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| <b>Report to:</b>       | <b>Blackpool, Fylde and Wyre Economic Prosperity Board</b>    |
| <b>Report Author:</b>   | <b>Rob Green, Head of Enterprise Zones, Blackpool Council</b> |
| <b>Date of Meeting:</b> | <b>10 June 2021</b>   |

### **1.0 Purpose of the report:**

To review the work of Hillhouse Technology Enterprise Zone and its future work and priorities against its role and remit.

### **2.0 Recommendation(s)**

That the Board notes the report.

### **3.0 Hillhouse Enterprise Zone: Progress Report**

#### **a) Delivery Plan**

Finalisation of the implementation and delivery plan is being progressed and amended to reflect both the closure of the Vinnolit facility and the loss of the proposed large scale waste to energy plant, and the progression of proposals by NPL Estates for an initial phase of speculative development totalling 6,100m<sup>2</sup> which would in part, assist the decanting of existing businesses from the old international business centre releasing that site for redevelopment. The accountable body EZ team are working with NPL to update the programme and costs estimates for delivery of enabling infrastructure and surveys. This will then be presented to Wyre Council for approval as the accountable body in summer 2021 and subsequently to the EPB, EZGC, LEP and MHCLG for information and endorsement.

NPL, who have secured funding from the Getting Building Fund toward the costs of essential infrastructure upgrades to enable the new speculative development to progress, are now preparing detailed planning applications for the development which should be submitted to Wyre council before the end of July, together with a planning application to relocate the existing gatehouse,

The project requires some urgent upgrading and repair to ageing enabling infrastructure, including site access road, upgrade of utilities, and an extension and repair to Hillhouse's water ring main and electricity supply mains. It will also incorporate the extension of the Local Full Fibre Network (LFFN) super-fast broadband in a ring around the site, linking to the recently completed LFFN extension of the Fibre from the Tramway to the Hillhouse gatehouse, which was funded by Wyre BC as EZ Accountable body.

The project has been allocated provisional funding of £630,000 from the Getting Building Fund, with additional match funding provided by Wyre council and NPL at £63,000 each.

A purchaser for the former Sainsbury retail site has been identified and their intention is to secure a planning consent for up to 250 homes and a smaller district retail centre which will support employment and provide some retained business rates growth. Planning applications are anticipated later this year and discussions are to be progressed regarding contributions toward enabling infrastructure.

NPL have also submitted a planning application for residential development of the former Thornton AFC site having now supported the relocation of the football club to their Poolfoot site. Once consent is granted and work commenced, this should see the completion of works to enable Bourne Road, the main access route to Hillhouse, to become an adopted Highway. In the meantime NPL have introduced a number of measures to reduce traffic speeds on Bourne Road.

### b) MARKETING

A series of workshops are underway to discuss the branding and messaging for all four LAMEC sites and a combined communications strategy is to be implemented.

Regular newsletter updates have continued throughout lockdown providing Covid-19 business support advice with the Marketing Officer continuing to monitor the situation carefully. The next quarterly summer 2021 edition is planned for June.

Subject to completion of the formal procurement process in early June an agent has been identified to lead on international marketing for all four EZ's within the LAMEC cluster.

Current enquiries include:

| Date of enquiry | Target sector                                   | Size and type of enquiry          |
|-----------------|---|-----------------------------------|
| NEW April       | N/K   | 200 jobs to site                  |
| Feb 2021        | Waste to energy project                         | 10,000 sq ft                      |
| Feb 2021        | Construction                                    | 1 acre outdoor secure storage     |
| Jan 2021        | USA owned PPE manufacturer                      | 200,000 sq ft                     |
| Jan 2021        | Energy and renewables                           | 20,000 sq ft new build industrial |
| Jan 2021        | Organic waste recycling centre                  | 10 – 20,000 sq ft industrial      |
| Jan 2021        | Waste to energy recycling project               | Up to 2.5 acres                   |
| Jan 2021        | Warehousing and distribution of beauty supplies | 20,000 sq ft new build            |
| May 2020        | Manufacture of PVC compound                     | 15,000 sq ft industrial           |
| Jan 2020        | Manufacturing of Kitchens                       | Up to 4 acres                     |

### c) Hydrogen Steering Group

Further Hydrogen Hub meetings have been put on hold until further notice due to furloughed key members of the group. These will be re-established once social distancing restrictions are lifted. Added impetus to the work of the group is anticipated in the wake of Government announcements about the new green agenda and the role of hydrogen as a clean fuel source for transportation.

Mark O'Brien of NPL attended a round table event with NW Insider re: The Great Green Transition on 26 May.

**d) Site Activity**

**i) Vinnolit**

Majority landowner NPL Estates have completed the purchase of the vacant property of the former Vinnolit site and are seeking planning consent to demolish with work likely to take up to 12 months releasing new sites for development resulting in increased long term employment. There is strong market interest in occupying former Vinnolit buildings which are to be retained and upgraded.

**ii) Victrex**

Global polymer solutions supplier Victrex, which is a FTSE 250 company with a 900-strong workforce, has made 79 redundancies across operations at its Thornton Cleveleys HQ due to the effects of Covid-19 on the business, but hopes to re-recruit once market stabilises post Brexit and Covid.

**iii) Forsa Energy**

Construction work has now completed and commissioning is underway for a new 20MW Short Term Operating Reserve (STOR) gas turbines, planning consent having been granted in 2017.. A number of construction jobs have been created by Forsa Energy and NPL/Wyre BC will confirm with the contractor the final numbers for the project.

**iv) New companies on site**

1. A digger company came onto site April 2021 and leasing 0.5 acre plot of land
2. A distribution business is now signed a 0.5 acre plot for haulage trucks and storage starting June 2021
3. An existing tenant on NPL Hillhouse site (engineering manufacturer) has agreed to purchase an existing warehouse on site in November 2021 – 6,000 sq ft
4. An entertainments company who is an existing tenants is moving to a larger warehouse with effect from June 2021 – 14,000 sq ft

**e) Job Creation**

A number of construction jobs have been created due to the start on site by Forsa Energy. The team continues to chase confirmation of how many construction full time equivalent jobs are currently on site and work will continue to make connections with Hillhouse tenants.

**f) EZ Board Meetings**

A Board meeting took place on 14 May online with a group of stakeholders including Hillhouse tenants. The date and time of the next meeting is to be confirmed.

**g) EZ fiscal benefits**

Work is continuing to lobby MHCLG to seek an extension of EZ fiscal benefits which have now expired at Hillhouse for rates relief and November 2023 for ECA's.

Local MPs have pledged their full support and we are chasing the LEP Network as to next steps.

**i) Risk Register**

The Hillhouse Technology Enterprise Zone risk register is regularly reviewed by Wyre Borough Council's corporate risk team and will be reviewed again at the upcoming Project Board. Copies will be available upon request.

**Key risks:**

| Risk and Issues  | Mitigation & Actions  |
|--|---|
| Lack of market demand due to Covid-19/Brexit uncertainty and the commercial viability of development with existing scheme such as Energy from waste/Biomass plant which are in development being cancelled or postponed long term.         | Allocated government Getting Building funding to help kick start essential infrastructure to better market the site to potential occupiers and stimulate private investment |
| Continuing delays in applying for and securing planning and highway approvals and potential land contamination issues that need to be overcome.  | Close liaison with NPL, Wyre (accountable body) and LCC, refresh of EZ Project board and securing additional delivery support resource                                      |
| Requirement for flood mitigation measures and utility upgrades across the site and issues surrounding the ability construct western access road over Fleetwood-Poulton railway line. Delay in commissioning essential pre-planning surveys | Close liaison with NPL, Wyre (accountable body) and LCC and securing additional delivery support resource   |
| Failure to secure purchase or rights over the Fleetwood rail line will impact upon ability to construct Northern Access road and add costs.  | Close liaison with NPL, Wyre (accountable body) and LCC   |
| Decision on future use of rail line will impact on cost and timing of western access road if bridge is required  | Participation in Fleetwood and Poulton working group chaired by LCC   |

**k) Milestones:**

The table below lists key milestones scheduled to be discussed and approved at the Hillhouse EZ Project Board on 14 May.

| Milestones  | Dates     |
|---|-----------|
| Forsa Energy completion of build and commissioning  | completed |
| NPL Grant agreement in place for Get Britain Building Fund                                  | completed |
| Risk Register updated regularly by Project Board  | May 2021  |
| Appointment of joint international marketing agent LAMEC brand                              | May 2021  |
| Planning application submitted utilities and infrastructure upgrade including new gatehouse | June 2021 |
| 60,000 sq ft speculative development of small multi-use units planning submitted*           | Q2 2021   |
| Revised Delivery Plan   | June 2021 |
| Procure state aid advice once Implementation plan complete                                  | June 2021 |
| Planning permission granted for utilities infrastructure and new gatehouse                  | Sept 2021 |

|  |           |
|--|-----------|
| Construction commences for utilities infrastructure and new gatehouse  | Sept 2021 |
| A flood risk assessment to be scoped and commissioned for the entire site subject to identification of funding               | Q3 2021   |
| A transport assessment be scoped and commissioned for the entire site subject to identification of funding                   | Q3 2021   |
| An Environmental and Ecology study to be scoped and commissioned for the entire site subject to identification of funding ** | Q3 2021   |
| Demolition and clearance of Vinnolit plots complete  | Q2 2021   |
| Completion of electric and water main upgrades*  | Oct 2021  |
| Subsequent roll out of fibre ducting on site   | Q3 2021   |
| Fiscal benefit extension decision from HM Treasury   | Nov 2021  |

\*Applications still to be submitted by NPL

\*\* Habitat assessments to be undertaken Nov 21-Mar 22

**Report Author**

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