

£80m investment in British Steel gets under way in Scunthorpe

British Steel has started work on £80 million of investments to enhance its product range and improve performance in Scunthorpe.

The bulk of the investment – £48 million – is financing the installation of a new billet caster.

The rod mill is also being given a £32 million upgrade – work paused by the previous owners as debts stacked up prior to Jingye Group buying the huge business out of liquidation.

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Xifeng Han, British Steel's chief executive, said: "This is an incredibly exciting time for our business with unprecedented levels of investment – fuelled by the drive of our employees – powering us towards a sustainable future.

"While we're still in the early stages of our transformation, these projects are a major step forward for British Steel and our customers. The new technology and manufacturing capabilities will significantly enhance our product range and deliver improved operational performance and efficiencies.



The existing laying head and cooling line at Scunthorpe Rod Mill.

(Image: Steve Morgan)

“Steel is vital to modern economies and investments like these will ensure we keep delivering the steel our customers and the world need while playing a central role in transitioning to a low-carbon, circular economy.”

The new billet caster, which will manufacture lengths of semi-finished steel, is being installed by Danieli and is expected to be commissioned at the end of the year. It will enable the company to both increase capacity and grow into new markets, while boasting environmental efficiencies. It comes as a [huge hydrogen fuel-switching pilot begins](#), the potential to roll-out across the group. That followed last year’s unveiling of a roadmap to [decarbonise steelmaking](#).

Richard Longbottom, technical manager for steelmaking development, said: “The new caster will produce billets of an even higher standard, with much better internal and surface

qualities. We'll also have a broader product range, enabling us to become more competitive and expand our offering to customers."

New state-of-the-art mill equipment will significantly extend engineering capabilities at the rod mill. Part of a £50 million investment announced in 2018, the project has been resumed under British Steel's new Jingye Group ownership.

Once the high-tech upgrade is complete, the company's wire rod offering will have much-improved tolerances and surface quality with an extended product range with diameters up to 28mm. It will also offer customers considerably improved mechanical properties and enhanced options for supply condition such as normalised rolled and low-temperature rolled wire rod.

The reconfigured mill layout and new equipment are expected to be commissioned in 2023.

Phil Knowles, commercial director for wire rod, said: "Our bespoke new facility will be a real game changer.

"We'll be able to explore new market opportunities too, securing a strong future for our wire rod business. I'm very much looking forward to seeing our strategic plans become a reality."

Further investments are being made at FN Steel, British Steel's sister company in the Netherlands, which will also receive billets from the new caster.

It will see a twelfth wire drawing line added, as well as new coil warehouse, billet storage area and the relocation of the haulage facility.

The work begins as further [rail additions also progress following a major Network Rail contract win](#).

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