



13 November 2014

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chancellor

Infrastructure investment in the North West

We are writing to you as leaders of the CBI, Institute of Directors, and Chambers of Commerce in the North West to raise with you an issue of regional economic priority.

You personally have taken a welcome and active approach to enhancing the economic prospects of the North West region, as part of your broader plan to create a 'Northern Powerhouse' to maximise the economic potential of the north.

It is in this context that we write to underline the absolute importance to the North West region of the Preesall Underground Gas Storage facility being developed by Halite Energy Group near Fleetwood in Lancashire.

Your Ministerial colleagues in the Department of Energy and Climate Change will imminently be making a decision on development consent for the Preesall project, which if granted, would release a major energy infrastructure investment of some £600million of private sector capital.

The £600million investment linked to Preesall would flow directly into the North West regional economy, with associated supply chain benefits for members across all our organisations.

There are also important cross-sectoral transfer effects of the Preesall project, given the advanced 'fast-cycle' nature of the facility which would, when operational, provide comfort to energy intensive and manufacturing businesses, by providing the UK with a strategic asset to release gas quickly to address energy price spikes that can do so much to damage UK industrial competitiveness.

Recent expert advice commissioned by the Department of Energy and Climate Change from geological consultants, Senergy (GB) Limited, has provided independent confirmation that the geology of the Preesall site is suitable for the type of gas storage proposed, and that the geology can accommodate a large gas storage facility that can be operated on a fast-cycle basis, with an annual capacity of at least 2434 mcm, making Preesall one of the very largest gas storage facilities in the UK.

It is important that expert independent advice provided to Ministers is afforded full and due regard in any decision making process regarding Preesall, given the crucial importance to the North West regional economy and the strategic value of such a facility for UK industrial competitiveness.

The Government now has the opportunity with their decision on Preesall to deliver a firm and clear message that the North West as a region is welcoming of major private sector investment and can deliver advanced, world class infrastructure projects as well as London and the South East.

We want to work with you in delivering the message throughout the UK and globally that the North West is open for business and open for investment. A negative response from Ministers on the Preesall project must be avoided at all costs.

Yours sincerely



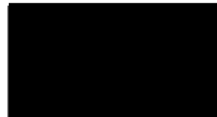
Damian Waters

Director,
CBI North West



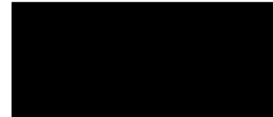
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cc Rt Hon Matthew Hancock MP, Minister of State for Business and Enterprise, BIS