



## Scottish Business UK Briefing: Green Investment Opportunities in English Freeports – October 2021

### Overview

During the 2021 Budget, Chancellor Rishi Sunak announced that freeports in England would benefit from a range of tax incentives, including a £175m regeneration and infrastructure fund, enhanced capital allowances, relief from stamp duty and employer NI contributions for additional employees. Contributing to the UK's net zero ambitions has been a key criterion for the assessment of eight Freeports so far approved in England.<sup>1</sup> Below are some of the leading sustainability investments currently being unlocked by successful Freeport bids in recent months.

### 1. Wind Turbine Blade Manufacturing Plant - Tees Valley Freeport

GE Renewable Energy is taking forward plans to open a new blade manufacturing facility at the Tees Valley Freeport dedicated to the production of its 107m long offshore wind turbine blades, a key component of GE's Haliade-X, the most powerful offshore wind turbine in operation today. The new plant, set to open and start production in 2023, could create up to 750 direct renewable energy jobs and up to 1,500 indirect jobs in the area to support the entire value chain needed to operate this facility.<sup>2</sup>

### 2. Marine Energy Park - Humber Freeport

Able Marine Energy Park (AMEP) will be located adjacent to the Port of Immingham and represents a £450m investment by Able on a land area designated for offshore wind of c. 217 ha. The project is being promoted as a unique opportunity for the UK to establish a world scale industrial cluster for offshore wind and will enable the UK to maximise the economic development potential provided by the rapidly expanding offshore wind market. The development is expected to transform the local economy, providing up to 3,000 new jobs in for the area.<sup>3</sup>

### 3. Offshore Wind Hub - Freeport East

A new offshore wind hub at Freeport East Harwich, to be built on over 110 ha of land adjacent to Harwich International, will provide dedicated installation, engineering, and manufacturing facilities, as well as supporting office space and ancillary functions. The offshore wind hub will include a high-spec innovation and technology centre to attract innovative businesses, supporting cutting-edge manufacturing and engineering solutions for offshore wind. In addition to construction of new offshore wind farms, Freeport East will be positioned to support offshore wind Operations and Maintenance (O&M) activities rising to a value of around £1.3 billion per year by 2025-30 when all currently consented offshore wind projects are commissioned.<sup>4</sup>

### 4. Net Zero Energy Plant - Tees Valley Freeport

US clean energy innovation firm 8 Rivers Capital and Sembcorp Energy UK are jointly developing a new net zero electricity plant at Sembcorp's Wilton International site in Redcar. The plant will produce 300 MW of clean, efficient, low-cost electricity, with all the carbon dioxide potentially captured and transported under the North Sea, where it will be permanently stored. The development phase is expected to support

<sup>1</sup> UK Government, Apr 2021, English Freeports selection decision-making note.

<https://www.gov.uk/government/publications/freeports-bidding-prospectus/english-freeports-selection-decision-making-note>

<sup>2</sup> <https://www.ge.com/news/press-releases/ge-renewable-energy-plans-open-new-offshore-wind-blade-manufacturing-plant-teesside-uk>

<sup>3</sup> <https://www.ableuk.com/government-backs-able-marine-energy-park-to-lead-offshore-wind-revolution/>

<sup>4</sup> <https://www.freeporteast.com/news/freeport-east-will-boost-offshore-wind-investment>



more than 2,000 direct and induced jobs. Once operational, it is expected to create up to 200 jobs and would support retraining of engineers, giving them the skills required to operate the project.<sup>5</sup>

### 5. Zero Carbon Technology & Energy Hub - East Midlands Freeport

Uniper is harnessing opportunities resulting from the East Midlands Freeport to accelerate closure of one of the four 500 MW units of the Ratcliffe hard coal-fired power plant as early as the end of September 2022 - two years ahead of the date announced by the UK government for the coal phase-out. The remaining three units of the 2 GW power plant is scheduled to end completely by the end of September 2024 as part of plans to create a zero-carbon technology and energy hub for the East Midlands. They include sustainable onsite energy generation and a centre for innovation, bringing together industry and academia to help identify and develop the technologies, solutions and skills needed to help meet the UK's Net Zero commitment.<sup>6</sup>

### 6. Hydrogen Hub - Freeport East

The Freeport East Hydrogen Hub is proposed as one of the world's most exciting and innovative transport decarbonisation schemes. The Hub will be developed with partners EDF, operators of Sizewell B and developers of Sizewell C nuclear power stations, and Ryse Hydrogen who are building the UK's first hydrogen production and distribution network. Wrightbus and JCB will also participate in the scheme.<sup>7</sup>

### Further Plans

In addition, a number of other Freeport sites in England are bringing forward practical investment plans to support the drive to net-zero.

- **Liverpool City Region Freeport** aims to increase innovation and lead on solutions to meet the region's Net Zero targets, such as Wirral Waters, a nationally significant regeneration site that will support the advanced manufacturing base and be a focus for dedicated maritime and decarbonisation innovation activity.
- **Thames Freeport** has signed an [industry-wide charter](#) to uphold "the highest standards throughout the operation of any freeport" including on environmental sustainability.<sup>8</sup>
- **Solent Freeport** plans to unlock 52,000 jobs across the UK, contributing to an innovation revolution in maritime, autonomy and green growth, including a centre of excellence in green skills and jobs.

## Potential in Scotland

Scottish Freeports were expected to benefit from similar tax reliefs worth up to £120m over five years, plus additional funding worth £18m as a result of Barnett consequential.

In a recent appearance before MSPs, Charles Hammond, CEO of Forth Ports, a lead partner in the successful Thames Freeport area, expressed "disappointment" about the Scottish Government not being able to reach an agreement with the UK Government over the future of Scotland's freeports. He estimated their success could be replicated in Scotland with 50,000 direct and indirect jobs for a Firth of Forth free zone.<sup>9</sup>

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<sup>5</sup> <https://teesvalley-ca.gov.uk/mayor-welcomes-new-net-zero-power-plant-plans-set-to-support-2000-jobs/>

<sup>6</sup> <https://www.uniper.energy/news/uniper-accelerates-coal-phase-out-in-the-uk-one-unit-of-the-coal-fired-power-plant-in-ratcliffe-on-soar-will-be-shut-down-early>

<sup>7</sup> <https://www.freeporteast.com/news/freeport-east-hydrogen-hub-will-boost-decarbonisation-agenda>

<sup>8</sup> <https://thamesfreeport.com/commitment-to-sustainable-freeports/>

<sup>9</sup> <https://www.insider.co.uk/news/forth-ports-disappointed-scottish-governments-25045936>