

<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>Title:</b>	<b>Blackpool Airport Enterprise Zone: Progress Report</b>
<b>Date of Meeting:</b>	<b>3<sup>rd</sup> March 2022</b>

### 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 continue to be reviewed and where appropriate revised, as new developments progress and new opportunities arise. A full review of the Masterplan will be undertaken in 2025 following completion of the enabling infrastructure to phase one centred upon Common Edge.

The revised delivery plan and annual progress report was approved by Blackpool Executive at its 7<sup>th</sup> February 2022 meeting, reflecting updated modelling of the forecast retained business rates income, to pick up changed layouts and delayed delivery dates for built development. The Executive approved an increase in allocated expenditure (via prudential borrowing) of £29.5m to facilitate the planned delivery of enabling infrastructure to the period end of Financial year 2022/23, with high levels of investment anticipated in the next 12 months on the highways, drainage and utilities at Common Edge.

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 and marketing consultants to incorporate LEP priorities.

#### b) Project Management

As the scale and pace of development at the Enterprise Zone increases it is important that a strong project management team is engaged to drive forward a wide range of activity. The Enterprise Zone delivery team has therefore been strengthened by the recruitment of two specialist property professionals, with further additions to the team anticipated in the next twelve months to support marketing and provide project support.

#### 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.

Whilst local MPs pledged their full support to securing an extension of EZ fiscal benefits working with the LEP network, Paul Maynard MP for Blackpool North and Cleveleys recently received a letter from DLUHC confirming that whilst the Government is glad to hear that the EZ program has been well received in Blackpool, the Government has no plans to create new, or extend existing EZs or the fiscal benefits.

#### **d) Phase One Current Activity**

Conlon's Construction commenced work on construction of the new changing pavilion site in late September, following clearance from the Football Foundation who are providing £250,000 of grant funding which was confirmed in December 2021. A completion date of June 2022 is programmed. The new sports pitches are in use and will allow a phased release of existing pitches that will permit highway preparation works to progress. The existing Jepson Way changing facilities are being used for the interim period.

Detailed design work is progressing for the design and construction tendering of the 3G pitch and rugby pitches with a contract scheduled to be tendered in February/March to enable operation from early 2023.

Construction of the remodelled junction at Division Lane will commence in June with the intention that this is completed within 5-6 weeks. A Section 278 agreement with Lancashire County Council has to be agreed before work can commence and the planning conditions stipulate that the highway works can only commence after the completion of the main construction of the changing rooms.

Further design work has continued for 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 and the first will commence on the 16<sup>th</sup> February.

Leasehold surrenders and renewals with sports clubs have been negotiated and an independent scoping assessment undertaken by consultants Arup which determined that an Environmental Impact Assessment was not required to support the planning application for the highways, paving the way for submission of the Outline planning application at the end of February, once a revised drainage strategy has been completed. Because of delays in finalising the Part 2 of the Blackpool Local Plan (Examination in Public took place in December with approval not anticipated until Summer 2022), any decision for development of the presently Greenbelt land at Common Edge will be referred to the Secretary of State for a final decision, which may slightly delay implementation time scales. Detailed planning applications for the highways will be submitted in summer 2022.

#### **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, was approved by the Town Deal Board and the Council's Executive and formally signed off by DLUHC in December. The Towns Fund project will cover the remodelling of Common Edge Road between School Road and Division Lane incorporating traffic signalled junctions, and 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) Multiply Development**

Practical completion of the Multiply development took place in August with contractors Eric Wright Construction completing fit out work at the end of January. Multiply are now decanting from their existing premises and will be in full production by the end of March. The full £800,000 Growth Deal funding support was claimed before the deadline of end February 2021.

#### **g) Squires Gate Industrial Estate (SQIE)**

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 were undertaken in December. Discussions are ongoing with the owners to explore opportunities for new development on limited areas of the site, and improvements in access and drainage.

#### **h) Communications Infrastructure**

The Aqua Comms base station facility is operational and three wayleaves for telecoms companies linking into this have been completed. 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 30,000 sq ft facility with proposals being progressed to locate this at the airport. This will also incorporate proposals for a new primary sub-station, a separate fibre switching station, and up to four new aircraft hangars. A planning application is being targeted for May 2022.

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. A study is underway to assess the feasibility of developing a solar farm at the airport to support the high energy requirements of data centres, alongside proposals for battery storage, connections to offshore wind farms, and use of the airport estate for ground source heat pumps and associated district heating systems. 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.

Further to exploring the opportunities that the connection to the North Atlantic Loop can bring to the region, Lancaster University has agreed to invest some of their Community Renewal Funding to help Blackpool develop an innovation catalyst which includes a business case and local engagement to help attract investment into net zero data centres along the Fylde Coast.

A number of influential stakeholders have been invited from the Data Centre industry, academia and the local community to attend a two day, residential activation session on the 2<sup>nd</sup> and 3<sup>rd</sup> March at the Boulevard Hotel, Blackpool. The University of Lancaster's School of Management will facilitate the sessions. The sessions will conclude on 15<sup>th</sup> June with a data centre symposium at the brand new Winter Gardens conference and exhibition centre, Blackpool where the findings and ways to market the opportunities will be shared.

#### **i) 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. Various suppliers are now active in the Blackpool area.

#### **j) 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.

Discussions have commenced for a new office enquiry of circa 20,000 sq ft for a financial sector occupier. Development proposals are also being worked up for 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.

These enquiries will be confirmed and delivery accelerated as the detailed designs for the highways are completed. Private sector landowners have also been engaged to seek to support their bringing forward sites to meet the most urgent requirements.

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 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 in Q1/2 2022. This will be done in collaboration with a joint international agent for all four LAMEC sites appointed in collaboration with LCC, and Colliers have begun work targeting opportunities from the international markets.

Old branding:



New branding:



An interim newsletter and stakeholder letters about the planned initial roadworks at Common Edge Road were issued on 07 February and the next quarterly newsletter is planned for March 2022.

Top enquiries are:

No.	Date of enquiry	Target sector	Size	Type of enquiry	Progress to date
1	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 and obtaining planning for access, with highways presently in design
2	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,

					planning applications targeted for Spring 2022
3	Oct 2020	DC	Up to 30,000 sq ft	D&B LH for NW data centre facility requirement	Update Feb 2022: Discussions ongoing and progressing well in respect of potential location and timescale, potential site identified at airport P2 car park/close to LEHQ.
4	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
5	Dec 2020	ADM	Up to 2 acre plot for 20,000 sq ft	D&B sale for established local manufacturers constrained at existing premises	Update Feb 2022: Contact re-established Nov 2021 and discussions ongoing with overseas parent company, exploring building options and relooking at viability and location
6	Jan 2021	DC	up to 125,000 sq ft	National company, land sale enquiry for data centre	Update Feb 2022: Discussions ongoing with company assessing options within the region and awaiting certainty on delivery timetable and availability of large footprint plot
7	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, site identified at Common Edge with ongoing discussion on timescales and costs to refine requirements which now likely to be circa 75,000 sq ft. Will be assessed against lower cost existing building conversions away from Fylde coast
8	July 2021	DC	Up to 30,000 sq ft	D&B LH for data centre facility and adjoining tech hub using green energy	Update Feb 2022: Discussions ongoing in respect of potential locations, specifications, delivery alternatives, funding and timescale
9	Nov 2021	E	50,000 sq ft	Via DiT site for solar PV manufacturing facility	Update Feb 2022: Feasibility studies on solar farm to be undertaken and contractor appointed. Proposals submitted for Blackpool EZ to DiT via LCC, feedback awaited.
10	Jan 2022	OA	20,000 sq ft	Finance and banking	Initial discussions re: site location

11	Feb 2022	ADM	c.20,000 sq ft	Manufacturing facility	Initial discussions re: plot availability
12	Feb 2022	AV	15,000 sq ft	Hangar for private aircraft	Discussions initiated

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

### **k) Blackpool Makes It Work**

Work is progressing to update the website [www.businessinblackpool.com](http://www.businessinblackpool.com) and the team are building a strong portfolio of case studies from successful target sector businesses around the Fylde Coast. Online engagement and followers of the campaign continue to increase month on month.

NW Insider ran a five page feature regional review on Blackpool in its January edition, a first for the magazine to solely focus on just one town in their regional feature, testament to all the exciting regeneration projects happening on the Fylde Coast (copies available at the meeting). Blackpool will also feature in their North West Investment Guide 2022.

Blackpool Makes It Work sponsored and manned a stand at the Place NW Lancashire Development Update on 10<sup>th</sup> February in Burnley, one of the first live events since early 2020. Alan Cavill from Blackpool Council was a guest speaker and panellist at the event to talk about Blackpool Airport and Blackpool's regeneration ambitions.

Blackpool Makes It Work are also sponsors of the upcoming March/April edition of the Blackpool Hotspot feature in Lancashire Business View. A launch event is being arranged at a venue (TBC) in Blackpool on 16<sup>th</sup> March so please look out for further details on how to attend.

The events team will also be exhibiting at the UK REiif Expo in May 2022, a three day real estate conference in Leeds where development and investment opportunities on the Fylde Coast will be promoted. If Wyre and Fylde Borough Councils would like a representative to attend one or all of the three dates, please register your interest with the EZ marketing officer. For more information please visit: [www.ukreiff.com](http://www.ukreiff.com)

### **l) Blackpool Airport**

A new Managing Director has been recruited and will commence their role in Q1/early Q2 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.

Key to progressing development and securing additional business rests with the relocation of the existing control tower and provision of new and replacement hangar accommodation and apron predominantly within the Fylde Greenbelt. Initial design studies are underway for the new tower and for the development of up to six new aircraft hangars across two locations at the airport, which has remained fully operational throughout the pandemic and is currently experiencing higher volumes of aircraft movements than before the pandemic, with the more lucrative corporate flights finally also growing as international travel restrictions are lifted.

### **m) Business Enquiries and Jobs**

To date:

- A total of over 190 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 133 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.

#### n) Project Team

The latest meeting of the Blackpool Airport EZ Project Team was hosted online on Friday 28<sup>th</sup> January via MS teams. The next meeting is due to take place 16<sup>th</sup> March on MS Teams.

#### o) 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 on request.

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 with robust delivery schedule for serviced plots with specific emphasis on future data/digital sector opportunities
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

#### p) Milestones

Milestones	Dates
Appoint international marketing agents LAMEC brand	complete
Changing rooms and car park/3G pitch planning application decision	complete

Changing rooms and 3G pitch contractor appointed – start on site 6 <sup>th</sup> Sept	complete
No. 12 grass football pitches ready for use	complete
40,000 sq ft development handover for client fit out (Multiply)	complete
Proposition and identifying opportunities for data centre market	ongoing
Focussed marketing of Common Edge Phase 1 commences	ongoing
Design and outline planning application for eastern gateway access	Feb 2022
3G pitch designed and tendered	Mar 2022
Land / property acquisitions x 4 (two complete two in negotiation)	Mar 2022
Architectural feasibility study & design work for airport complete	Mar 2022
Outline planning app for airport redevelopment (Phase 1 – P2 car park)	June 2022
Design and outline planning application for Common Edge Road	May 2022
Outline planning approval for highways	May 2022*
Release of existing sports pitches and commencement of highway and utility infrastructure	June 2022
Airport Control tower, relocation planning application	Sep 2022
12 month construction contract for EGA access road commences	Nov 2022
Replacement hangar development commenced	Oct2022
Decision on first airport redevelopment planning application	Oct 2022
Commencement of works for airport redevelopment	Nov 2022
Completion of airport redevelopment works	Autumn 2025

\*Subject to Secretary of State approval of Greenbelt development

**Report Author**

**Rob Green Head of Enterprise Zones**

[Rob.green@blackpool.gov.uk](mailto:Rob.green@blackpool.gov.uk)

**07500 786402**