

Report to:	Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author:	Rob Green, Head of Enterprise Zones, Blackpool Council
Title:	Blackpool Airport Enterprise Zone: Progress Report
Date of Meeting:	15th December 2021

1.0 Purpose of the report:

To review the work of the Blackpool Airport Enterprise Zone and its future work and priorities against its role and remit.

2.0 Recommendation

That the Board notes the report.

3.0 Progress

a) Masterplan and Delivery Plan

The refreshed EZ masterplan was approved by Blackpool's Executive in December 2020 reflecting the impact of changes in third party ownership across the site, changes required to satisfy Sport England and address highway and transportation concerns. The masterplan will be finalised once all comments are reviewed from the recent public engagement exercise which took place in person on 16th November at AFC Blackpool. Initial indications are that there have been no matters of significance raised. The revised delivery plan and annual progress report is scheduled to be presented for consideration by the Executive at its January 2022 meeting, with a complete remodelling of the retained business rates income forecasts presently underway to pick up changed layouts and delivery dates for built development.

The approved marketing strategy will continue to be implemented for the Enterprise Zone and, where appropriate, will be updated in line with the revised masterplan and emerging opportunities and guidance from Lancashire LEP/Marketing Lancashire to incorporate LEP priorities.

b) Project Management

A second Project Manager has been appointed with Mark Harrison joining the team in November from agents Robert Pinkus. The importance of strengthening the project management resource is a very high priority to ensure continued successful and expanded delivery as the range and scale of direct delivery ramps up in 2022. An additional marketing and admin apprentice post will also be created to support the team.

c) Fiscal Incentives

The team has seen an increase in EZ business rates relief applications over the last quarter with a number of new enquiries and from EZ businesses looking to relocate due to business growth. Four awards in principle have recently been allocated and a further five awards with the rates team for consideration.

There has been no further activity to lobby the government for the extension of fiscal incentives. Local MPs are supportive of the proposals but other EZ teams around the country have also received negative feedback from government officials where the focus is now on other initiatives such as Freeports. It now looks highly unlikely that there will be any extension of the EZ rates relief beyond March 2022 as this was not referenced in the October budget. The Enhanced Capital Allowances which are available for Common Edge and Squires Gate Industrial estate will continue to be available until November 2023.

d) Current Activity Phase One

The second of three proposed planning applications designed to release the Common Edge Sports pitches was approved at the Blackpool Council Planning Committee on 8th June 2021 and subsequently by Fylde Planning Committee. It includes a 3G sports pitch, a floodlit grass rugby pitch, training area, reconfiguration and extension to existing car park, provision of associated hard-standing, fencing and landscaping, improvement works to the access from Common Edge Road to incorporate a remodelling of the Division Lane Common Edge Junction and the creation of a new footway and cycleway.

Conlon's Construction have been appointed and commenced work on construction of the new changing pavilion site in late September, following clearance from the Football Foundation who it is hoped will provide some grant funding toward the project. A completion date of May 2022 is programmed. The new sports pitches came into use on 16th October after delays in delivery of the goal posts and will allow a phased release of existing pitches will permit highway preparation works to progress. The existing Jepson Way changing facilities will continue in use for the interim period.

Detailed design work is progressing for the 3G pitch and rugby pitches and these works will be tendered early in the New Year.

Construction of the remodelled junction at Division Lane, will commence in spring 2022 with the intention that this is completed prior to the main holiday season commencing in June.

Further design work has continued both the Eastern Gateway Access and the Common Edge Road junction upgrade with Wilde Consulting appointed by Blackpool highways team, already making good progress. Further detailed site investigations have been commissioned. Leasehold surrenders and renewals with sports clubs have been negotiated and the outline planning application for the new highways and development of former Common Edge Playing Fields will be submitted in early December. Detailed planning applications for the Highways will be submitted in spring 2022. A public engagement event was held on the 16th November to obtain the views of local residents to the highway proposals and has identified a number of minor improvements that will be incorporated into the detailed design.

e) Towns Fund

An application to the Blackpool Towns Fund for £7.5m toward the costs of an overall £18m project to provide new Highways and enabling utility infrastructure and drainage, has been approved by the Town Deal Board and the Council's Executive and now awaits formal sign off by DLUHC which is anticipated in December. The Towns Fund project will incorporate the remodelling of Common Edge Road between School Road and Division Lane incorporating traffic signalled junctions, the construction of the Eastern Gateway access road to link Amy Johnson Way and Common Edge opening a further 10.5ha land for commercial development. The project will also enable two new access points

to be constructed from Amy Johnson Way to the Eastern side of the Airport to support development of new aircraft hangars.

f) M55 Link Road

All funding is now in place including a committed EZ contribution of up to £1m with Fylde generated retained business rates growth monies being ring fenced toward this and works have commenced with an anticipated 2024 completion.

g) Multiply Development

Practical completion of the Multiply development took place in August with contractors Eric Wright Construction continuing work on the internal fit out which is progressing well and on target to complete in January 2022, allowing the building to be fully operational by March. The full £800,000 Growth Deal funding support was claimed before the deadline of end February 2021.

h) Squires Gate Industrial Estate (Former Wellington Bomber Factory)

The new owners of Squires Gate Industrial Estate continue subdividing and letting units and an up-to-date tenancy schedule has been received from the new owners, with the property substantially let and the main elevations of the building have been over clad.

The EZ team has engaged with site owner Euro Properties regarding landscaping and maintenance of the strip of vegetation in front of SQIE and pruning works will be carried out w/c 29 November as a precursor to a planned future upgrade of landscaping and fencing along the entirety of the Squires Gate lane frontage to the EZ.

i) Communications Infrastructure

The Aquacomms base station facility is operational and three wayleaves for telecoms companies have been agreed to date. There are presently seven enquiries for data centres that have been generated as a result of the EZ's enhanced connectivity. The most advanced is for a 10-15,000 sq ft facility with proposals being progressed to locate this at the Airport.

The news that a National Cyber security facility will be located at Samlesbury EZ, will provide a further boost to the Fylde Coast's credentials as a major player in this very significant sector which will drive much future investment. The intention is to promote Blackpool EZ as the leader in "greening the data sector" and this will become one of our key marketing mantras and efforts are now being made to assess the feasibility of bringing a power connection from Walney Island wind farm ashore at the EZ, to compliment further the proposals for onsite solar PV generation at the airport.

Consultants Horizon Energy have been appointed to confirm and develop the feasibility study for a 12-14 Mw solar farm to be located on the south side of the airport.

A digital data base and prospectus are being developed to support engagement with the sector and the EZ team is working closely with specialist facility engineers to produce a number of illustrative design options.

j) Fibre Blackpool

The Fibre Blackpool campaign continues to promote the roll out a local full fibre network for improved, gigabit capable, broadband internet connection to residents and businesses on the Fylde Coast. The dedicated website www.fibreblackpool.com is still receiving enquiries registering interest in the scheme and various suppliers are now active in the Blackpool area.

There is an increasingly strong level of interest from businesses involved in the digital and telecommunications industries in locating facilities within the EZ offering the prospect that Blackpool and the Fylde Coast can become a major player in this booming sector.

k) Marketing

Industrial enquiries continue to see a slight upturn in recent months and the team continues to progress an enquiry for 750- 100,000 sq ft from a local food and drink sector manufacturer. An outline development proposal has been submitted to DiT via Lancashire LEP in response to a national site search to accommodate a 50,000 sq ft development for manufacture of solar panels for high tech use.

A new office enquiry to locate up to 250 staff in the energy sector on a plot adjacent the Energy HQ is also being progressed whilst there are three live projects from different engineering companies all seeking circa 30,000 sq ft space by 2024. Several existing EZ occupiers are also looking to move to larger units as they continue to grow.

Overall demand is far greater than the present availability of stock or development plots and a long list of interested parties are being kept warm. The greatest difficulty in translating these enquiries into delivered development is the financial viability, due to a combination of low rentals, high and accelerating construction costs and ground abnormalities, which inhibits interest from traditional commercial property developers.

The logos for Blackpool EZ have now been refreshed as part of the Lancashire Enterprise Zones branding with a collective strategic marketing and communications plan being developed along with updates to promotional literature and websites which are expected in the New Year.

The next quarterly winter EZ newsletter 2021 is planned for December.

A joint international agent for all four LAMEC sites has now been appointed in collaboration with LCC and Colliers have begun work targeting opportunities from the international markets.

An informal public consultation took place on 16th November at AFC Blackpool to show plans for the highways work in association with Common Edge Playing Fields. Residents had the opportunity to ask questions of the development team and view the most up to date plans. The main themes of concern were highways and drainage issues and feedback has been shared with the Council highways team and highways consultants.

Blackpool EZ has been internationally recognised at Investment Monitor's Economic Zone Sustainable Recovery Strategies Awards 2021. Competing alongside some of the world's best Free Zones, Blackpool EZ was congratulated on its resilience in the wake of the global pandemic and its strategy to retain existing companies and attract new businesses. We were also commended on our ability to Build Back Stronger.

The three accolades are:

- Editor's choice awards - Digital connectivity
- Editor's choice awards - Advocacy
- Honourable mention - Covid relief packages

Top enquiries are:

No.	Date of enquiry	Target sector	Size	Type of enquiry	Progress to date
1	Mar 2020	E	20,000 sq ft	D&B sale for mix of owner/occupier and spec devt	Seeking to identify suitable site, engaging with private sector land owners
2	Apr 2020	AV	25,000 sq ft	D&B sale hangar for specialised sim/helicopter training facilities, worldwide contracts	Option agreement for land at airport under negotiation – timing of development dependent upon relocation of existing aircraft control facilities
3	May 2020	AV	2 acres	Land sale for hangar complex for engineering and storage, high net worth investment for airport	Option agreement being finalised – now that funding agreed for access road and enabling infrastructure – timing of planning applications to be agreed
4	Oct 2020	DC	Up to 30,000 sq ft	D&B LH for NW data centre facility requirement	Discussions ongoing in respect of potential location and timescale – potential site identified at airport
5	Nov 2020	FM	Up to 30,000 sq ft	D&B lease for fast growth, local target sector company	Discussions ongoing in respect of potential locations and timescales
6	Dec 2020	ADM	Up to 2 acre plot for 20,000 sq ft	D&B sale for established local manufacturers constrained at existing premises	Contact re-established Nov 2021 to re-look at viable options and discussions ongoing
7	Jan 2021	DC	up to 125,000 sq ft	National company, land sale enquiry for data centre	Company assessing options within the region and awaiting certainty on delivery timetable
8	June 2021	FM	Up to 100,000 sq ft	D&B LH requirement for local growth business in food manufacturing sector	Outline designs produced and costed with ongoing discussion on timescales and to refine requirements

9	July 2021	DC	Up to 30,000 sq ft	D&B LH for data centre facility and adjoining tech hub using green energy	Discussions ongoing in respect of potential locations and timescale
10	Nov 2021	E	50,000 sq ft	Via DiT site for solar PV manufacturing facility	Proposals submitted for Blackpool EZ.

SECTORS: ADM - Adv. Manufacturing & engineering, AV - Aviation, OA - Office administration, FM - food manufacturing, E - Energy, DC – digital and creative, O - Other

l) Blackpool: The Place for Business

Work is progressing to update the website www.businessinblackpool.com and the team are building a strong portfolio of case studies from successful target sector businesses around the Fylde Coast. To put forward a company news story for submission please contact the EZ marketing officer. Online engagement and followers of the campaign continue to increase month on month.

m) Blackpool Airport

The CAA operational licenses for Aerodrome management and Air Navigation service provider were successfully transferred to Blackpool Airport Operations Ltd with effect from midnight on 31st October. A new managing Director has been recruited and will commence their role in the New Year with an emphasis on identifying and securing new business opportunities.

Discussions have continued to base a new CPL training facility at the airport initially looking at cohort of 20 pilots per annum and potentially rising to 100. Similarly discussions are ongoing for provision of specialist helicopter pilot and engineering training facilities, with the airport looking to capitalise on opportunities to become a major centre for aviation industry training.

n) Business Enquiries and Jobs

To date:

- A total of over 250 live enquiries are currently logged for Blackpool EZ and a review is underway to assess each requirement. An internal matrix of enquiries has been developed to identify the top enquiries based on potential investment, deliverability, size of development, job creation and strategic implications.
- Some 123 businesses have located to the Enterprise Zone since April 2016.
- A gross cumulative total to date of 1950 jobs have located to the Enterprise Zone, this figure includes jobs new to the area, safeguarded jobs within Blackpool and construction full time equivalent jobs.

o) Project Team

The latest meeting of the Blackpool Airport EZ Project Team was hosted online on Friday 26th November via MS teams. The next meeting is due to take place in January 2022, date and time TBC.

p) Risk Register

The Blackpool Airport Enterprise Zone risk register is reviewed regularly with Blackpool's corporate risk team, the Project Board and the Programme Board (EPB) every quarter.

Many of the main risks are ubiquitous to development in the UK and outside the direct control and influence of the EZ team such as Covid and Brexit, which have in recent months seen significant logistical interruptions to supply chains and to the cost and availability of materials. Strategy to mitigate impacts from such risks is dependent on specific factors pertaining at any one time and these potential impacts are reviewed in all project meetings. As a standard practice construction contracts now all include clauses relating to delays from pandemics and promised delivery date have to extend to account for this, whilst additional levels of contingency for costs inflation are being built into delivery plan budgets. The confidential risk register will be circulated separately to Board members

Key Risks:

Risk and Issues	Mitigation and Actions
Slight delays to construction due to Covid-19 working restrictions	Safety guidelines in place and work continuing.
After short period of uncertainty, property enquiries are returning but overall lack of market demand due to Covid-19/Brexit uncertainty and the commercial viability of development.	Clear marketing strategy defined and implementation underway
Increased construction and material costs are affecting viability of development projects	Work with contractors and architects on regular value engineering to ensure viability and ensuring that adequate contingencies are built into estimates
Due to delays in ability to progress the Common Edge infrastructure, interest may find alternative sites	Regular communication with prospective occupiers and interested parties

q) Milestones

Milestones	Dates
Proposition and identifying opportunities for data centre market	Ongoing
Focussed marketing of Common Edge phase 1 commences	Ongoing
Appoint international marketing agents LAMEC brand	Complete
Changing Rooms and car park/3G pitch planning approved	Complete
Appoint Common Edge Changing room and 3G pitches contractor	Complete
No. 12 grass football pitches ready for use October 2021	Complete
40,000 sq ft devt handed over to occupier complete	Complete
Land/property acquisitions x 4 (2 x complete, 2 x ongoing)	Dec 2021
Design and outline planning application for Eastern Gateway Access	Dec 2021
Design and outline planning application for Common Edge Road	Dec 2021
Outline Planning approval for highways	Mar 2022*
Fiscal benefit extension decision from HM Treasury (unlikely to be secured)	Mar 2022
Architectural feasibility study & design work for airport ongoing	May 2022
Sports changing room work completes	May 2022
Release of existing sports pitches and commencement of highway and utility infrastructure	May 2022
Airport Control tower, outline relocation planning application	Summer 2022

12 month construction contract for EGA access and related EZ highways	Sep 2022
Replacement hangar development commenced	Sep 2022
Outline planning app for airport redevelopment	Quarter 3, 2022
Decision on airport redevelopment planning application	Jan 2023
Commencement of works for airport redevelopment	Mar 2023
Completion of airport redevelopment works	2025/6

*Subject to Secretary of State approval of Greenbelt development

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