about the risk of disruption at Dover, to help recalibrate and secure their supply chains."

ABP has invested £50 million to double container handling capacity on the Humber since the referendum, so the ports could play a crucial role in trade resilience if this scenario does arise. Shifting freight to the Humber could have an environmental benefit, Mr Leighton adds, reducing the number of lorry miles on UK roads and taking pressure off the congested road network in the southeast.

Moreover, cargo moving through ports, such as Southampton, which currently handle mainly non-EU trade, flows smoothly and efficiently. According to ABP, only around 1.3 per cent of the total volume of goods arriving in the UK from outside the EU at Southampton is stopped for checks.

Some have a different vision for the Humber ports that goes beyond this.

Conservative MP Rishi Sunak, author of the Centre for Policy Studies report *The Free Ports Opportunity: How Brexit could boost trade, manufacturing and the North*, outlines plans for a free port, an area inside a country geographically, but considered outside for customs purposes.

Free ports "are flourishing all around the world, except in the EU", Mr Sunak wrote. "Post-Brexit they could play an important role in signalling Britain's openness to the world, as well as reconnecting the nation with its proud maritime history."

Melanie Onn, Labour MP for Great Grimsby, is less enthusiastic. "Free port status could assist with providing tax and duty-free

imports or exports and boost trade, if granted," she says. "But it is not as straightforward as imports being tariff free."

For example, Grimsby is one of the world's leading locations for seafood processing. According to Grimsby Seafood Village, 80 per cent of the UK's seafood products are manufactured there. As Ms Onn points out, the majority of fish imports coming from Norway and Iceland arrive by road from other ports for processing. "Therefore, one of the biggest issues will be about making sure there are limited delays at EU member state checkpoints and a streamlined process for authorisation documentation," she says.

ABP sees the potential, particularly for Humber International Enterprise Park, just outside Hull. "It's one of the largest port development sites in the UK, a huge area of development land next to deep water," says Mr Leighton. "If we can draw a line around areas of land like this at UK ports and give them free port status, it just adds to the UK's armoury in terms of attracting new investment, particularly in manufacturing."

Richard Corbett, Labour MEP for Yorkshire and Humber, says: "The initial challenge is that the Humber estuary is the great export highway for the north of England, pointing to our main export market which is continental Europe."

"If we're outside the Customs Union, this will be undermined through barriers that will involve extra paperwork and queues for controls at the ports. That's what is involved, under World Trade Organization rules, with trading with the customs unions from the outside."

Local companies are waiting to see what a final Brexit deal could look like. "For us it's been a good thing so far because of the movement in currency – we used that as an opportunity," says James Sweeting, director of Lincoln & York. The coffee-roasting company

based in Brigg supplies thousands of coffee shops nationwide. The drop in sterling means "you're more competitive abroad and exports are 30 per cent of sales in our coffee business", he says.

Hornsea-based Heald, manufacturers and installers of hostile vehicle mitigation systems, the roadblocks, barriers and bollards frequently seen at border crossings and similar sites, has a similar positive attitude.

"I think whatever happens we may feel a bit of pain initially, but in the end it will work out fine. We are a resourceful nation and savvy businesspeople," says managing director Debbie Heald. "A lot of our exports are outside of the EU, so hopefully will not be affected."

Yorkshire and the Humber is a net beneficiary of EU funds. For example, the Humber Local Enterprise Partnership, which helps attract investment to the region, received £79.6 million from the European Regional Development Fund and European Social Fund for the period 2014 to 2020. The region's universities also benefit from research funding.

"The big question is how much of a hit our public finances are going to take with Brexit; there'll be a lot of pressure on public expenditure in every single field," says MEP Mr Corbett. "The idea that the government will simply replace all the EU support with national funds is not something that can be relied upon."

In the meantime, stakeholders throughout the region are awaiting the outcome of negotiations. "People in Grimsby are expecting the government to live up to the promises made through the referendum, that Brexit brings opportunities and the UK will be better off," says MP Ms Onn. "Now is the government's opportunity to prove it by committing to ensure that individuals and businesses in Grimsby will be no worse off as a result of leaving the EU." ♦

**The initial challenge is that the Humber estuary is the great export highway for the north of England, pointing to our main export market which is continental Europe**

# Wind of change is powering region's

Offshore wind power, propelling a major green energy initiative, is at the heart of the Humber's recovery

BRIAN GROOM

The River Humber and its access to the North Sea helped to make Hull and the surrounding area one of the most prosperous in England during the Middle Ages. Now businesses and politicians are looking to green energy investment on both banks of their "Energy Estuary" to drive the region's renaissance.

The area has long been a centre for energy production, storage and handling. It is home to two of the UK's six main oil refineries and is estimated to import one third of the nation's coal, one fifth of its natural gas and produce almost a fifth of its electricity.

**The energy sector employs 17,000 people in the region, accounting for 5.1 per cent of employment**

Now the Humber region is seizing opportunities created by the wind industry taking shape off its coast, where six wind farms are already operating, another is under construction and three more are planned. Ørsted, the largest operator, formerly known as Dong Energy, will have invested £6 billion there by 2019.

In Hull, Siemens Gamesa and Associated British Ports (ABP) have invested £310 million jointly to make turbine blades for offshore wind. It began operating 18 months ago as the centrepiece of the Green Port Hull project at the city's Alexandra Dock.

Grimsby, which like Hull has fought industrial decline since its fishing industry shrank, is establishing itself as an operations and maintenance centre for offshore wind.

"We're just at the beginning of the journey. There have been a lot of obstacles to overcome," says Tim Rix, who chairs the Green Port Growth Programme, created with £25.7 million from the government's Regional Growth Fund to maximise the economic impact of the Siemens-ABP investment.

Other green initiatives include Hull-based Spencer Group's £200-million Energy Works scheme, which is a power-from-waste plant combined with a renewable energy research facility. On the south bank, a £170-million waste-to-energy plant is proposed for Immingham by developer North Beck Energy.

There have been setbacks. Viverno, the UK's largest bioethanol producer, based at Saltend Chemicals Park near Hull, recently suspended production for four months because it said the government had broken promises on policies to boost the use of bio-fuels for transport.

Siemens took three years to commit to its Hull investment. The Humber, like many parts of the north of England, was hit hard by the 2008 financial crash and following recession. The area's push into green energy has since regained momentum and the priority now is to extend the benefits in terms of contracts for local suppliers and jobs, as well as attracting new investors.

The energy sector employs 17,000 people in the region, accounting for 5.1 per cent of employment, according to the Humber Local Enterprise Partnership. That is smaller than, for example, the health and social care sector or the food industry, but it also helps to boost the engineering, manufacturing and logistics sectors.

A study by the University of Hull found that the Siemens Gamesa plant had created 1,000 jobs



01 Port of Hull on the Humber estuary

02 Siemens Gamesa has invested in a factory at Alexandra Dock to make turbine blades for offshore wind farms

## Case study

### Offshore wind and other renewable energy

Academia and industry have joined forces to create Aura, a collaborative initiative to provide skills, research and innovation aimed at shaping the future of the offshore wind sector.

"Offshore wind is a nascent industry that is establishing itself rapidly," says Dr David Richards, pro-vice chancellor for research and enterprise at the University of Hull, which is leading the project. "The investment is so big in the North Sea that the future opportunity, just for this region, is enormous."

Also involved are Ørsted, Siemens Gamesa, the Humber Local Enterprise Partnership,

directly and supported the creation of more than 1,000 indirectly.

"We have tried to use local suppliers wherever possible," says Andy Sykes, an operations manager at the factory, pointing to wooden platforms made by Hull's Turner Timber. Tool manufacturers, fabricators and industrial cleaning companies are others that have benefited.

Mr Sykes says Siemens has succeeded in finding the skills it needs. "We have had more than 28,000 applicants for the roles here. It's certainly captured the imagination of the region – 98 per cent of all the people employed here are from within 30 miles of the factory," he says.

Hull College has created a centre specialising in manufacturing

skills and composite materials to train the Siemens workforce. Siemens staff have undergone two-week courses at its facilities, including a turbine blade school that replicates, in miniature, all the processes within the factory.

Getting more small local companies geared up to supply the likes of Siemens and Ørsted is still work in progress, however. "This is something that is going to take a lot of years. It is difficult to establish yourself as a supplier to these large companies," says Mr Rix, who as well as his role with the Green Port Growth Programme chairs J.R. Rix & Sons.

He is the fifth generation to work in the family business that started as shipowners in the 1870s. Its main businesses now include fuel distribution and static caravan manufacturing, but five years ago it closed its dry cargo operation and replaced it with a business supplying crew transfer vessels to offshore wind farms.

The company has six boats, four of them working out of Grimsby. However, Mr Rix concedes: "It has been a challenge. Having struggled for the last three or four years, we have now suddenly

training provider Catch, Green Port Hull, Durham University, the University of Sheffield and government-backed Offshore Renewable Energy Catapult.

Research projects include a study of the impact on workers who carry out maintenance on offshore turbines in variable sea conditions. Others studies include research into the next generation of blade design and the environmental impact of putting turbines in the seabed.

A permanent Aura Innovation Centre, to be built at Bridgehead on the north side of the Humber Bridge, is scheduled to open in autumn 2019.

Ben George, Aura's director, says: "It's not just offshore wind. We want to be looking at energy systems, other renewables, low carbon, tidal, solar, waste heat and hydrogen."

# economic engine



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have worked more closely together than has sometimes been the case in the past.

Apart from its £150-million Green Port Hull investment, ABP has spent £140 million on a terminal at Immingham to supply biomass to Drax power station. Drax has spent the past few years converting half of its six generating units to burn wood pellets instead of coal, with a fourth to follow this year.

**The Humber is a massive engine for economic benefit for the North and also the whole of the UK**

“In the time we have seen coal diminish, we have seen other energy-related areas pick up,” says Simon Bird, ABP’s director for the Humber ports. “My role is to work with all the major players in the energy sector and make sure we have the right facilities to enable them to expand. I’m very confident we have that across the four ports.”

He describes the Humber, the UK’s busiest port complex, as “a massive engine for economic benefit for the North and also the whole of the UK”. Not only does it face northern Europe, it also has a strategic position at the centre of the UK, equidistant between London and Edinburgh.

Mr Bird says: “The Humber is a major player in energy, but also in a number of other sectors. All

those sectors need to co-exist and they all require water.” The volume of container traffic at its terminals in Hull and Immingham has increased by 28 per cent over the past year, he adds.

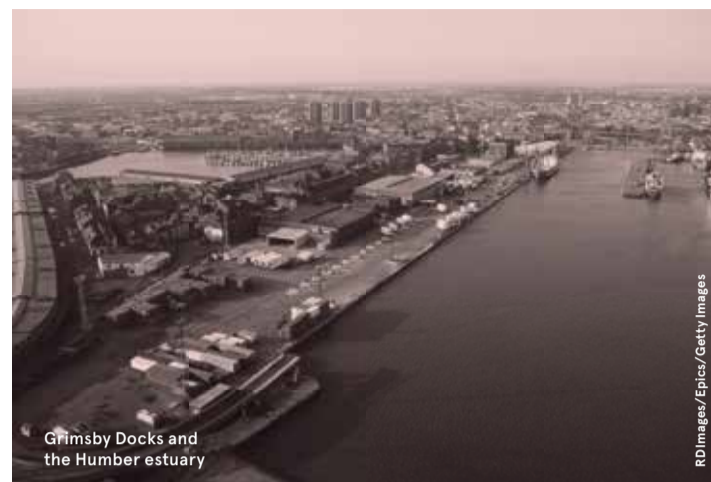
Alan Menzies, director of planning and regeneration at East Riding Council, says the Energy Estuary initiative is important as “one key strand of an economic strategy, making use of natural assets and skillsets which exist locally”. But it must work alongside his council’s other strands, such as tourism and developing the M62-A63 corridor between Goole and Hull.

The East Riding, the area surrounding Hull, has one of the UK’s main gas terminals at Easington, an underground gas storage facility at Aldbrough and about 20 onshore wind farms. A £200-million energy and technology park, which could create more than 1,000 jobs, has been proposed on the outskirts of Hull.

Mr Menzies believes the Energy Estuary initiative helps to raise the region’s profile. To reap the benefits, he adds: “There’s more work to be done on suppliers, small and medium-sized enterprises, because there are elements of supply which are not local. There is also work to do in terms of getting to the right level of educational attainment.”

The £10-million Ron Dearing University Technical College in Hull, developed with funding from local businesses, opened its doors last autumn. It aims to equip students aged 14 to 19 with advanced digital and engineering skills.

“Unless we have the infrastructure in place, people will go elsewhere,” Mr Rix concludes. “You’ve got to look at what industry is likely to require and how that can be delivered.” ♦



Grimsby Docks and the Humber estuary

RD Images/Epics/Getty Images

## Insight Regeneration through renewables

Grimsby had one of the world’s largest fishing fleets at its peak in the 1950s. New jobs in operations and maintenance for offshore wind farms are helping in its long battle to fill the gap that fishing’s decline has left.

Ørsted, the largest operator of wind farms off the coast, employs about 200 people in Grimsby docks, which is expected to grow to 500. Centrica, Siemens and E.ON also have hubs there.

“Renewables is a big opportunity for us, but I don’t think we have experienced the level we initially expected in terms of employment,”

says Angela Blake, director of economy and growth at North East Lincolnshire Council. “It is growing and it’s got potential, but I don’t see it being as big as food processing.”

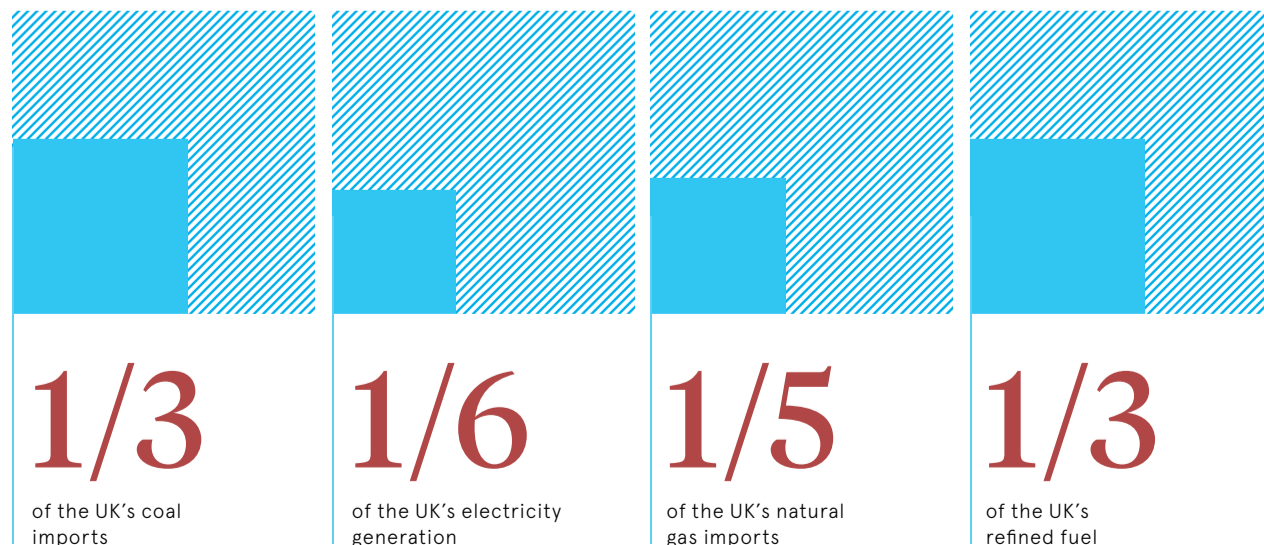
Despite the demise of its fishing fleet, Grimsby accounts for more than 70 per cent of all seafood processed in the UK, employing 5,000 people.

The offshore wind jobs being created are predominantly in mechanical and electrical engineering. In its recruitment campaign for wind turbine technicians, Ørsted says candidates should be physically fit, have an aptitude for working at heights and in restricted or confined spaces, and be comfortable working offshore or in vessels for extended periods of time.

started to get business on our front doorstep. I think the business will stabilise and there will be significant opportunities.”

The Energy Estuary strategy involves the region’s four local authorities alongside businesses and ABP, which operates the ports of Hull, Goole, Immingham and Grimsby. All parts of the region

### Humber is accountable for...



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## CHEMICALS



A PS (UK)/Alamy Stock Photo

# Chemistry is right for success

Chemicals and oil remain long-term drivers of regional prosperity as important UK producers and local employers

BRIAN GROOM

The Humber is one of the UK's four largest chemicals-producing regions. The industry flourished around the estuary where it is easy to get raw materials in and finished products out. Yorkshire and the Humber accounts for 12 per cent of UK chemicals employment, second only to north-west England, according to the Office for National Statistics.

The area has two main clusters: Saltend Chemicals Park, near Hull, and a development spread along the south bank between Immingham and Grimsby, which includes two of the UK's six remaining oil refineries, operated by Total and Phillips 66.

About 100 chemical and refining companies employ approximately

6,000 people in the Humber area and generate a combined annual turnover of £6 billion, according to Humber Local Enterprise Partnership. Four fifths of the chemicals sector's products are exported.

"There's a lot of focus on renewables and rightly so, but there will be a place for petrochemicals in the long term," says David Talbot, regional chairman of the Energy Institute, a professional body. He is also chief executive of Catch, a public-private training body that serves the chemicals, process and energy industries.

Mr Talbot adds: "The industry has been in the region now for a number of decades, so there is investment required in the infrastructure, but as a whole the industry seems to be in a positive frame of mind."

Some parts have seen declining employment. Total's Lindsey

refinery, which opened in 1968, saw its capacity halved and its workforce reduced from 580 to 400 in 2016, but it has also received £33 million in investment to improve efficiency.

Other investments include a £58-million wood chip plant being built at Saltend by Tricoya Technologies, a consortium including parent group Accsys Technologies and BP. Scheduled to open in early-2019 and provide about 30 jobs, it will manufacture acetylated wood chips, used to make durable panels that can clad buildings and line swimming pools.

Croda International, a speciality chemicals manufacturer based near Goole, is investing £27 million to almost double the capacity of its Hull plant, enabling it to meet growing demand for polymer additives until 2030.

Ineos has expanded its Saltend factory to increase production of ethyl acetate, used in pharmaceuticals, cosmetics and inks. It has also been considering Saltend as a location for a vinyl acetate monomer plant to supply the coatings, films and adhesives markets.

The Phillips 66 oil refinery near Immingham, which opened in

**There's a lot of focus on renewables and rightly so, but there will be a place for petrochemicals in the long term**

Saltend Chemicals Park near Hull was acquired by PX Group in March 2017

1969, employs 750 staff and 300 to 400 regular contractors. It has had more than £1 billion in investment over the past ten years, says Darren Cunningham, general manager.

"We are trying to position ourselves as the refinery of the future," Mr Cunningham adds. It makes high-value products including low-sulphur petrol and diesel, liquefied petroleum gas, heating oil and industrial feedstocks such as polypropylene. The plant also produces petroleum coke, an ingredient in smelting steel and aluminium. The company's fuel brand in the UK is Jet.

Since 2013 it has built up sales of high-grade synthetic graphite to supply electric battery manufacturers in China, initially for smartphones and now for electric vehicles. Mr Cunningham is keen to interest the UK government, which wants to develop an electric car battery supply chain. The refinery has also been trialling the production of biofuels from waste cooking oil.

Mr Cunningham says: "To continue to operate a refinery successfully in today's environment requires an ongoing level of investment to remain competitive and we intend to do that." ♦

Insight

## Investing in the future

A new owner and operator has taken charge at Saltend Chemicals Park near Hull, one of the UK's most important industrial complexes. PX Group, a Teesside-based infrastructure business, acquired the 370-acre site from BP, which had owned it for 50 years.

PX says it intended to work with existing and new operators to develop and expand the park, which was established in 1914. It is a collaborative cluster of businesses that manufacture more than a million tonnes of chemical products a year, used in items such as clothing, paints, pharmaceuticals and packaging.

Air Products, BP, Engie, Ineos, Nippon Gohsei, Perenco, Viverno and Yara operate at the park, which has had £500 million in investment in recent years. The companies share services, feedstocks

and utilities, enabling them to drive down costs and boost profitability.

BP will remain as owner and operator of two acetyls plants at Saltend, the largest producers of acetic acid in Europe. The park also hosts one of BP's principal global research and technology centres for petrochemicals.

Alan Menzies, director of planning and regeneration at East Riding Council, says that in addition to a Tricoya wood chip plant being built at the site, "we are talking to at least two others about further investments".



# Healthy mix of top firms and startups

World-class healthcare companies call the Humber home, while exciting new startups are moving in

MARK HILLSDON

When the Hull-based pharmacy business of Thomas Smith was taken over by his nephew in 1896 the name was changed. Smith & Nephew seemed a good choice.

More than a century later, the Victorian chemists shop on a narrow lane facing the city's Holy Trinity Church has grown into a global healthcare business worth around £12 billion.

It's not the only local startup in the sector to make good. RB, formerly Reckitt Benckiser, now a £40-billion giant spanning advanced healthcare as well as consumer products such as Nurofen and Durex, has its roots in the Hull starch mill founded by German immigrant Isaac Reckitt in 1840.

Both companies have their corporate headquarters elsewhere after a series of mergers. But they have continued to invest in one of the region's least-known industrial strengths – healthcare.

"Hull is our founding city," says Stewart McKinlay, Smith & Nephew's vice president of research and development. "We have been here since 1856 and we have very strong academic links."

The business has recently opened an £8-million state-of-the-art R&D centre, part of a £50-million investment in its Hull base, which is supporting the production of high-tech wound management products.

The business came to prominence during the First World War when it began supplying the British Army with specialised wound dressings. In the 1920s it started producing the famous Elastoplast brand and now focuses on advanced wound care, developing equipment to help deal with hard-to-heal wounds, such as those resulting from complex surgery or diseases like diabetes.

Products include the Versajet water laser, which is so precise that it can remove the shell of an egg and leave the membrane underneath intact. Surgeons now use it to cut round nerves and blood vessels, procedures too precise for the traditional scalpel.

The business is continuing to build links with the University of Hull, which itself has spent £28 million on a new Health Campus. A five-year partnership framework,

with co-investment of around £3 million, will create eight new PhD studentships.

Across the city, international pharmaceutical company Indivior has invested £23 million in its own R&D centre, which houses the company's research into drugs that can help people to overcome addiction. They've been present in Hull for more than 50 years, while over the Humber in Grimsby, another pharmaceutical giant, Novartis, employs more than 400 people and has been a key local employer for more than 65 years.

Another significant Humberside investment is the £105 million RB has put into a new Centre for Scientific Excellence. Around 1,400 people already work at the site, where a host of medicine cabinet staples are manufactured.

Clare Walker, the company's R&D group category director, says the new facilities will include laboratories for the company's analytical and microbiology teams, one of the biggest stability testing suites in Europe to support product

Alongside the cluster of major international players, the Humber is also a hub for high-tech startups

evaluation, and a new sensory suite for consumer-led research.

"Our new R&D centre further strengthens scientific capability in the region. It will attract new graduates, as well as experienced hires to drive forward health innovations," she says.

"After evaluating several global sites, Hull was selected based on the excellent talent pool, and scale of existing RB R&D and manufacturing activity."

Alongside the cluster of major international players, the Humber is also a hub for high-tech startups and several are beginning to branch out into healthcare. VISR, based at the University of Hull's Enterprise Centre, is the largest manufacturer of cardboard virtual reality headsets in Europe and has now started to apply the technology to the healthcare sector.

"You get a lot of wow factor with technology," says VISR managing director Lindsay West, "but it's very hard then to take that next step, which is how do you actually apply this in the real world?"

One way has been to develop a headset that allows medical students to use augmented reality to follow operations remotely. The company has also used immersive technology to develop Botanika, a game that allows young people on the autistic spectrum to gain confidence designing a virtual reality garden, as well as connecting with other people.

VISR is currently working with the University of Hull on technology that will map out the exact location of key personnel in a hospital at any given time, enabling an ambulance crew with a crash victim to navigate the fastest route to the right doctor, for instance.

Many of these spin-outs have been nurtured at the Centre for Digital Innovation (C4DI), an incubator which is helping to connect some of the Humber healthcare giants with local startups. "We do two things," explains C4DI's managing director John Connolly. "We help tech companies grow and traditional businesses innovate." ♦



## Case study Vertual

Vertual, formed in 2007 as a spin-off company from a joint research project between the University of Hull and Hull and East Yorkshire Hospitals NHS Trust, has developed an award-winning virtual radiotherapy training system which uses life-size 3D simulations to train students.

The company is based within the Logistics Institute at the University of Hull and employs 13 people. "In the UK, we changed the way therapy radiography was taught," says co-founder Andy Beavis. As well as therapy radiographers, the system is also used to train medical physicists and oncologists, and explain the concept of radiation treatment to patients.

So why Hull? "The magic here was having the two sets of expertise, one at the hospital and one at the university," says Mr Beavis, who concedes there

was some discussion about moving to London, but the capital's higher operating costs meant thoughts of relocating were short lived.

"There's something about the area that attracts people in, and then they stay forever and a day. It's a good quality of life here and that's a key point," he says.

This is especially true of graduates, who study at the university and then swell the local talent pool when they finish.

While the hospitals trust, with around 8,000 employees, is the hub of healthcare on the Humber, says Mr Beavis, Hull's connectivity is also an important issue with its port and nearby airport.

"I think there is always a willingness for people to chat, to share ideas, share experiences and collaborate," he says. "For the last ten years, every single radiographer has been trained using our systems. It's a system that was made in Hull and we're proud of that."

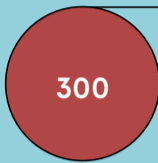
RB's £105-million  
Centre for Scientific  
Excellence



# A MAGNET FOR INVESTMENT

Hard hit by the recession, the past five years have seen the Humber region bounce back with a stream of big-ticket investments from both UK and multinational organisations

£m Selected investments in the Humber region over the past five years



## University of Hull

Includes a new health campus, sports facilities, library, concert venue redevelopment, and revamped conference and dining facilities, in addition to a £130-million investment by UPP in new accommodation on campus



## University of Hull and Hull College

Planned flagship datacentre



## Ideal Standard

On-site investment



## Wren Kitchens

Site expansion



## Solar 21

22-megawatt biomass



## Drax

Investment in Drax Power Station, the UK's largest single electricity producer, converting three of six generation units to burn wood-pellet fuel



## Wykeland Group

Bridgehead, one of the UK's greenest business parks, home to Centrica Storage, Beal Homes, Victoria Plum and others



## Wykeland Group

Meltonwest business park, which includes a new Humberside Police facility



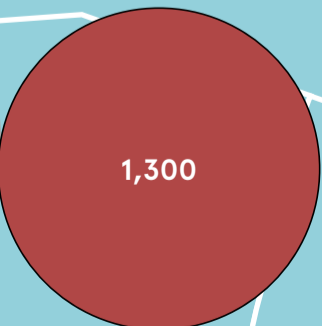
## Network Rail

Investment in the region's railways, with North East Lincolnshire at the centre of the plans



## North Lincolnshire Council

investment to transform Scunthorpe town centre



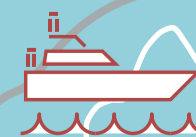
## North Lincolnshire Council

Construction of Lincolnshire Lakes, which will see more than 6,000 homes built across six waterside villages



## ABP

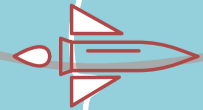
Investment in Immingham Port to improve automated materials handling, including biomass



## Humberside Airport



Doncaster Airport



## East Riding of Yorkshire Council

Bridlington Leisure Centre

Driffield

Wyke

Fleming regeneration includes destination offices

Hull

City centre

Barton-upon-Humber

Market Weighton

Beverley

Selby

Goole

Scunthorpe



**Land Group** 100  
 Regeneration scheme, a mixed-use development including retail and leisure facilities, cinema, hotel, and 130 homes

**200** **Spencer Group and partners**  
 Energy Works, the largest privately funded power station of its kind under construction in the UK

**85** **KCOM**  
 Investment in full fibre broadband network

**50** **Smith & Nephew**  
 Continued site investment since 2011

**36** **Hull City Council**  
 Construction of Hull Venue, a cutting-edge music and events complex with up to 3,500 capacity

**26** **Hull City Council**  
 City centre public realm

**21** **ABP**  
 Two new state-of-the-art cranes at the Port of Hull

**310** **Siemens Gamesa and Associated British Ports**  
 Europe's largest offshore wind manufacturing, logistics and port facilities on site equivalent to 78 football pitches

**105** **RB**  
 Centre for Scientific Excellence, the largest single investment in RB's history

**80** **Wykeland Beal/Hull City Council**  
 Fruit Market regeneration scheme, forming a new urban village including creative industries, modern city living, galleries, retail, restaurants and bars, as well as the C4DI tech hub

**42** **Iguana Developments**  
 Three major property developments for residential use

**27** **Croda**  
 Investment boosting innovation and productivity of Hull site

**25** **DoubleTree by Hilton**  
 New four-star hotel with rooftop bar

Hull, KCOM  
 Hornsea  
 mass plant

**33** **Total Lindsey Oil Refinery**  
 Refinery investment

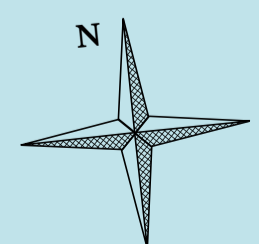
**45** **2 Sisters Food Group**  
 World's most advanced poultry processing plant, securing the jobs of more than 1,600 workers

**500+** **Saltend Chemicals Park**  
 A cluster of chemical and renewable energy operations, including BP

**140** **Wykeland Group and partners**  
 Europarc business park, including flagship facilities such as the Humber Seafood Institute

**56** **North East Lincolnshire Council**  
 Part of Grimsby Town Deal to redevelop the town centre

**6,000** **Ørsted UK**  
 Offshore wind power infrastructure, supported from the Humber, primarily Grimsby, including the development of the Hornsea One and Two offshore wind farms, set to be the world's biggest



# Tide has turned with investment, innovation and opportunity

With a track record of delivery and regeneration all around, the Humber is aiming high and thinking big, says **John Meehan**, Marketing Humber board member

It's one of the UK's major deep-water estuaries – a majestic 40-mile long inlet, spanned by a bridge that is recognisable around the world.

The Humber is also a powerful economic force. The Humber ports are the UK's busiest trading complex, and the access the estuary offers to Europe and beyond has been the key factor in establishing major industrial clusters along its banks.

But the critical importance of the Humber to UK plc has often been unrecognised or underestimated. Not now.

Twenty years ago I moved to the region to become editor of the *Hull Daily Mail* and was struck by the area's strengths, none more so than the estuary itself, the natural asset that is central to the Humber's remarkable rejuvenation.

I also felt this was a place of great potential. I met so many positive, enterprising people on both banks of the Humber, and it was clear there was a deep desire by private and public sector leaders to come together to realise the region's exciting opportunities.

That shared commitment has driven an extraordinary resurgence that has gathered an unstoppable momentum.

So how has the Humber become a place where investment prospers, new industries flourish, and economic, social and cultural regeneration go hand in hand? In part, it comes from an appreciation of the Humber's geographic advantage. Rather than being seen as distant, the region's leaders recognised our location as a major plus.



**John Meehan**  
Managing director,  
Meehan Media & Comms

This is no better illustrated than in the Humber's access to the offshore wind farms being constructed in the North Sea.

Proximity to this huge market was the key factor behind Hull's biggest-ever inward investment. Global wind power leader Siemens Gamesa's vast offshore wind manufacturing, assembly and logistics facilities opened in 2016, and are now seen as the global benchmark for an industry growing at a dizzying pace.

Ørsted, the world's biggest offshore wind farm developer, is investing no less than £6 billion in offshore wind power infrastructure, supported from the Humber, where Grimsby has become a major centre for operations and maintenance.

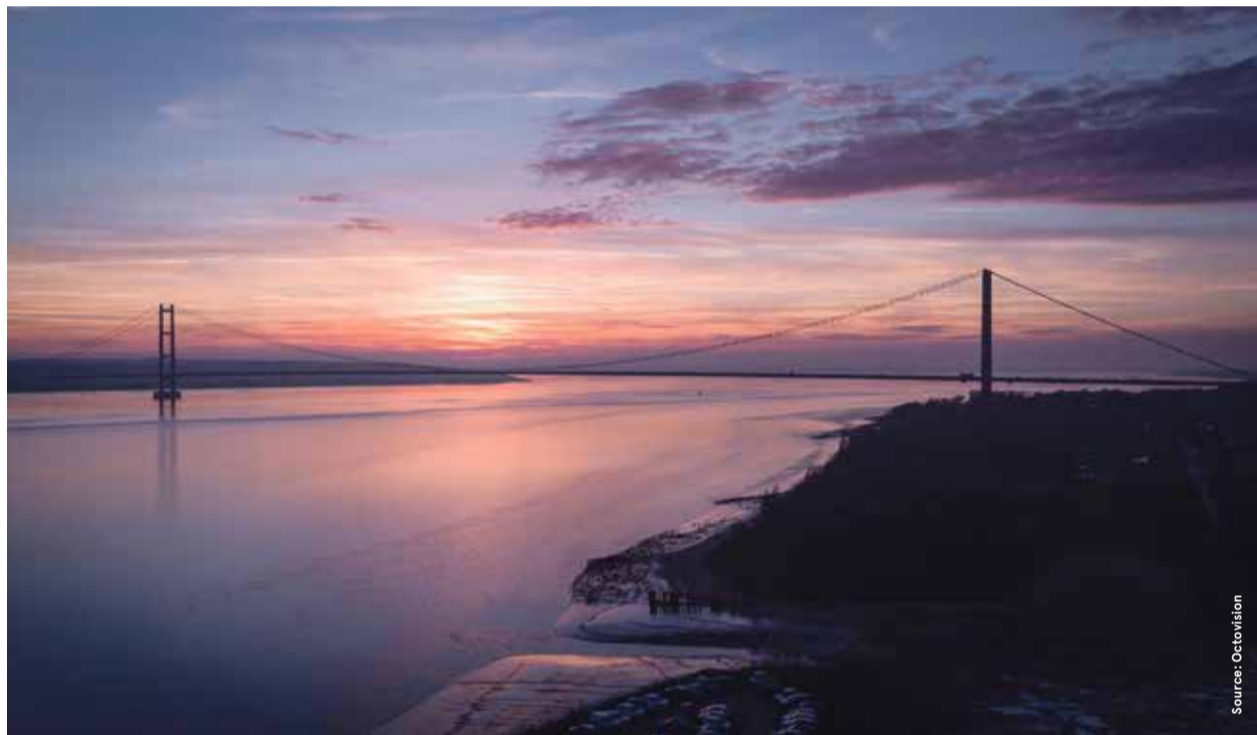
The Humber recognised the offshore wind opportunity and matched it with a bold ambition. The Humber could be not just part of the offshore renewables growth story; it could lead it. To support this, the University of Hull is working with Siemens Gamesa, Ørsted, the National Oceanography Centre and others to drive innovation in the industry.

The vision was for the Humber to combine existing assets, ranging from the ribbon of petrochemicals installations on the south bank of the estuary to the UK's biggest power producer, Drax, a few miles up the M62, with new opportunities, under the powerful brand of the UK's "energy estuary". That vision is being realised, with the Humber critical to the drive to establish energy resilience and security for the UK.

But the Humber's story is much more than energy. The region has world-class credentials in sectors ranging from healthcare, to ports and logistics, food and the creative industries.

The region's roll call of blue-chip investors is remarkable. Health and hygiene giant RB is creating a £105 million Centre for Scientific Excellence in Hull, the largest single investment in the company's history. Global medical technology business Smith & Nephew has invested £50 million in its Hull facilities, including a state-of-the-art research and development centre. Grimsby is acknowledged as Europe's "food town" and has seen huge investment by some of the food industry's biggest names, such as Young's Seafood.

Siemens considered more than 100



Source: Octovision

**Shared commitment has driven an extraordinary resurgence that has gathered an unstoppable momentum**

locations for its wind power facilities before settling on Hull. The region pulled out all the stops to secure that game-changing investment. Now, Siemens has earmarked the region for its next new factory, to build and commission trains, at Goole.

All these investors see a region continually developing the infrastructure to underpin their success.

The University of Hull, the Humber's university, tells the region's investment story in microcosm, with £300 million of investment in cutting-edge facilities on campus to support first-class learning and research. The university's evolution extends well beyond physical change, to working with partners to drive business growth and innovation.

Hull-based communications provider KCOM has ploughed £85 million into a future-proof full-fibre broadband network as a platform

for business growth and innovation. That's a key facet of the region's fast-growing digital economy, recognised in the *Tech Nation 2018* report as one of the UK's hottest digital centres.

The same bold ambitions that apply to economic development characterised Hull's hugely successful year as UK City of Culture 2017. An extraordinary 365 days of cultural events and performances transformed the city's image, and acted as a powerful catalyst for investment and job creation.

Living in the region means you are never far from rolling countryside or rugged coast and now exciting developments are broadening choice in the local housing stock. The Lincolnshire Lakes development of more than 6,000 new homes in north Lincolnshire is one of the UK's largest residential schemes. Meanwhile, contemporary city living is a key element of Hull's first urban village in the Fruit Market waterside quarter and a rash of conversions of commercial premises are meeting new demand to live in the regenerated heart of the city.

Oh, and I must mention that the region offers an amazing combination of highly affordable living costs and exceptional quality of life. With career opportunities flourishing, that means

we retain local talent and become increasingly attractive for highly skilled professionals to relocate.

These lifestyle and affordability advantages combine with collaborative campaigns by education and business to provide a pipeline of young talent for the fast-growing digital and creative sectors, and to address the need to replenish the workforce in industries such as engineering. The Humber is developing the skilled workforce required for growth today and into the future.

Crucially, the region speaks with a consistent voice. Marketing Humber delivers that voice, working with the Humber Local Enterprise Partnership and other key organisations. This supplement, supported by Marketing Humber, the University of Hull and other partners, is a prime example of that work.

The tide has turned for the Humber and it flows with investment, innovation and opportunity. Now is our time.

For more information please visit [www.marketinghumber.com](http://www.marketinghumber.com)





Neil Holmes Photography

01

# Space race is set to rocket on Humber

The Humber region has space for firms to expand with well-connected sites ready for business

FRANCES ROBINSON

**T**ravelling through the Humber region, you can't help but notice one of its biggest assets – space. From the rolling fields glimpsed from the train window to the gaps between industrial sites alongside the river, one thing the area isn't short of is room to grow.

"The sort of businesses that are looking to relocate here are very much in manufacturing, processing and assembly – they're producing something, they're distributing," says Kishor Tailor, chief executive of the Humber Local Enterprise Partnership (LEP), commenting on firms looking for large sites.

Historically, he explains, industry grew on both sides of the Humber estuary, because of port access. Over time that has translated into a robust presence for the energy, chemical, food processing and logistics sectors.

"The offer is we've got key industries you can supply, we've got space and access," Mr Tailor adds. "Fundamentally our logistics framework, north, south, east and west, is very good."

The LEP is a catalyst which brings together businesses, education and the four local authorities, which

make up the Humber region, to guide potential investors. Officials offer advice, provide information about grants and incentives, and, crucially, help businesses find space, often in the region's enterprise zone (EZ), with tax breaks and government support.

At 1,238 hectares, the Humber boasts the largest EZ in the country. It comprises more than 40 sites, many located close to the ports of Goole, Grimsby, Hull and Immingham. Some of the plots available are vast: Able Logistics Park, on the estuary's south bank is 290 hectares, while the neighbouring Able Marine Energy Park, which has more than a kilometre of quayside facilities, is over 250 hectares.

"We are not land starved at all," says Simon Bird, Associated British Ports director for the Humber, where the company operates four ports and co-invested £310 million with Siemens in Green Port Hull. "We have opportunities to expand in a variety of sectors, not just energy," he says.

This ready availability of well-connected space has helped attract high-profile projects such as German engineering giant Siemens' proposed rail plant in Goole. "A policy that we have had in the East Riding is to make available significant

employment sites right across the county," says Alan Menzies, director of planning and regeneration at East Riding Council. Siemens wanted a site of around 70 acres, with motorway access, rail test tracks and ideally port facilities – a combination it would be challenging to find in much of the UK.

Local authorities on the Humber were able to allocate land along the M62-A63 corridor that met all the criteria for the train factory. "Having considered multiple locations in the UK... we've identified a site in Goole for our new UK rail factory which not only has the potential scale we need for a facility of this size, but also ready access to the skilled people we'd need to build and operate the factory," Juergen Maier, chief executive of Siemens UK, said when announcing the investment in March.

Another helpful aspect is the wide availability of brownfield sites, land which has previously been used for

industry. "Brownfield sites mostly will be pre-allocated as employment sites so they've already gone over one hurdle compared to a greenfield site," says LEP's Mr Tailor. "The difficulty is quite often they will need to be decontaminated" or require multiple parcels of land to be brought back together.

One example of this happening is the South Humber Industrial Investment Programme. "That's about bringing 100 hectares of employment land forward," says Angela Blake, director of economy and growth at North East Lincolnshire Council, which is investing £23.4 million in the project. Moreover, two planning applications are in place for renewable energy sources. "So when we go to market for manufacturing activity, energy efficiency will be part of that offer," she says.

It's not all plain sailing. Despite the motorway links, the A63

through the centre of Hull is a perennial source of headaches for the region's drivers. Some of the largest EZ sites are greenfield, not brownfield, so more planning permission may be required and additional infrastructure may need installing. But the space is there; indeed, some of the biggest sites are still on offer.

Paull is an 80-hectare greenfield site, east of Hull, next to Saltend Chemicals Park and close to a range of energy companies. But whichever company ends up calling Paull home, more locations are available. "You need to look at the land for the next 25 years," Mr Tailor concludes. "If we get a big inquiry, like we did from Siemens Rail, we have a site absolutely prepared and ready to go." ♦

**Additional reporting by Brian Groom**

02



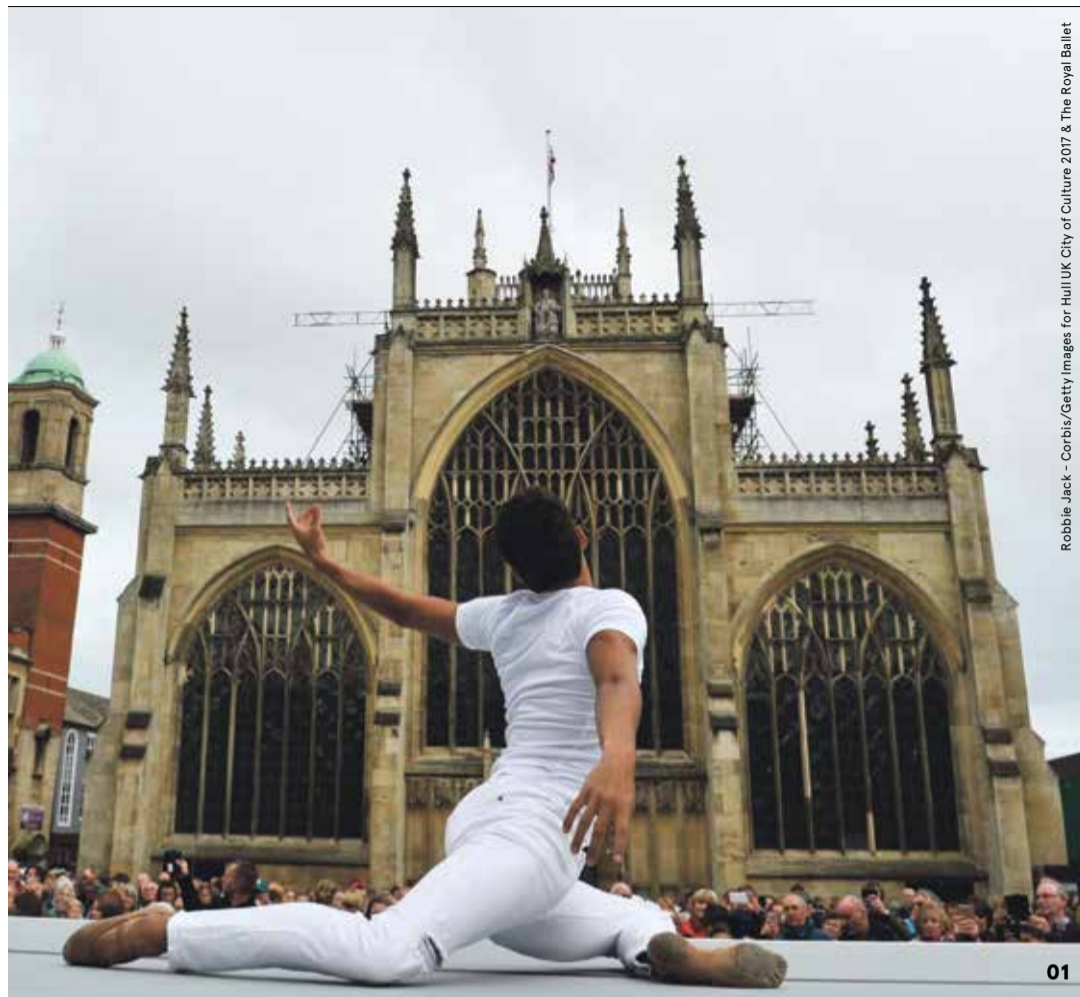
Siemens

01 View from the north side of Humber Bridge

02 The 67-hectare site leased by Siemens for rail manufacturing can accommodate up to 12km of track

**At 1,238 hectares, the Humber boasts the largest enterprise zone in the country**

## VISITOR ECONOMY



01

Robbie Jack - Corbis/Getty Images for Hull UK City of Culture 2017 &amp; The Royal Ballet



02

Neil Holmes Photography

# City of Culture boost gives Hull new life

Hull has successfully reinvented itself as a sustained city of culture and tourist destination

HAZEL DAVIS

If media coverage is anything to go by, Hull's tenure as 2017 UK City of Culture was a resounding success. There was a point in 2017 when the city looked like the most exciting place to live in the UK, bucking previous portrayals as the end of the line, a cultural backwater and the last place where decent art could happen.

Rosie Millard, chair of Hull UK City of Culture from 2014 to 2018, says: "I first went to Hull as a student in 1984 when the fishing industry had just collapsed and there wasn't much money around. However, culturally it was incredibly engaging and curious, and kind of strange, because it was so isolated."

But its isolation is key to the city's unique appeal. "If you're an artist who wants to be left alone and get on with stuff, it's great," says Ms Millard, former *BBC* arts correspondent. "Physically it's extraordinary, with this enormous estuary, which gives big skies, big vistas and amazing light. It's quite overwhelming and, because of this, the culture

was always really strange and different." As a result, events such as the Freedom Festival, which explores themes of freedom, democracy, equality and protest, have sprung up.

According to the University of Hull's *Cultural Transformations* report, Hull's UK City of Culture year attracted a total audience of 5.3

million, attending more than 2,800 events, cultural activities, installations and exhibitions. Preliminary findings put the value of tourism at more than £300 million. The report also says nearly 800 new jobs had been created in the city's visitor economy and cultural sector since 2013, attributed to investments

totalling more than £219 million, fully or partly to do with the City of Culture status.

Hull does seem to leave its mark on anyone who lives there or visits. When actor Tom Courtenay was given the Freedom of the City earlier this year, he tearfully described it as being better than winning a Golden Globe. He also chose to spend his 80th birthday watching Hull City play football.

People who live in Hull may have always loved it, but the change in the city has been twofold. Ms Millard says: "There's a new confidence that people will come to Hull. Successive generations have been so denied anything happening. People have bypassed Hull the whole time, but now they know that the RSC will come, that the Radio 1 Big Weekend will come, the Royal Ballet will come. It's made such a difference."

The city's institutions have made lasting partnerships. The Ferens Art Gallery, for example, is being loaned an iconic painting of Charles I by van Dyck, currently on display at the Royal Academy, and has just been shortlisted for the

Art Fund's prestigious Museum of the Year award. "Small children will be able to walk in off the street in Hull and look at a masterpiece," says Ms Millard. Also the city's new Hull Venue is a music and events complex with a capacity of up to 3,500 people. There are comedy, music and trade events already in the calendar.

More importantly, people aren't poking fun at the city anymore. "They turn up and see the independent, quirky shops and say, 'Oh! There's no John Lewis!' Nothing against John Lewis, but this would signify a gentrification that would be inappropriate because, ultimately, Hull is a low-wage city. Instead it has lively pubs and poetry, and interesting drama and film-makers. Its isolation is the answer to its brilliance."

Hull has lively pubs and poetry, and interesting drama and film-makers



Grimsby town centre

APs UK/Alamy Stock Photo

## Case study Grimsby

TV programmes such as *Skint* and Sacha Baron Cohen's film *Grimsby* have done nothing to bolster Grimsby's reputation, but the town is experiencing a long-overdue regeneration. Its docks were recently granted conservation area status and the ten-year Greater Grimsby Town Deal proposal, backed by both private investors and North East Lincolnshire Council, should bring in jobs and homes. It aims to boost the local economy by £216 million a year with plans for employment in renewable energy, logistics, manufacturing and food processing.

Our Place in the World, run by developers Claire and Tom Shutes, along with

InnovationRCA and UnLtd, is a competition for startups and the local community to submit business plans, ideas and social enterprises that will contribute to the town's regeneration, the winners of which will be announced in 2019.

"I feel more hopeful for the future of Grimsby now than at any point over the last 23 years of living here," says teacher Kate Melling. "The planned rejuvenation of the town centre, conservation area on the docks, greater opportunities for higher education, and the engineering and technology opportunities on the Humber could really lift the town, and help to improve the aspirations and self-esteem of all its residents. Once the rejuvenation gets going and people see the effects, I think the town will be a much more positive place."

## Hull has this underlying sense of community that I have never experienced anywhere else in the world

There's no denying that visitors need to feel looked after to spend their money and this is a challenge for the city post-2020. "When I was at university, there was one decent restaurant," says Ms Millard, "Now there are about six. There's the hope that wealthy people from the East Riding, who would ignore Hull and go to Leeds or York, will come in, see Opera North and the Royal Philharmonic, and rather than just getting into their Audi and driving back to Beverley, they'll stay for supper in Hull because they've been there, and they weren't mugged, and they had a good time and saw world-class art."

A certain amount of keeping the faith needs to be in place for this to happen, she says. "Hull needs to be on the list of Yorkshire tourist destinations. The BBC, which has been a most loyal partner, needs to keep bringing its programmes here and we need to make sure the people of Hull continue using the city centre," says Ms Millard.

Janthi Mills-Ward, executive director of Hull Truck Theatre, agrees. "People are proud to be from here. There's a real sense that we created something and there's a feeling in the air that everyone is proud of what they've achieved – the city has fundamentally changed."

"We weren't really a city destination before and now people come for day trips. The Beverley audience would have maybe gone to York, but now they're coming here, seeing the work we do, seeing there's a safe car park nextdoor and some great restaurants."

City council chief executive Matt Jukes thinks Hull's success goes back to its 2012 city plan. "We had a clear set of aspirations that the city shared and we recognised we had a huge amount of art and culture to offer our residents," he says. "We were also clear about the engagement we would need."

"The improvements we made were accelerated by the City of Culture. From a political perspective, it made it easier and having that train coming down the line to us really helped." Eighty-nine new shops opened in Hull last year and while this can't be attributed directly to City of Culture status, "investors recognise the good quality of life and wellbeing something like this brings," says Mr Jukes.

Andy Newton-Lee left the city at the age of 18 to be an actor, starring

### Case study Beverley

Named in *The Sunday Times Best Places to Live 2018* guide, the pretty market town of Beverley often eludes national visitors. But since Hull's City of Culture tenure, the town has seen a resurgence of interest.

It is now the UK's most coach-friendly destination, welcoming more than 500 coaches every year. Although the Beverley Folk Festival is not on this year, there are annual chamber and early music festivals, and the town's East Riding Theatre, opened in 2014, stages performances in a converted Baptist chapel.

"Beverley held a number of events in conjunction with the City of Culture which were all very well attended," says Julian Minshall, managing director of Just Beverley and chairman of the Beverley and District Chamber of Trade. "We benefited from such events as the Wildlife Photographer of the Year exhibition and saw increased footfall."

"Beverley has a very good can-do attitude. The councils, businesses, residents, schools and colleges, and various societies all draw off each other's areas of expertise and work in a cohesive manner to ensure that something is going on throughout the year."



Michael Steale/Getty Images

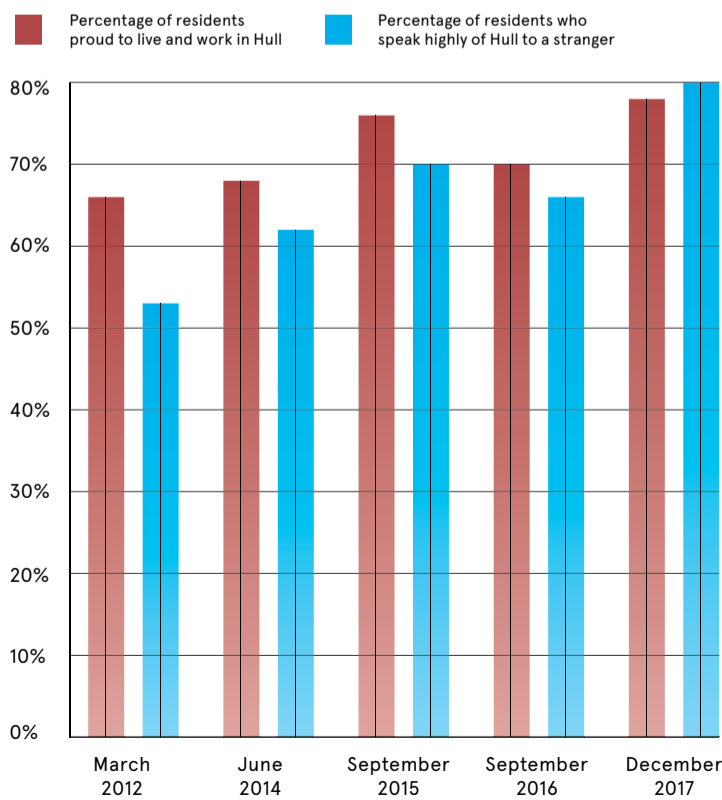
Fourth Tour of Yorkshire running through Beverley in May

in *Hollyoaks* and other well-known TV shows. His face was projected on to the side of the City Hall during the City of Culture celebrations. He has lived in London and Los Angeles, and although he's based in the capital, now owns a house in a desirable part of Hull and is in the process of setting up

what he describes as an "alternative careers charity" for the city's young people.

"Hull has this underlying sense of community that I have never experienced anywhere else in the world," he says. "It has this magnetic draw – as soon as I see the Humber Bridge I feel safe again." ♦

### Improving local pride



# KCOM

## Hull. The ultrafast broadband city.

- > Speeds of up to 1Gbps
- > £85m invested
- > Fully fibred network by March 2019
- > Supporting a booming local digital economy

[heybusiness.kcom.com/hull](http://heybusiness.kcom.com/hull)



# Energy driving the Humber

For almost 50 years, the **Phillips 66** refinery on the south side of the Humber has been at heart of the region's economy

The Humber Refinery is one of the most complex refineries operated in Europe and its vast range of products includes not only fuel – it produces some 14 million litres a day, some of which is sold at our 330 JET petrol stations – but raw materials that are transformed into everything from plastics to toiletries. Some 20 per cent of all UK petroleum products come from the facility.

The contribution goes much further than the local economy. Since 2000, Phillips 66, with the Humber Refinery as its economic engine, has paid more than £550 million in tax to the Treasury, and collects over £4 billion in duty and VAT annually. The combined economic contribution of Humber Refinery and other local industries means that North Lincolnshire is the only council area in the country to pay more to central government than it receives.

Lord Haskins, chair of Humber Local Enterprise Partnership, is certain about the Humber Refinery's value to the region. "The growth of the 'energy estuary' has been one of the most positive regional developments in the UK, with the Humber Refinery a longstanding

anchor around which other investments continue to emerge," he says.

"Humberside rightly has a strong reputation as a major contributor to the future of energy in this country."

As well as keeping the UK moving today, Phillips 66 is keen to capture opportunities in the low-carbon economy of tomorrow. Working with the Department for Transport and the Environment Agency, we have successfully trialled making high-performing, advanced biofuels from waste in the refinery's process units. However, and this may seem a paradox, one of the most exciting opportunities lies in the electric vehicle revolution.

One of the products produced by the complex is high-grade petroleum coke, a carbon-rich residue that remains when other, lighter materials are refined from crude oil. Petroleum coke from the Humber complex already has a vital role in supporting advanced manufacturing in the steel recycling and aluminium smelting industries.

Now Phillips 66 Humber personnel, together with their R&D staff from the United States and battery makers in China, have developed unique coke



**The Humber Refinery is a longstanding anchor around which other investments continue to emerge**

formulations suitable for use in smartphone and electric vehicle batteries.

Phillips 66 is already exporting graphite coke for battery production to countries such as China, but UK-based battery and electric vehicle production

would allow more significant economic benefits and value to remain in the UK. We are keen to work with the government, Innovate UK and other businesses to help establish a UK-based supply chain for electric vehicles, starting with precursors such as petroleum coke and finishing with complete batteries and, ideally, complete vehicles.

The refinery has more than 50 production units and over 1,000 miles of pipes. It is kept humming by the vital contribution of our 1,100 workers and we are investing to make sure they have the skills for the future. As well as partnerships with local colleges, there is a four-year apprenticeship scheme.

The refinery is proud to employ double the national average of female engineers and, under the new gender pay reporting, our UK organisation reported no discernible hourly pay gap between men and women as of April 5, 2017.

Zoe Sparling, a graduate of the refinery apprenticeship programme, is one of the next generation of workers playing a part in the energy transition. She says: "When I joined the company, I felt confident I was working somewhere with a clear plan for the future. We want to continue to play a leading role in energy and transport for the long term – and I'm excited to be involved in that."

Darren Cunningham, lead executive UK and general manager of the Humber Refinery, adds: "We are excited about our future and are lucky to have a fantastic team here at the refinery, with exceptional skills and capabilities. The refinery will continue to supply the

**1,100**

onsite workers

**£1.5bn**

capital and maintenance spend since 2005

**£500k+**

donated to local charities over the last five years

Phillips 66

products needed today and long into the future.

"From our quiet position on the estuary, we at Phillips 66 Humber Refinery are committed to continuing our role as a major player, providing energy and improving the lives of the public, customers and communities we serve."

For more information please visit [phillips66.co.uk](http://phillips66.co.uk)



## Investing in the community

Phillips 66 prides itself on its community outreach and employee volunteer programme. As a high-performing organisation, the company has helped 400 charities, donating more than £500,000 over the last five years. It supports literacy and STEM (science, technology, engineering and maths) projects, helping to develop skills and highlight careers available at the Humber Refinery and in the region.

Employees from the refinery visit primary schools where they act as reading champions. By working one to one with pupils, they help develop the children's confidence, social skills, enthusiasm and self-esteem as well as reading ability.

The champions and pupils spend time reading to each other, exploring different reading materials and playing reading-related games. Through the power of books and stories, the

champions can help children develop a passion to read for pleasure.

The annual Educating, Engineering, Kids programme invites primary schools from across the region to inspire pupils to think about a career in engineering. This year will see a further 400 year-six pupils take part in a range of fun activities and the success of such days has ensured their regular place in the Humber Refinery calendar.

Darren Cunningham, Humber Refinery general manager and UK director of Phillips 66, says: "We are engaging with children of a younger age to get them excited about engineering. All the activities are based around engineering, maths, science and technology, but the children don't realise it, because it's fun.

"We look forward to seeing some of these pupils in six years' time applying to work here on our apprenticeship scheme."

## FOOD PROCESSING



Traders bid for fish at Grimsby Fish Auction, recognised as one of the most important fish markets in Europe

# Food for thought in seafood capital

Business leaders in the food production sector remain optimistic despite continuing economic challenges

HAZEL DAVIS

While it might be an urban myth, or at the very least an unsubstantiated rumour, that Grimsby once made more pizzas than anywhere else in Europe, it's testament to the Humber region's reputation for processed food that the legend has persisted.

The centre of the UK's seafood industry, the Humber has around 500 food-related companies, one of the largest concentrations of cold storage facilities in Europe, and a good tradition of food technology and research.

Although the news isn't all good as Young's Seafood, Grimsby's largest private employer, has just been put up for sale, the region's food industry appears to be holding its own. Morrisons recently announced it's recruiting another 100 staff at its Grimsby seafood manufacturing site. And, says Simon Dwyer of Seafood Grimsby and Humber Cluster Board: "We have around 17 approved processing facilities in Grimsby, with 5,000 people directly employed in the seafood processing sector."

In fact, the area produces around 70 per cent of the seafood consumed in the UK. It is, of course, a challenging time for the region, but Mr Dwyer says: "We have been working hard to raise the profile of the seafood and food cluster with government and with key stakeholder-suppliers. In the past year we have met ministers, we've met ambassadors

for the UK and Iceland, and we have done the same for Norway."

The objectives of the talks are threefold, says Mr Dwyer, to iron out some looming issues in the light of recent political decisions, notably Brexit. "We currently enjoy relatively smooth shipping and logistics routes that are trans-European, cross borders and do not experience many delays," he says. "Moreover, 30 per cent of the labour engaged is from overseas. We're also talking about competitiveness around customs tariffs and duties in the future. Our supply is global and most of the arrangements we have with customs duties are linked to the European Union relationship."

**We want to get people to eat two portions of fish a week minimum**

Nonetheless, there's a positive outlook in the sector: "We are working closely with the Seafood Industry Authority to increase the consumption of seafood – we want to get people to eat two portions of fish a week minimum. The more people who eat more fish the better," says Mr Dwyer.

Paul Johnson, partner at law firm Mills & Reeve, has been part of the Yorkshire and Humberside deals market for more than 20

years, specialising in buying and selling businesses, including those in the food sector, for a range of clients.

He says: "Most people thought the food and drink sector would be immune to the recession, as it produces essential items. To some extent that has been true. However, there have been heavy pressures on pricing for both consumers and suppliers in terms of purchasing raw materials. This includes government influences and industry standards such as the new sugar tax on soft drinks. Further still, the level of volatility in commodity prices is unprecedented, presenting an increasing challenge for food processing manufacturers."

"We have seen a rise in innovation, increased availability and skill gain in the job market, as well as diversification and increased merger and acquisition (M&A) opportunities for food and beverages businesses."

"Pricing is the key driver to growth, divestment or acquisition of brands. Synergy with existing brands and shared manufacturing is a growth area, and we have seen rising M&A activity in the region. I only expect these activities to gain momentum in the coming years."

Humberside and Yorkshire are the most-funded regions in the UK for private equity and venture capital, says Mr Johnson. "Investors may be interested in high-growth business using technologies such as mobile apps and artificial intelligence within the industry. The rise of tech-based food businesses is likely to continue, as transformation presents increased opportunities," he concludes. ♦

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- **The Port of Grimsby is the UK's largest for importing cars** and handles almost 1 million vehicles a year

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