Speech at GCR Live: Telecoms, Media and Technology 2020

There has been a lot of speculation and debate recently about the possible underenforcement of mergers in dynamic markets. Certain past cases such as Facebook/Instagram and Google/Doubleclick are often cited as examples where unease about the true transaction rationale and market impact has grown since their respective merger clearances. At the same time, we have recently conducted a high number of in-depth Phase 2 investigations, taking strong action to block or break up certain mergers, with numerous mergers being abandoned after we have raised competition concerns.

I'd like to begin my address against this backdrop by discussing whether the CMA is becoming increasingly interventionist in merger control generally (and dynamic markets in particular). I will comment on the extent to which we are investigating mergers differently now. I also want to touch on whether any evolution in approach requires substantive or jurisdictional updates to legislation or our guidance.

1. Is the CMA becoming increasingly interventionist in merger control generally (and in dynamic markets in particular)?

It is important to start with some historical context to UK merger control. For decades, the UK reviewed mergers against a broad public interest test which required authorities to take into account 'all matters which appear to them in the particular circumstances to be relevant'. This made it difficult for firms to predict merger control outcomes, or even the grounds on which decisions would be taken, particularly as the Director General of Fair Trading (DGFT) and the Monopolies and Merger Commission (MMC) played an advisory role and Ministers made the final decision. This changed with the introduction of the Enterprise Act in 2002, which placed decision-making in the hands of independent authorities, with a consumer-focused test, and decisions based on rigorous economic analysis. This has been positive for investment and innovation in the UK economy. The CMA's merger control work is estimated to have delivered direct benefits to consumers of, on average, £183 million annually 2016-2019 (CMA110: CMA Impact Assessment Report 2018/19). This figure does not of course take into account the wider benefits to investment that come from the existence of the independent regime.

I believe there are four factors relevant to considering whether the CMA is now more interventionist: two relate to merger control generally, and two are particularly relevant to dynamic markets.

A. Horizontal mergers in concentrated markets

First, the number of mergers we block in a given year inevitably depends on

the mergers that are announced that year, and recently we have been seeing horizontal mergers in markets that are already very concentrated (including in markets where we already suspect that there might be poor market outcomes) that have ultimately required intervention.

As Valletti and Zenger have warned, mergers are more likely to raise competition concerns where merger parties' pricing power is already large to begin with, and in a current environment of high and increasing margins, we should be vigilant when assessing mergers in concentrated markets (see footnote 1). In concentrated markets, each player – however small – may represent an important competitive constraint that helps prevent price rises and promote quality, service and innovation. Removing such a competitor, especially where limited constraints remain, is likely to be problematic.

We saw this in, for example, Sainsbury's/Asda, Tobii/Smartbox and Ecolab/Holchem. After in-depth investigations, the CMA's independent Phase 2 inquiry groups decided that the only effective way to address competition concerns would be to block (or reverse when already completed) these mergers. Similarly, Illumina abandoned its acquisition of PacBio after serious competition concerns had been highlighted by the CMA's Phase 2 inquiry group.

There is also obviously an increased risk of collusion (or at least weak competition) in highly-concentrated markets.

B. Richer evidence sources

Second, we are now using a wider and more sophisticated range of evidence as part of our analysis, partly driven by the increasingly dynamic nature of the markets that are the subject of our merger reviews. I'd like to take this opportunity to run through some of the key evidence sources we tap into.

i. Internal documents

Internal documents will often set out the merger parties' commercial strategies and provide insights into how the markets (and the merger parties' products) may develop in future. They are particularly helpful in cases involving dynamic markets. We are especially interested in discussions of future competitive threats and how the merger parties intend to respond to them.

We sometimes see differences between the picture portrayed to investors and Boards in certain documents, and that submitted to competition authorities. Thorough investigation of these documents is therefore needed to understand these differences, and the background to these documents and the purpose for which they were produced form part of this investigation.

When reviewing the merger parties' internal documents, the evidential weight placed on such a document may depend on its context. We will consider the author of the document, the intended audience, the timeframe and the purpose for which it was created (See for example, PayPaliZettle and Illumina/PacBio). An understanding of the merger parties' decision-making processes and hierarchy can also be helpful background. This is also

consistent with how we seek to understand the context of internal documents in Competition Act cases.

Internal documents from third parties (most commonly competitors and potential competitors) can also be useful to forward-looking assessments. Such information requests will typically be targeted at the third parties' commercial strategies and future plans. This gives us a better understanding of the likely competitive constraints on the merger parties in future. Context will again be important to determine how much weight to place on third-party internal documents.

ii. Deal valuation materials

Another tool at the CMA's disposal is to review the documents discussing the target's valuation. By this, I mean scrutinising the price of the company acquired and the models used by the acquirer to value the target.

This analysis can provide helpful insight into the acquirer's expectations for the future success of the target, as well as whether the valuation includes a premium to account for the potential earnings growth of the target, including in the acquirer's hands. The price ultimately paid by the acquirer may not match the acquirer's valuation of the target, and may depend on the acquirer's perception of the level of competition to buy the target.

The Furman Report and Lear Report both highlighted the evidential relevance of transaction value, and paying close attention to the rationale for valuations which seem exceptionally high.

We recently analysed deal valuations in PayPal/iZettle and Illumina/PacBio. We looked at estimated synergies, taken from internal documents and deal models, as well as equity analysts' comments at the time of the transactions and calls with advisors to better understand the valuation and sales process:

- In PayPal/iZettle, PayPal's valuation of the iZettle business was much higher than a proposed IPO valuation. Our work on the valuation and estimated synergies ultimately led us to conclude that the price PayPal paid for iZettle was justified by commercial valuation and synergies rather than reflecting an anti-competitive premium.

- In Illumina/PacBio, our work on the valuation model was helpful to understand the high purchase price, the forecasted areas of future growth, as well as in determining projected future levels of R&D in the years after the merger and comparing these to what they would have been absent the merger.

Both cases show that deal valuation models and board presentations can be strong sources of evidence for the merger parties' motivations and the deal rationale. This is particularly useful for dynamic mergers where the future is less certain, and therefore the merger parties' plans for the merger are most illuminating.

iii. Other third-party evidence sources

In addition to internal documents and deal valuation materials, we may also look at other third-party evidence when conducting a forward-looking assessment. For example, third-party forecasts and analysts' reports.

We are also increasingly considering whether to make use of our investigatory powers to hold witness interviews, similar to those used regularly in the US. For example, we recently interviewed Amazon's senior management as part of our Phase 1 investigation in Amazon/Deliveroo.

In addition to allocating more resources to consider certain theories of harm in a given merger case, we are building a better understanding of dynamic markets through other functions and internal initiatives. For example, knowledge gained through our current market study on online platforms and digital advertising will no doubt prove useful in future mergers relating to the digital advertising ecosystem, and our DaTA team are increasingly helping us to get to grips with how firms use data and algorithms in their business models, and how we can use data and documents more effectively in our day-to-day work.

iv. Limitations of historical and static evidence in dynamic markets

Typically, we consider 'static' or recent evidence such as market shares, win/loss data and switching data as useful for many merger assessments as it is informative of competition in the near future.

But in dynamic markets, this is not necessarily the case. As firms in dynamic markets are typically continuously evolving and releasing new products or services, historical or static data may not accurately reflect the changing market position. For example, market shares may not accurately reflect the market power of a recent entrant or of a player who has recently released a disruptive new product. Indeed, merger parties sometimes encourage us to take a dynamic perspective when assessing the potential competitive constraint from other actual or potential competitors, or the impact of market developments that reduce the merger parties' historic strength.

We expect these first two factors to lead to more competition concerns being identified and more merger interventions in general. Beyond that, there are two factors which are particularly relevant to dynamic markets.

C. The need to consider uncertain future market outcomes in dynamic markets

In dynamic markets where products, processes and/or business models evolve rapidly, we must consider uncertain future market outcomes. In doing so, we should learn from previous mergers that have contributed to poor outcomes for consumers – in terms of higher prices as well as reduced innovation, quality or service – and where wrong decisions may have been taken. Our approach is, and has been, evolving to help us make forward-looking assessments.

We need to make decisions under greater levels of uncertainty than before. Some say that the correct response to this increased uncertainty about future competitive outcomes is to not intervene, however, it would be incorrect in terms of standard economic analysis. We still have a balance of probabilities test and this means that we should still intervene if we think, based on the available evidence, that the merger is more likely than not going to result in a substantial lessening of competition (SLC). This test remains applicable however uncertain the future is.

Our evolving approach should, as always, learn from previous mergers and consider what could have been done differently. Market participants in several sectors often accept that various historic mergers have contributed to poor market outcomes (see footnote 1). Facebook/Instagram, Facebook/WhatsApp and Google/DoubleClick, PriceWaterhouse/Coopers & Lybrand and Boeing/McDonnell Douglas are seen by some as examples of merger control gone wrong. We now know that:

We need to make the most of our merger control tools when our assessment is necessarily forward-looking and apply a degree of scepticism and robustly test submissions by merger parties (and indeed, third parties) about future market developments and transaction rationales.

False negatives (allowing a merger that should have been blocked) can be particularly costly for consumers in the digital sphere. Many digital markets exhibit characteristics that lead to markets tipping, such as two-sidedness, network effects, and large economies of scale.

In markets that are prone to tipping, competition is likely to be for the market rather than in the market. While competition for the market is valuable for consumers as it ought to lead to the best firm winning the market, a merger that allows an incumbent to avoid a new round of competition for the market is likely to have a high cost for consumers, in that they do not benefit from the competitive phase and the ‘wrong’ firm may end up winning the market. In concentrated digital markets, it becomes even more important to protect competition for the market.

We are very mindful of the importance of protecting potential competition and dynamic competition, as reflected in recent reports and commentary. Valletti and Zenger have pointed out that if dominant incumbents spend billions on targets with no earnings because they are considered to pose a risk of future competition, these incumbents clearly take potential competitors seriously and, therefore, so should competition authorities (see footnote 4).

We are advancing our approach through casework. For example:

- In PayPal/iZettle, we assessed a dynamic counterfactual in a fast-moving and dynamic payment services industry;

- In Experian/Clearscore, we considered whether the merger would lead to a reduction in the rate of innovation (such as product improvements), a non-price theory of harm, which is something we are likely to see

increasingly in future due to online services being offered for free (or for zero-price);

- In Thermo Fisher/Roper, we explored potential non-price effects of the merger (which was both horizontal and vertical in nature) on quality and future innovation; and
- In Illumina/PacBio, we examined whether the merger would reduce levels of innovation in a dynamic and rapidly developing sector, drawing on evidence such as internal documents and valuation models.

The evolution of our approach is also supported by the increasing evidence of poor outcomes for consumers in numerous markets. We are aware of poor market outcomes from our own experience of such cases, from our engagement with consumer organisations (who are particularly well-placed to offer intelligence due to the scale of their interactions with consumers), with Parliament and with market participants both during merger investigations and through external consultations.

We are not alone in believing that our approach to merger assessment, and that of many other competition authorities, needed to evolve. We believe that the carefully researched academic evidence from Philippon, Jason Furman and his colleagues, the Stigler Centre report, Jonathan Baker, Valletti and Zenger, and numerous others, supports the view that there have been poor outcomes for consumers as a result of mergers in a number of dynamic, and digital, markets.

D. Challenges with remedies in dynamic markets

Finally, in dynamic markets, it can be particularly difficult to identify and design effective behavioural remedies thereby making structural remedies or prohibition more likely solutions to competition problems. We have also learnt from the remedies we've accepted when allowing certain previous mergers that we need to be more sceptical about whether anything besides structural remedies can comprehensively address the competition problems we identify. These factors may make our decisions appear more 'interventionist' than in the past.

Behavioural remedies are, by their very nature, difficult and resource-intensive to implement, monitor and review. These difficulties and costs do not just fall on the CMA – they are felt by merger parties as well as their customers and competitors who may wish to understand and monitor remedies, with consumers bearing the ultimate cost of any ineffective remedies. Given the level of uncertainty inherent in dynamic markets, it can be particularly difficult to foresee how any behavioural remedies offered will work in changing market environments. It is also more difficult to predict the level of monitoring and enforcement that will be required to ensure that the proposed remedy is as effective as possible.

A number of recent cases have highlighted the challenge of accepting

behavioural remedies in dynamic markets. Thermo Fisher/Roper, ICE/Trayport and Experian/Clearscore all considered possible behavioural remedies that did not proceed due to concerns they would not be effective in remedying the SLC identified. This was at least in part due to the evolving nature of the markets in question and the difficulties in catering for all possible market developments and eventualities.

Our regular evaluations of the impact and delivery of past remedies consistently find structural remedies to be generally superior to behavioural remedies in terms of their effectiveness, risk profile and durability, supporting the use of behavioural remedies in very limited circumstances only. Our most recent report found that the long-term impacts of three historic hybrid and 'quasi-structural' remedies we have recently reviewed remained uncertain with ongoing risks to consumer outcomes.

For these reasons, amongst others, we prefer structural remedies over behavioural ones, and it is often the case that prohibition is the only appropriate remedy in these markets.

Ultimately it is consumers who bear the risk of ineffective remedies. We should therefore not shy away from prohibition if it is the only effective remedy.

Interim measures also play a fundamental role in enabling us to put in place effective remedies in completed mergers that are possible in our voluntary regime. In dynamic markets, where it is harder to predict how the market will develop, and where such developments can happen very quickly, it will be even more vital that the merger parties are held separate and that we preserve our ability to remedy any SLC found.

2. Will this result in any changes to the jurisdictional or substantive tests?

We still believe our merger control regime is largely fit-for-purpose. But we are continuing to think about whether there is a case for legislative changes to jurisdictional and/or substantive tests as we review more mergers and gain more experience of digital and dynamic markets.

Both the Furman report, and the reform programme set out in Lord Tyrie's letter to BEIS outlined several proposals for how the CMA's review of mergers could be improved and how its tools could be strengthened to ensure more effective results for consumers in the UK. Brexit and the increased workload for the CMA also plays a role in this discussion. We will need to review more multi-jurisdictional mergers, and as has been mooted, a mandatory, suspensory regime for these types of mergers (while retaining the numerous benefits of a voluntary regime) would likely help ensure that merger parties engage proactively with the CMA and that we are best able to reach key decisions on substance and remedies in parallel with other jurisdictions. We are continuing to evaluate how such reforms might be implemented in practice.

As mentioned in our Online Platforms and Digital Advertising Market Study

Interim Report, we have also been exploring whether there is a case for introducing a parallel regime for acquisitions by companies designated as having 'strategic market status' (SMS companies), building upon the regulatory framework envisaged by the Furman report. We are considering whether such a regime is justified based on concerns about potential historic underenforcement and our understanding – through expert reports and the CMA's case and policy work – of particular features of digital markets that increase the risks of consumer harm arising from acquisitions by particularly powerful companies. SMS companies may use acquisitions to eliminate potential competition or to leverage their position into adjacent markets in an anti-competitive manner. Small, nascent or potential competitors to particularly powerful companies (in both their own and adjacent markets) could be important sources of competition worth protecting.

We would need to think carefully about how to design and apply an SMS-specific mergers regime to achieve the right balance between (i) ensuring proper scrutiny of transactions that could give rise to harm and (ii) avoiding undue uncertainty and burdens on businesses and the CMA as well as other unintended consequences. This would inform the approach to the regime's jurisdictional aspects (i.e. what transactions by SMS companies should trigger review) and substantive aspects (i.e. whether the existing substantive SLC test, or the burden and/or standard of proof remain appropriate for such transactions).

3. Review of the Merger Assessment Guidelines

Given the evolution of our thinking in relation to dynamic mergers that I have outlined today, and to reflect a changing economy that relies ever more heavily on digital markets and use of the internet, it is also appropriate that we update our Merger Assessment Guidelines to reflect some of our learnings from over the past 10 years.

Towards the end of last year, we had a fruitful 'call for information' on digital mergers intended to feed into forthcoming changes to our Merger Assessment Guidelines. We expect to release a revised draft of the guidelines for external consultation in the second half of this year.

To close, I wanted to mention what will not change as our caseload continues to develop and evolve, and as we move beyond the transition period. I began this speech by referring to the evolution of UK merger control and the move to an independent review of mergers, led by rigorous economic analysis, and driven by the interests of consumers. This remains as important today as it was when the Enterprise Act was passed.

I hope this speech has shown how we are continually evolving our approach and analysis to take into account the ways in which markets are changing and new forms of detriment, whilst always retaining our focus on the welfare of consumers and the crucial benefits of our independence.

Thank you very much for your time today. I look forward to discussing some of these topics further throughout the course of the day.

Footnote 1: Tommaso Valletti and Hans Zenger (2018), "Should Profit Margins Play a More Decisive Role in Merger Control? – A Rejoinder to Jorge Padilla", Journal of European Competition Law & Practice, Vol.9, No. 5 and Tommaso Valletti and Hans Zenger (2019), "Increasing Market Power and Merger Control", Competition Law & Policy Debate, Vol. 5, No. 1

Footnote 2: On the other hand, we recognise there are many acquisitions in digital markets that are unlikely to raise competition concerns. The Furman report (Unlocking Digital Competition, March 2019) was of the view that "most acquisitions made by digital companies are likely to be benign or beneficial to consumers due to efficiencies, and the potential for innovative products and services to be brought more quickly to market. However, a minority of acquisitions are likely to have been anti-competitive" paragraph 1.110.

Footnote 3: The Lear report also addressed this point in their first recommendation: 'Network effects often make the structure of digital markets quite concentrated and barriers to entry rather high, making competition for the market the main mechanism left to discipline incumbents and potential competitors particularly valuable. Thus, the social costs of an incorrect clearance may be higher in digital markets than they are in traditional markets, which may justify a different approach to digital markets.' (Ex Post Assessment of Merger Control Decisions in Digital Markets, Final Report, 9 May 2019, page xiv)

Footnote 4: Tommaso Valletti and Hans Zenger (2019), "Increasing Market Power and Merger Control", Competition Law & Policy Debate, Vol. 5, No. 1.

Footnote 5: See Thomas Philippon, The Great Reversal: How America Gave Up on Free Markets (2019); Report of the Digital Competition Expert Panel, Unlocking Digital Competition, March 2019; Stigler Centre Committee on Digital Platforms, Final Report, 2019; Jonathan Baker, The Antitrust Paradigm: Restoring a Competitive Economy (2019); Tommaso Valletti and Hans Zenger (2018), "Should Profit Margins Play a More Decisive Role in Merger Control? – A Rejoinder to Jorge Padilla", Journal of European Competition Law & Practice, Vol.9, No. 5 and Tommaso Valletti and Hans Zenger (2019), "Increasing Market Power and Merger Control", Competition Law & Policy Debate, Vol. 5, No.1.

Turkmen Portal interviews British Ambassador Mr Hugh Philpott

During a 17 minute interview, British Ambassador talks about the UK Turkmenistan relations and the new areas that the Embassy will be focusing more over the coming months.

As Ambassador points out, he long wanted to come to Turkmenistan and tap into

some of the unexplored areas such as creative economy sector and one of his early major achievements are being able to send more than a dozen Turkmen representatives of the creative economy sector to the Creative Central Asia Forum in November 2019 in Tashkent, Uzbekistan.

Ambassador Mr Hugh Philpott's interview is now available in English and Russian languages on the website of the media outlet Turkmenportal.

You may also watch it on Youtube.

UK supercomputer to combat Africa's worst locust outbreak in decades

- A supercomputer funded by UK aid is helping countries in East Africa to tackle devastating locust outbreaks by tracking the insects' movements around the continent
- The computer based in Kenya uses data to predict where the locusts will move to and develop early warning systems so communities can prepare
- In addition, new UK aid to the UN will help stop the insects destroying the livelihoods of millions of people

Climate experts in East Africa are using a UK-funded supercomputer to combat the continent's worst locust outbreak in 70 years, which is robbing people on the brink of starvation of much-needed food.

The supercomputer based in the regional climate centre in Kenya (ICPAC) uses satellite data to track dangerous locust swarms which in just one day can travel nearly 100 miles and consume the amount of crops that would otherwise feed 35,000 people.

The innovative technology – supported by UK aid and the UK Met Office – also produces extensive weather forecasts to predict the high winds, rainfall, and humidity that provide ideal breeding conditions for locusts so climate experts can predict their next destination. By improving early warning systems we are helping charities and African Governments to take rapid action to protect vulnerable communities.

The UK is also providing £5 million to an emergency UN appeal to help vulnerable communities in Kenya, Somalia, Ethiopia, Sudan, South Sudan, Eritrea, Djibouti and Tanzania use this data to prepare for the arrival of locusts. This support will fund surveillance of the locusts and the spraying of aerial pesticides to kill the insects, protecting 78,000 hectares of land.

The locust infestation – driven by longer rainy seasons and extreme weather – has already destroyed hundreds of thousands of hectares of vegetation in East Africa. This is decimating the livelihoods of farmers and worsening the

humanitarian crisis in East Africa where close to 25 million people are on the brink of starvation.

International Development Secretary Anne-Marie Trevelyan said:

“The devastating locust outbreak in East Africa has paralysed communities that are already facing the daily threat of starvation.

“Through UK aid and British expertise, we are helping to track, stop and kill dangerous swarms of locust to help millions of people fighting for survival.

“With rising temperatures and increasing cyclones driving these infestations, Britain is stepping up to help vulnerable communities prepare for and adapt to the catastrophic impacts of climate change.”

UK aid to the UN Food and Agriculture Organisation (FAO) has already helped protect 73,000 hectares across East Africa, supplied almost 290,000 litres of pesticides and trained 600 people to carry out surveillance to stop the locust spread.

On top of this, UK aid is helping vulnerable communities cope better with extreme weather by improving access to clean water, and providing drought-resistant seeds, farming tools and nutrition packs to families.

Notes to editors

- The supercomputer is being provided through the Department for International Development’s Weather and Climate Information Services for Africa (WISER) programme, in collaboration with the Met Office and the Africa Climate Policy Centre.
- The £35 million programme will run from 2015 until 2021 and will:
- Help to build Africa’s resistance to climate change by implementing new policies and practices to plan for extreme changes in weather.
- Work to improve the quality of weather and climate information by bringing together experts and support its use on the continent.
- Provide expertise to improve climate forecasting ability and strengthen Africa’s response to climate change.
- UK aid will support the UN FAO Regional Emergency Appeal for the locust outbreak in East Africa. The FAO has initially asked donors worldwide for a total of £104million of funding of which the UK will contribute £5million.
- To fight this infestation, the UN Central Emergency Reserve Fund (CERF) has released £7.5 million to the FAO which has the skills and expertise in locust control to coordinate the response. The UK is the largest donor to CERF.
- With UK aid backed funding, the FAO is spraying pesticides on the ground and by air to prevent further damage to crops and protect livelihoods. The FAO is also working with governments in Africa, to train experts to manage future outbreaks and to conduct research to better understand the swarm.

[UK welcomes Canadian space sector]

More than 20 representatives from the Canadian space industry and government will visit the Harwell Space Cluster in Oxfordshire as well as organisations in London, Surrey Research Park and Glasgow's thriving space sector from 2-6 March.

The visit, led by the High Commission of Canada, the Canadian Space Agency, the National Research Council of Canada's Industrial Research Assistance Programme and Satellite Canada Innovation Network, builds on the close ties between Canada and the UK and will look at collaborative research and commercial opportunities in the exploitation of space data.

Alice Bunn, International Director at the UK Space Agency, said:

> It is great to welcome such a large delegation of industry and government representatives from Canada to the UK this week.
>
> International collaboration with our closest partners, is a key priority for the UK Space Agency and I hope the Canadian delegation will get to see the breadth of opportunity and ambition in the UK, particularly in the use of space-data for societal and commercial benefit.
>
> I look forward to hearing what prospects can be identified and pursued in the future between the UK and Canadian space sectors.

Along with the UK Space Agency, the visit is also supported by the Satellite Applications Catapult in Harwell, the Knowledge Transfer Network, Scottish Development International, Scottish Centre of Excellence in Satellite Applications and Enterprise Europe Network.

Nathalie Dubé, Minister-Councillor and Senior Trade Commissioner, said:

> Canada and the UK both have highly innovative space sectors, dynamic ecosystems for satellite applications and extensive capabilities in digital and artificial intelligence-based technologies.
>
> Both countries also view the space sector as a priority and are currently investing significantly in new and ambitious space strategies. This strategic alignment of capability and ambition make this an ideal time to start a conversation about how much more could be achieved if we work together.

The UK space sector employs 42,000 people and generates an income of £14.8 billion each year, with the value of exports standing at £5.5 billion.

The UK continues to be a leading member of ESA, which is independent of the EU, having committed a record investment of £374 million per year in November 2019.

Grimsby town centre receives multi-million pound regeneration boost

- Communities Secretary Robert Jenrick visits Grimsby to announce over £3.5 million of new investment for the town
- Total investment now over £90 million to help reach targets of over 8,000 new jobs and nearly 10,000 new homes in Grimsby
- On top of this, Grimsby is able to bid for up to £25 million under the Towns Fund
- The Communities Secretary continues his tour of all 100 places benefitting from the £3.6 billion Towns Fund

Communities Secretary Robert Jenrick today (2 March 2020) announced over £3.5 million of government funding for Grimsby, including £2.2 million of new investment for the next phase of its landmark Town Deal.

In addition, the Humber Local Enterprise Partnership (LEP) has awarded £1.3 million, provided through the government's local growth fund program.

The additional investment brings the total commitment of public and private funding to over £90 million to deliver ambitious targets of over 8,000 new jobs and nearly 10,000 new homes in Grimsby through the UK's first Town Deal.

On top of this, Grimsby will also still have the opportunity to bid for up to £25 million as part of the £3.6 billion Towns Fund.

On his tour of Grimsby, Mr Jenrick learned how the money will fund work to boost footfall in Grimsby town centre, by providing a high-quality replacement pedestrian footbridge over the River Freshney and improve the attractiveness of the strategic Garth Lane site to potential investors.

The investment will also fund highway improvements to Frederick Ward Way, giving pedestrians greater access to the town centre from Garth Lane.

Communities Secretary Rt Hon Robert Jenrick MP said:

> The Grimsby Town Deal has already provided millions of pounds of investment to support local plans to develop Grimsby town centre

and help business to create more high quality jobs. I’m pleased to announce the next phase of funding today.

Grimsby is leading the way and we want to replicate this deal in over 100 towns that will benefit from this government’s £3.6 billion Towns Fund – which will also fund further projects in Grimsby.

We want to level-up all parts of the country, ensuring that opportunity and prosperity is available to all and we unleash the potential of the Midlands and the North.

Simon Clarke MP, Minister of State, Ministry of Housing, Communities and Local Government said:

Town Deals are a key part of this government’s strategy to grow our regional economies.

Towns like Grimsby have a proud history as the birthplaces of industry, and it is right that they lead the way in levelling up prosperity across our nation.

Cllr Philip Jackson, Leader of North East Lincolnshire Council said:

We’re delighted to have made further progress on our ambitions to deliver the Town Deal and grateful to government for working with us to help deliver these schemes and get spades on the ground. This announcement further cements the government’s belief in what we’re doing in Grimsby.

The Town Deal is acting as a catalyst to unlock a much wider regeneration programme for Grimsby town centre and the Port of Grimsby. It has the potential to realise new commercial, cultural, leisure and residential opportunities on the port and on under-used land around Alexandra Dock.

Delivering the Town Deal will bring about major changes for north east Lincolnshire and help to deliver a brighter future for our residents and businesses.

Lord Haskins, Chair of the Humber LEP, said:

We very much welcome the announcement of the third phase of the Grimsby Town Deal.

The continuation of the commitment by government to work with businesses and the local authority to further the regeneration of Grimsby is extremely positive news.

> The Humber LEP are pleased to support the development of Frederick Ward Way as part of the Town Deal, with £1.3 million allocated from the Local Growth Fund to support highway improvements on Garth Lane, which will in turn help unlock potential in Grimsby town centre.

The ground-breaking Greater Grimsby Town Deal was launched on 5 July 2018 beginning a stronger relationship between central government and local partners.

The government's Future High Streets Fund will also support and fund local areas' plans to make their high streets and town centres fit for the future.

Grimsby is one of over 100 places benefitting from the £3.6 billion Towns Fund. The towns eligible for the support include places with proud industrial and economic heritage but have not always benefited from economic growth in the same way as more prosperous areas.