

Humber Industrial Strategy Prospectus



Executive Summary

June 2019

Introduction

This document is a short overview of our prospectus for a Humber Industrial Strategy. It summarises our emerging approach, based on business engagement and economic analysis, and sets out our next steps for developing and finalising this.

The full version of the prospectus is available to download on our website, along with our supporting evidence base. Further documents will also be published over the summer, including our Infrastructure Review and our Supply Chains Review.

We hope to agree our industrial strategy with Government later in 2019.

The publication of our prospectus also marks the start of a consultation on our priorities for the Humber's future development. We want to hear from people, businesses and other organisations with a stake in the Humber's success by the end of July. Details of how to respond are available on our website:

humberlep.org/industrialstrategy



The Humber

The Humber economic system is highly interconnected, both internally and with the wider Northern Powerhouse and Europe, with several distinctive assets which play an important role for UK Plc. As a major energy and chemicals producer, international gateway and manufacturing economy, a significant part of the UK economy depends in some way on what happens in the Humber.

The Humber is the Energy Estuary, contributing to over a quarter of the UK's energy, and is at the forefront of developing the UK's world-leading offshore wind sector. We are home to two of the UK's six oil refineries, its second largest chemicals and process cluster and one of two integrated steelworks, all of which are vital to the UK and beyond.

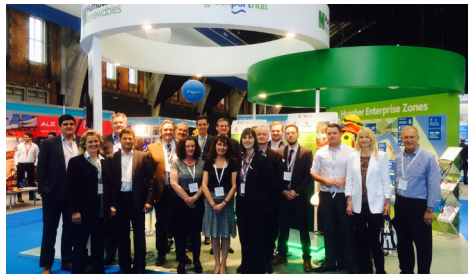
The Humber has a diverse mix of industrial, urban, rural and coastal areas. Since the tolls on the Humber Bridge were reduced in 2012, the Humber economy

has started to become more integrated. There were 9.8 million trips across the Bridge in 2017/18, 52% more than in 2012.

The Humber economy is growing: working age unemployment fell from 10.6% to 5.5% between 2012 and 2018, with 23,000 fewer people out of work. The Humber has 3,765 more businesses than in 2012, with an economy that is 12.2% (nearly £2.1bn) bigger.

Despite this, the Humber is still home to some of the most deprived wards in the country. There is significant potential for further growth, but some existing major industries are vulnerable. The Humber emits more carbon dioxide than anywhere else in the UK - 30% more than the next largest industrial cluster - whilst being one of the areas most exposed to climate change. To continue its progress, the Humber needs to strengthen the competitiveness of its existing economy as well as look to new opportunities.

Accelerating clean growth on the Energy Estuary



Decarbonising the Humber

Our ambition is to develop the Humber into a net-zero carbon industrial economy by 2040, protecting strategically-important industries and maximising benefits for local communities and businesses.

To achieve this we will need to:

- ▶ Commit to a whole-place approach to decarbonisation, tackling decarbonisation across our economy and society.
- ▶ Continue to develop as a global centre for clean energy generation.
- ▶ Remain a home for energy-intensive industries.
- ▶ Transition transport to electric and hydrogen fuel.

- ▶ Deliver higher energy efficiency standards for residential, commercial and industrial buildings.
- ▶ Transition building heat in urban and rural areas to low carbon sources.
- ▶ Become a testbed for new technologies, processes and business and regulatory models.
- ▶ Be the first region to deploy carbon capture, utilisation and storage at scale.
- ▶ Maximise the contribution of our natural capital.
- ▶ Maximise local business and community benefits.
- ▶ Develop a joint public/private team to deliver the transition.

Clean energy generation

Our ambition is for the Humber Energy Estuary to be a global leader in clean energy generation. This includes supporting the offshore wind sector to scale up as it seeks to deliver 30GW of capacity by 2030, much of it in the North Sea, and continuing to contribute to other parts of the energy mix, including biomass, solar, energy from waste and biofuels.

To achieve this we will need to:

- ▶ Provide the land and port facilities in the right place.
- ▶ Collaborate with other areas and Government to scale up the offshore wind sector.

- ▶ Stimulate local supply chain development.
- ▶ Support the sector to solve its innovation challenges.
- ▶ Be the national centre of excellence for offshore wind skills.
- ▶ Prepare for decommissioning and repowering work in the medium-term, developing a circular economy.
- ▶ Embed clean energy in the local energy system and wider economy.
- ▶ Innovate with battery storage and alternative energy vectors like hydrogen and ammonia.

Energy intensive and continuous process industries

Our ambition is to improve the long-term competitiveness of the Humber's energy-intensive and continuous process industries cluster, supporting it to decarbonise and expand by pursuing complementary opportunities. This means supporting sectors that are strategically important to the UK, like steel, chemicals and oil refining, and exploring the potential for diversification and industrial symbiosis.

To achieve this we will need to:

- ▶ Support the Humber cluster to decarbonise.
- ▶ Develop industry leadership.

- ▶ Support collaboration to pursue new business opportunities and increase efficiency.
- ▶ Re-use and re-purpose legacy industrial assets to deliver clean growth.
- ▶ Champion the use of British-made products with more longer-term certainty.
- ▶ Support the commercialisation of new ideas and the growth of existing SMEs.
- ▶ Address recruitment issues through investment in technical and management skills, and raising awareness of career opportunities.
- ▶ Overcome barriers to taking forward innovations.

Developing the Humber ports and manufacturing clusters



Ports and logistics

Our ambition is to create a globally renowned hub for sustainable shipping, energy and logistics by investing in the assets and capabilities of the Humber ports, intensifying and diversifying their economic role, and strengthening their already pivotal contribution to the Northern Powerhouse and wider UK economy.

To achieve this we will need to:

- ▶ Address the remaining transport bottlenecks that are holding back the growth of the Humber ports.
- ▶ Deliver the infrastructure which is required to maximise the impact of the Humber ports and increase their contribution to the Humber and UK economies.

- ▶ Capitalise on new technologies to ensure the Humber ports remain at the leading edge of innovation within the sector.
- ▶ Prepare the workforce for the ports and logistics sector of the future, ensuring alignment with other skills activity being taken forward across the Humber.
- ▶ Create a business environment which supports intensification and diversification of activity around the ports.
- ▶ Develop the 'Humber Maritime Supercluster' collaborative partnership amongst the key businesses and stakeholders within the Humber.



Engineering and assembly

Our ambition is to grow and improve the competitiveness of the Humber's engineering and assembly sectors, supporting them to adapt to industry trends and leveraging the Humber ports to attract new and expanded manufacturing operations.

This includes building on existing specialisms, like caravans, modular building and furniture, pursuing new opportunities like train assembly, and strengthening local supply chains.

To achieve this we will need to:

- ▶ Support businesses to integrate new technology into their products and processes.
- ▶ Ensure there is an adequate supply of sites and premises.
- ▶ Stimulate demand for modular building.
- ▶ Work with businesses to respond to their changing skills requirements.
- ▶ Prepare more businesses to scale up to access new supply chain opportunities.

Developing our approach



We have also begun to update our approach to the cross-cutting issues that affect the whole of our economy, the five foundations of productivity. This includes:

Ideas

Developing the Humber's innovation cluster, with a focus on the specialist areas of health, energy and low carbon, environment and water management, logistics and the digitalisation of manufacturing.

People

Building the Humber's skills profile to meet the changing needs of employers, raising awareness of career opportunities and supporting people to realise their potential and progress in work.

Infrastructure

We have commissioned an external review of the Humber's short-, medium- and long-term infrastructure requirements which will inform our approach. This will include a more ambitious long-term approach to transport in the region and connectivity with other regions that will enable the Humber's growth to be sustained; continuing

to invest in mitigating flood risk but also becoming more resilient to flooding; and maximising our advantages from digital connectivity.

Business environment

Making the Humber internationally-competitive in more sectors, joining up public and private business support and supporting businesses to challenge themselves. We have commissioned an external review of supply chain development opportunities.

Places

Supporting places to diversify and adapt for the future, enabling every part of the Humber to play to its strengths, whilst improving connectivity between places to ensure that everyone has the chance to benefit from the Humber's increased earning power. We will also continue to build on improved perceptions of the Humber as a place to live, work, learn and invest.

We will develop this further through consultation over summer 2019. In the next phase of our work we will also develop our approaches to the food, digital tech and professional services sectors.



Consultation

We are inviting views and evidence from people, businesses and other organisations across the Humber on our emerging approach. We also plan to start formal engagement with Government on the Humber's developing priorities, with a view to agreeing our industrial strategy later in 2019.

To view the full details of our proposals, download our evidence base and take part in our consultation, visit our website:

humberlep.org/industrialstrategy