

Press release

Government reignites industrial heartlands 10 days out from the International Investment Summit

Government confirms funding to launch the UK's first carbon capture sites, set to bring thousands of new skilled jobs, billions in private investment and support acceleration to net zero.

From: **Department for Energy Security and Net Zero**

(/government/organisations/department-for-energy-security-and-net-zero), **The Rt Hon Sir Keir Starmer KCB KC MP (/government/people/keir-starmer)**, **The Rt Hon Rachel Reeves MP (/government/people/rachel-reeves)** and **The Rt Hon Ed Miliband MP (/government/people/ed-miliband)**

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- New era for the clean energy industry with carbon capture clusters launched – in the week that Britain became the first industrialised nation to end its 150-year usage of coal

- UK will be among the first to deploy this game-changing technology at scale in Teesside and Merseyside – capturing CO2 emissions before they reach the atmosphere and storing them away safely
- projects will create thousands of jobs, attract £8 billion of private investment, and accelerate the UK towards net zero in 2050

The UK today enters a new era for clean energy investment and jobs, as the government announces it has reached commercial agreement with industry, and funding to launch carbon capture in the UK.

Major funding for 2 carbon capture sites will inject growth into the industrial heartlands of the North West and North East of England – directly creating 4,000 jobs and supporting 50,000 jobs in the long-term while powering up the rest of the country.

This comes 10 days before the government's set-piece International Investment Summit which is poised to put the UK back at the global table – kickstarting a decade of economic renewal and giving business confidence and opportunity to invest in the United Kingdom.

CCUS technology removes CO2 emissions before it reaches the atmosphere and stores it safely beneath the seabed – using tried and tested technology that has been deployed across the globe for over 20 years.

In a boost for economic growth and protecting the environment, the new carbon capture and CCUS enabled hydrogen projects will create 4,000 new jobs, sustain important British industry, and help remove over 8.5 million tonnes of carbon emissions each year – the equivalent of taking around 4 million cars off the road.

Prime Minister Keir Starmer, the Chancellor Rachel Reeves, and Energy Secretary Ed Miliband are visiting the North West today to confirm the funding for 2 sites in Teesside and Merseyside, which are expected to bring in £8 billion of private investment into these communities.

These projects will set the UK on course to become a global leader in CCUS and hydrogen – delivering good jobs and turbocharged growth for decades to come.

Prime Minister Keir Starmer said:

“We’re reigniting our industrial heartlands by investing in the industry of the future.

“For the past 14 years, business has been second-guessing a dysfunctional government – which has set us back and caused an economic slump.

“Today’s announcement will give industry the certainty it needs – committing to 25 years of funding in this groundbreaking technology – to help deliver jobs, kickstart growth, and repair this country once and for all.”

Today’s announcement confirms up to £21.7 billion of funding available, over 25 years, to make the UK an early leader in 2 growing global sectors, CCUS and hydrogen, to be allocated between these 2 clusters. The UK’s commitment was first made in 2009, and the confirmation of funding today represents a major success story for British industry.

In the week in which Britain became the first industrialised nation to end its 150-year usage of coal to produce power, the nation now begins a new era of clean energy technology. The UK has enough capacity to store 200 years’ worth of emissions - making CCUS a revolutionary method in tackling the climate crisis and helping industry to decarbonise.

Energy Secretary Ed Miliband said:

“On Monday, 150 years of coal in this country came to an end. Today, a new era begins.

“By securing this funding, we pave the way for securing the clean energy revolution that will rebuild Britain’s industrial heartlands.

“I was proud to kickstart the industry in 2009, and I am even prouder today to turn it into reality. This funding is a testament to the power of an active government working in partnership with businesses to deliver good jobs for our communities.”

Chancellor of the Exchequer Rachel Reeves, said:

“This game-changing technology will bring 4,000 good jobs and billions of private investment into communities across Merseyside and Teesside, igniting growth in these industrial heartlands and powering up the rest of the country.

“Working in partnership with business is at the heart of our plan to deliver strong growth and investment, so we can rebuild Britain and make everyone better off.”

This announcement will also help turbocharge the low carbon hydrogen sector by paving the way for the UK’s first large-scale hydrogen production plant, decarbonising vital industrial sectors.

It also marks a game-changing development in the mission to tackle climate change – protecting the environment from harmful emissions at a time when the UK has seen a year of record-breaking temperatures. It follows advice from the independent Climate Change Committee, who described CCUS as

critical for decarbonising the UK's heavy industry and a "necessity" for the UK to reach its legally binding target for net zero emissions by 2050.

Similarly, the International Energy Agency and the Intergovernmental Panel on Climate Change have endorsed CCUS as a critical tool in decarbonisation, particularly in heavy industry such as cement and steel.

The carbon capture, usage and storage industry is expected to support 50,000 good, skilled jobs as the sector matures in the 2030s, helping to support the oil and gas sector's transition away from high emission fossil fuels by using the transferable expertise of their workforce. This supports the UK's mission for growth, while putting the country at the cutting edge for developing the skills of the future.

An up and running carbon capture industry is expected to add around £5 billion per year to the UK economy by 2050 and the backing of these 2 sites sends a clear signal to investors that the UK is open for business.

As part of the partnership with GB Energy and The Crown Estate, the progress on Track-1 comes as The Crown Estate awarded an Agreement for Lease to Eni to repurpose existing infrastructure to transport and store CO₂, reducing cost and environmental impact.

Louise Kingham, SVP Europe and head of country, UK for bp, said:

"This announcement represents another step forward for the Northern Endurance Partnership and East Coast Cluster.

"Major projects like these have the potential to help stimulate economic growth – supporting thousands of jobs, helping UK companies prosper through the vast supply chains involved and creating the infrastructure to help major industrial companies with their decarbonisation plans.

"Collaboration is key in helping to progress and deliver the energy transition in the UK, and we look forward to continuing to work alongside the government and our partners to move these innovative projects forward."

Alex Grant, SVP and head of country, UK for Equinor, said:

"We welcome this major milestone in progressing these 2 key projects and applaud the hard work and collaboration that has led us here.

"Equinor has been an energy partner with the UK for over 45 years and today's announcement is a step for both Equinor and the UK to progress our energy partnership further.

"This will help decarbonise the country's industrial heartlands and achieve its net zero ambitions whilst providing jobs and value creation.

“The UK will continue to be a key market for Equinor, building on our history of significant energy provision along its East Coast, which is transitioning from traditional oil and gas demand to renewables and low carbon options like CCS and hydrogen.”

Eni CEO, Claudio Descalzi, said:

“Today’s news is an important step towards the creation of a new business chain linked to the energy transition.

“HyNet will become one of the first low-carbon clusters in the world and the project will decarbonise one of the key energy-intensive industrial districts as well as unlock significant economic growth in this region of the UK.

“This commitment is clear evidence of how governments and industry can work together to implement pragmatic and effective industrial policies, in order to accelerate decarbonisation. On our side, it reaffirms Eni’s role as a key partner with the UK in enabling its journey towards Net Zero.”

James Richardson, Acting Chief Executive of the Climate Change Committee, said:

“It’s fantastic to see funding coming through for these big projects. We can’t hit the country’s targets without CCUS so this commitment to it is very reassuring. It will no doubt provide comfort to investors and business about the direction of travel for the country.

“We know these projects will provide good, reliable jobs in communities that need them. It is important that prosperity for these parts of the country is built into a clean energy future.”

Emma Pinchbeck, Energy UK’s Chief Executive, said:

“CCUS is a tool in our armoury of technologies which we need to decarbonise parts of energy that we currently can’t do with clean electricity, such as major industrial processes.

“The energy transition is gathering pace, and the development of CCUS here for industrial processes unlocks inward investment, creates jobs and helps areas with a proud history of engineering and industry pioneer the technologies of the future in the UK.”

Olivia Powis, CEO of the Carbon Capture and Storage Association (CCSA), said:

“The government’s confirmed support for carbon capture and storage and hydrogen demonstrates their commitment to the UK’s journey to net

zero.

“Today’s announcement shows that decarbonisation does not mean de-industrialisation, and highlights the UK’s leadership in these important technologies.

“The industry has made significant strides towards deploying carbon capture projects and by establishing the first 2 CCUS clusters in the North West and North East of England, it means that we can deliver thousands of new highly skilled jobs whilst reducing our CO2 emissions and retaining existing jobs in our industrial areas in critical industries like cement and manufacturing across the UK.”

Celia Greaves, CEO of the Hydrogen Energy Association, said:

“This is a vital step forward, catapulting hydrogen towards long-term certainty we need in the UK. Supporting hydrogen at scale in 2 of the biggest UK industrial clusters is the government giving hydrogen another green light as a key component of its green energy ambitions. We particularly welcome the news that this will provide thousands of new jobs given the HEA’s solid focus on hydrogen’s role in delivering clean growth.

“Our own project map has built up a blueprint of hydrogen endeavours across all parts of the UK and this significant investment in carbon capture clusters is going to bring forward the first large scale projects we have seen in the country. What’s more, it will inject further enthusiasm for wider investment to power-up business confidence which will have a knock-on effect of continuing to position the UK as a global player in hydrogen technology and innovation.”

Clare Jackson, CEO of Hydrogen UK, said:

“We are thrilled to see the UK government’s commitment to advancing Track-1 clusters in partnership with the private sector. This initiative is a crucial step forward for regional development, driving economic growth, and creating high-quality jobs across the country.

“The integration of CCUS technology with hydrogen production is pivotal for achieving our net zero targets. CCUS-enabled hydrogen not only provides a low carbon, and scalable energy solution but also ensures the UK remains at the forefront of the global hydrogen economy.

“By moving forward with Track-1, we are laying the foundation for a cleaner, more resilient energy future for all.”

Mike Clancy, General Secretary of Prospect union, said:

“Funding the development of commercial carbon capture and storage is an important part of the transition to a low carbon economy.

“Siting this new technology in areas where high carbon jobs are being phased out is also vital to support our industrial heartlands and ensure future jobs and skills.

“CCUS also allows the UK to retain and develop domestic energy intensive industries while still cutting carbon. The alternative is simply offshoring industry, losing jobs and failing to genuinely cut emissions.”

Rain Newton-Smith, CEO, Confederation of British Industry (CBI):

“This latest announcement demonstrates the UK’s continued leadership in driving the net zero transition. Investments in CCUS will not only enable key decarbonisation projects to become a reality but will pave the way for meaningful industrial decarbonisation. It also has the potential to unlock high quality jobs and commercial opportunities, as well as further develop existing supply chains. Green growth can undoubtedly be the engine that powers the UK’s economy for decades to come and this moment represents a critical milestone as we create and shape the markets of the future.”

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