

Report to: Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author: Rob Green, Head of Enterprise Zones, Blackpool Council
Date of Meeting: 3 June 2020 (via Zoom)
Recommendation: To note the report.

Hillhouse Enterprise Zone: Progress Report

IMPLEMENTATION PLAN

Further meetings have been held with the senior managers at NPL Estates to encourage them to bring forward proposals for an initial phase of speculative development totalling 6,100m² which would in part, assist the decanting of existing businesses from the old International business centre releasing that site for redevelopment. NPL are presently seeking investors and short term construction finance before committing to the project and would ideally like some form of public sector guarantee. Once the present Covid-19 issues have reduced it is anticipated that discussions to secure funding for the project and enabling infrastructure can recommence.

The project will also require some local enabling infrastructure, including site access road, all utilities and in particular an extension and repair to Hillhouse's water ring main, with an application for Growth Deal funding in preparation in anticipation of last minute resources becoming available. NPL are also exploring funding options to enable a relocation and replacement of the existing gate house and to extend the Local Fast Fibre broadband fibre optic network throughout the site.

Further clarification has also been obtained on the phasing and costings of the wider on and off site infrastructure costs and for individual development plots and modelling in a revised draft delivery plan will be completed by mid-June, work again having been delayed as a result of Covid-19 mitigation work diverting resource. This will be presented to Wyre Borough Council in July for approval as the accountable body and then to the EZGC. The implementation plan will inter-alia now reflect the impacts of the withdrawal of Vinnolit from the site, the release of additional development land and the abandonment of the large gas fired power station project, which releases a very large site for potential speculative B2 development which can compete for major DIT Inward Investment enquiries.

MARKETING

Newsletter

Regular Enterprise Zone newsletters continue to be circulated delivering up-to-date coronavirus business support information for Enterprise Zone businesses and work continues to engage more people to sign up to the newsletter. Newsletter information also refers back to business support on both the Enterprise Zone website and includes details of Wyre Council's dedicated business support team for local help and advice.

Marketing Strategy

A marketing strategy has been prepared for inclusion in the Delivery Plan and a communications plan for 2020/2021 is being drafted.

Work continues with Lancashire County Council to appoint a joint international agent for all four LAMEC sites by Autumn 2020, however the team agrees that the need for end product and individual development plots to bring to market would be beneficial to any commercial property sales strategy.

Website

Marketing Lancashire have now engaged with Richard Barber & Co. to deliver phase 2 of the Enterprise Zone websites, phase 2 of the overarching Invest in Lancashire site and options around the integration of Evolutive. Officers continue to chase confirmation of a meeting in Q2 2020 to discuss draft proposals and implementation of new website features. The team will look to update any brochures and marketing material in line with any new website design over the next 12 months where required.

A news page on the website has now been created so there is a central point of reference for Hillhouse tenants needing access to COVID-19 business support:

www.hillhouseez.com/news

Post-coronavirus crisis, the page will be used to promote good news stories and development milestones on the site.

Events & PR

The Enterprise Zone marketing officer is currently researching key target sector UK-based events to either sponsor or attend throughout the next 12 month communications campaign 2020/2021, continuing to raise the profile of Hillhouse Enterprise Zone to a wider regional and national audience as a place for business and investment.

The marketing team continues to support tenants on the site with any good news stories. An offer of PR support has been made to Forsa Energy when they are in a position to go public with their new power generation plant on Hillhouse which is now expected in June when construction work is scheduled to re-commence.

Hydrogen Steering Group

Following an initial request from NPL to explore the opportunities of utilising Hillhouse for the generation and storage of Hydrogen, a third meeting of the working group was due to take place on 30 March 2020 at Blackpool and The Fylde College. This will be rescheduled once social distancing restrictions are lifted. Individuals from both the public and private sectors will be in attendance and the invite list has been expanded to include additional key players in other Lancashire based hydrogen projects in order to fully understand the challenges and opportunities in the local region. Ultimately the intention is that the groups remit will expand to encompass all forms of renewable energy, particularly those with connection to Hillhouse, whilst linkages to similar projects on Merseyside and in Manchester will be strengthened.

The workshop will be steered by Halite Energy Group, a sister company of NPL Estates, with the Hillhouse Enterprise Zone team providing secretarial support.

SITE ACTIVITY

Vinnolit

Vinnolit ceased production on 31 August 2019 and the site is now in the process of decommissioning and with a large majority of staff having secured alternative employment. The majority of the buildings will be demolished, but some warehouse accommodation leased from NPL will be surrendered. NPL is undertaking feasibility studies to assess the options to refurbish to meet required EPC standards, with some initial interest having been registered from a PVC pipe manufacturer.

Biomass Energy facility

Heads of Terms have been agreed between a biomass operator and Le Fylde Estates (Landowner NPL Group) for a 150,000 tonne p/a EfW plant within the Hillhouse Enterprise Zone. Site investigations, ecological assessments and early site investigation and pre-planning survey work is ongoing but no definitive timeline for the development or submission of a planning application to Lancashire County Council has been confirmed.

Forsa Energy

Initial construction work will now re-commence in June on the development by Forsa Energy on a new 20MW Short Term Operating Reserve (STOR) gas turbines, planning consent having been granted in 2017. The Bluebell Energy battery storage project which had been granted planning consent at the same time will however not be proceeding and this large site is again available.

JOB CREATION

Officers expect a number of construction jobs to be created in this next quarter 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.

HILLHOUSE EZ BOARD AND PROJECT TEAM MEETINGS

The first meeting of a revamped Hillhouse Project team including wider representation from major businesses took place on the 6 March 2020 hosted by Victrex, with attendance impacted by the emerging social distancing requirements. Draft Terms of Reference were presented and approved in principle. A subsequent Project Team meeting will be arranged with a wider group of stakeholders including Hillhouse tenants and various local stakeholders once this can be achieved in compliance with social distancing measures, however should these continue beyond June a smaller virtual project team will be established to ensure some momentum is maintained.

COMMUNICATIONS INFRASTRUCTURE

Existing ducting through a shared co-op network, Fibre Blackpool is being used to extend the full fibre to the premises (FTTP) connectivity throughout Blackpool and out towards Fleetwood using the tram network. Discussions are ongoing to conclude agreements for the completion of the Local Fast Fibre link to Hillhouse Enterprise Zone via the tramway, but an additional £200,000 funding will be required from the Hillhouse accountable body to enable this.

Enterprise Zone FISCAL BENEFITS

Work is progressing well in conjunction with the four Enterprise Zones which comprise LAMEC, to contact other Northern Enterprise Zones to formulate and promote a joint proposal for extension of Enterprise Zone fiscal incentives via the LEP network and the NP11 Group. Initial feedback has been extremely positive and the team have now joined forces with a national initiative steered by the LEP Network and the CEO of New Anglia LEP, which all Enterprise Zone contacted seem happy to support. Further detailed work is now underway led by Anglia Enterprise Zone to develop a detailed business case for presentation to Government, central to which will be a request to extend the period in which the 5 year business rates relief is available to financial year 2025/26.

RISK REGISTER

The Hillhouse Technology Enterprise Zone risk register is currently under review with Wyre Borough Council's Corporate Risk Team given recent events and will be available on request at the next meeting. It is also regularly reviewed by the accountable body's own project board.

FORTHCOMING ACTIVITY

- i) Complete Delivery Plan by end June 2020
- ii) Procure specialist State Aid advice once IP completed
- iii) Complete updated Risk Register by September 2020 [delayed by COVID 19]
- iv) A flood risk assessment to be scoped and commissioned for the entire site
- v) A transport assessment be scoped and commissioned for the entire site
- vi) A utilities assessment to be scoped and commissioned for the whole site
- vii) An Environmental and Ecology study to be scoped and commissioned for the entire site