

Report to:	Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author:	Rob Green, Head of Enterprise Zones, Blackpool Council
Date of Meeting:	14 March 2023

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 has been held in abeyance pending the findings of interested parties in developing large areas of the Enterprise Zone and a decision by Government on the Rail Reinstatement Project for the Poulton to Fleetwood line, which is presently subject of further studies being led by Network Rail. Potential to undertake partial revamp of masterplan to reflect the loss of Vinnolit and opportunities presented. With Consultants WSP commissioned to refresh the current plan.

Wyre Council will lead on the Delivery Plan refresh once the position on Rail Reinstatement is clarified, and the revised masterplan agreed but assumption is now that a rail bridge will be required at a cost in the region of £13m, for which delivery funding has yet to be clearly identified.

b) Getting Building Fund

NPL, who secured funding from the Getting Building Fund toward the costs of essential infrastructure upgrades to enable the new speculative development to progress, received planning permission from Wyre Borough Council and are progressing with all the works, however some elements, notably the new security gatehouse, has fallen behind schedule following issues with original contractors – work is now largely complete with a target completion for operation of April 2024 – with ongoing liaison with LEP and Wyre Council to monitor progress.

The project has been allocated funding of £630,000, comprising £504,000 Getting Building Funding, with additional match funding provided by Wyre Council and NPL at £63,000 each.

c) Residential Development

BXB purchased the former Sainsbury retail site. Wyre Council granted planning consent in June for a social housing development to be undertaken by Places for People and work on up to 130 units will commence in the near future following discharge of planning conditions, this scheme crucially

provides for the construction of the next section of the northern access road . A further site in the ownership of BXB is the subject of an ongoing planning application for a small retail development and petrol filling station, together with a small residential element. The residential element is unlikely to secure planning approval which will delay implementation of the commercial scheme that could commence shortly after the grant of a planning consent. WSP are liaising with the engineers for Places for People to ensure that the first section of the Northern Access road which they need to construct will tie in with the proposals for the next section it provide the rail crossing and access to the site- the space available for the road is very restricted but a suitable compliant structure with a single footway cycleway can just be accommodated – a plan of the concept design for the Northern access road is included as appendix A.

Two Residential developments which are accessed from Bourne Road are nearing completion and work has now commenced on upgrading Bourne Road, the only HGV access route to Hillhouse, to enable this to be adopted in accordance with planning conditions .Once adopted there will be an even greater requirement for the provision of a new access route as the impact on residential properties may be a material consideration in determining new planning applications for Hillhouse.

d) Fleetwood/Poulton Rail Line

Network Rail submitted the Strategic Outline Business Case (SOBC) to the Department for Transport in February 2023 for the re-opening of the Fleetwood/Poulton rail line, a ministerial decision is still awaited with little if any progress since – a plan to step up permitted lobbying to secure a decision is in preparation. The SOBC indicates that a Tram/Train option is the most impactful in terms of Benefit/Cost analysis. However, this would only become a preferred option if the relevant Minister approves the project to progress to the next stage. Network rail appointed consultants are continuing to develop the proposals for a Tram/Train option organising series of technical workshops, but the project is essentially stalled and beyond the direct influence of the accountable body and Enterprise Zone delivery teams This remains the major practical and financial constraint to progressing key infrastructure to open up the Northern part of the Enterprise Zone. Cost of a bridge across the line will be circa £10m up from original estimates at the start of £3.5-£4m. Consultants WSP have undertaken a study and concept design for a new Northern approach road and bridge over the rail line Funding still needs to be identified for the construction of the bridge and there would likely be a three-year plus lead time to development. Outline Planning application to be targeted for Q4 2024.

e) Marketing & Enquiries

The main Enterprise Zone site signage has been refreshed in line with the recently adopted Enterprise Zone standards additional signage will be provided in proximity to the new gatehouse when this is completed.

Work to upgrade the Enterprise Zone suite of websites is now being undertaken led by the Blackpool Enterprise Zone delivery team who will ensure there is much improved functionality of the Hillhouse web site.

Regular newsletter updates continue to be issued by Wyre Council's Communications team.

Following the success of UK REiiF 2022 and 2023, Hillhouse Enterprise Zone will again be represented under the Blackpool Makes it Work campaign banner at UK REiiF (Real Estate Investment and Infrastructure Forum) in Leeds, in May 2024 which will serve as an opportunity to promote investment opportunities across the two active Fylde Coast Enterprise Zones. Blackpool have confirmed their attendance at REiiF in May 2024. Lancashire County Council will also have a presence at UKREiiF affording increased exposure for investor occupier and developer the opportunities

Current enquiries:

The updated schedule below has been provided by landowners NPL and includes a number of projects subject to non-disclosure agreements, the nature of many of these larger scale enquiries means that negotiations and conversion of interest into legal agreements takes some considerable time, with planning responsibilities split between Lancashire County Council (e.g. waste and energy projects) and Wyre Council - and with external infrastructure factors including availability of utilities, grid export connectivity and capacity and short term highway restrictions, adding to complexity and delay. Responses are provided to all DBT enquiries forwarded via Lancashire County Council.

Date of enquiry	Target sector	Size and type of enquiry	Progress update
Nov-23	Automotive Parts Supplier	100,000 sqft facility	DBT Enquiry – site not suitable
Oct-23	Battery recycling plant	£9m / 50,000 sqft	DBT Enquiry – Details sent over, no response – ongoing
Oct-23	Food and Beverage Manufacturer	£150m + / 150,000 sqm	DBT Enquiry – Site not suitable
Aug-23	Food Manufacture - Bakery	200,000sqft Facility	DBT Enquiry – site not suitable
Feb 2023	Construction Concrete Manufacture	£1m investment	Site visit arranged
Feb 2023	Machine tool manufacture	£300k investment	Lease of existing premises To complete in Dec 23
Jan 2023	Waste recycling	£400m investment	HOT / Due Diligence
Jan 2023	Laser Manufacture	£1.5m Investment	Proposal
Jan 2023	Environmental support	£600k investment	HOT/ Review
Dec 2022	Chemical production	£600k investment	HOT/ Review

Nov 2022	Transport and shipping	£1m investment	Completed
Nov 2022	Syn Gas production	£6m investment	HOT issued
Oct 2022	Power production & CCUS	£10m investment	HOT under review
Sept 2022	Battery Storage (x 3)	£10m	Connection appraisal underway – but a major barrier is capacity to export to the grid
Aug 2022	Recycling	£50m investment	HOT / Due Diligence
Aug 22	Green Energy	£100m investment	Modelling
July 2022	Solar power	£10m investment	Project Scoping
July 2022	Battery storage	£7m investment	Project scoping
July 2022	Hydrogen production	£10m investment	Project scoping
July 2022	Hydrogen generation	£10m investment	Project scoping
June 2022	Workshop	£300k investment	Complete
May 2022	Transport	£500k investment	Complete
April 2022	Green rubber innovation centre and recycling facility via DIT	£30m investment, 180 jobs, 36,000 sqft	Submitted proposal via LCC, awaiting response
Feb 2022	Low carbon power generation (small modular reactor SMR) via DIT	£100m investment	Request for further information
Jan 2022	PPT recycling plant via DBT	20 acre £30m investment	Shortlisted to final 4
Jan 2022	Battery Storage*	£1m	HOT agreed
Jan 2022	Manufacturing	£500k, 1 acre	HOT agreed
Jan 2021	Waste to energy recycling project	Up to 4 acres	Option signed progressed to planning But stalled at LCC
Jul 2021	Window frames manufacturer	1 acre	In operation
Oct 2021		60,000 sqft workshop	To commence spring 24 subject to planning and funding
Oct 2021	Asphalt production	2.5 acres, £2m investment	Pre-application planning discussions held with Wyre Council and LCC progressing to option

Jan 2020	Business park	60,000 sq ft	Spec devt by NPL, HoTs in discussion, subject to funding
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f) Hydrogen Project and Steering Group

NPL who are the lead on hydrogen activity, hold regular meetings, at Wyre Borough Council's Civic Offices, with attendees from many Lancashire businesses including, Victrex, Blackpool Transport, APB, and Westinghouse, in addition to Lancashire LEP, Wyre Council and Enterprise Zone representatives from Blackpool and Hillhouse. 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. The next meeting is expected to be held in spring 2024 at Wyre Borough Council's Civic Offices. NPL have a comprehensive plan to deliver 10MW Hydrogen on site by 2025, with 100MW by 2026 subject to planning and regulatory approvals.

NPL are waiting to launch their Hydrogen strategy for the Hillhouse EZ, 'The Hylane Project' - 'Hylane – The pathway to H2 in Lancashire' is initially a 10MW electrolyser and will provide Hydrogen to the Hillhouse existing companies to replace methane use on the site. This will be extended to 100MW, where up to 70% of the Hydrogen produced will be used within the Enterprise Zone, with the remaining Hydrogen being used locally or sent to grid. Finally, the project will develop to GW scale Electrolyser with CCHT power production.

NPL have submitted an expression of interest application for Hydrogen Allocation Round 2 for the UK Government Support for Hydrogen production scheme.

Discussions are progressing with several major power companies in the UK, Germany and Japan to establish timescales, investment and delivery programmes.

g) Vinnolit

Majority landowner NPL Estates acquired the vacant property of the former Vinnolit site in 2022 and the property is currently been marketed, with strong market interest for the refurbished warehouse properties all of which are now let / purchased and interest in the cleared sites for Waste to Energy facilities and bottom ash recycling.

The new users of the former Vinnolit units on the site are:

- Karpa - a heavy engineering company 7000sqft building and 10 new staff - Complete
- Express Windows - windows manufacture - 18,000sqft building and upto 40 new jobs - Complete
- Daly Cranes (crane hire) 2000sqft building and 5 new jobs - Complete
- Events company 12,000sqft building and 5 new jobs - Complete
- A - Waste to Energy company about to start refurbishment of a 90,000sqft warehouse to convert to a WTE plant - expected 20 new jobs. – Building works commenced.
- Bottom ash recycling - 10 new jobs. This is progressing to legals and is expected to be signed shortly subject to planning consent. Further development opportunities exist on the site of Vinnolit's now demolished construction facility

Closure and demolition of the Vinnolit property has resulted in a reduction in the baseline rateable income which has to be backfilled by retained business rates growth acting as a temporary constraint on Wyre Council's ability to fund surveys development and promotion of Hillhouse.

Recent new occupiers:

- A fast growing and award winning transport company has located at Hillhouse and also have taken additional office space.
- A small engineering upcycle company has located on the Hillhouse site.
- An expanding company that delivers large events and concerts in Europe have taken additional storage space.
- Express windows now operational
- Work started on EFW building
- Environmental consultant on site
- Medical services company now on site
- Civil construction engineer expansion
- 2x Crane Hire / Support companies

h) Job Creation

The Enterprise Zone team will continue to liaise with NPL Estates on any new or safeguarded jobs on the site.

NPL and Addison Project, supported by Wyre Council, are exploring the opportunity to set up a training centre/centre of excellence for workplace development at the Hillhouse site to cover all aspects of training; providing school experience placements/leavers opportunities and workplace development to include all aspects of the workforce from apprenticeships through to management training. The plan is to improve the availability of suitable candidates for job vacancies for all businesses in the area and the Hillhouse site. An Initial meeting with Lancashire Local Skills improvement and Lancashire Skills Hub has been arranged to progress. Planned implementation in Q2 2024.

i) Estate Management

The majority of the Hillhouse Enterprise Zone is owned by NPL Estates and is managed by Thornton Facilities Management (TFM) as subsidiary of NPL, who are responsible for all roads landscaping and the majority of the utility services provided to site occupiers. They also provide the security and emergency first response (fire and Ambulance service) for this COMAH designated location – with costs recharged on a proportional basis to the existing occupiers. This comprehensive management regime is one of the site's selling points and is fully explained to all interested parties. TFM will also become involved in the operation of any new site amenities and the proposed Apprentice/ training facility. A short brochure will be produced as a marketing aid to illustrate the full range of services offered by TFM.

j) Hillhouse Board and Project Team Meetings

The latest Hillhouse Enterprise Zone Project Team board meeting took place on the 1st March 2024, held in person at Addisons main office.

k) 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
Uncertainty over change of key personnel at NPL Estates and Wyre BC.	Clarify role and ongoing support from Blackpool EZ Delivery team with new SLA to be put in place and strengthening Wyre support team.
Lack of market demand due to Energy 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. Regular responses to DBT large scale enquiries.
Continuing delays in applying for and securing planning and highway approvals and potential land contamination issues that need to be overcome. Highway usage impacted by proximity of residential accommodation.	Close liaison with NPL, Wyre Council (accountable body) and Lancashire County Council, refresh of Enterprise Zone Project board and securing additional delivery support resource – seeking to implement series of overarching survey report e.g. Topographical survey (now completed) Environmental, flood risk, transport to benefit all applications , and progression of design feasibility studies for northern access road and rail bridge.
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 Council (accountable body) and Lancashire County Council and securing additional delivery support resource. Consultancy support secured utilizing Wyre Council retained Enterprise Zone rates growth funding
Failure to secure purchase or rights over the Fleetwood rail line will impact upon ability and costs to construct Northern Access road and add significant costs.	Close liaison with NPL, Wyre (accountable body), Lancashire County Council and Network Rail- concept design commissioned and ongoing favoured Tram/Train solution. Awaiting government decision

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 Lancashire County Council ongoing dialogue with Lancashire County Council.
Lack of export capacity at the Stanah bulk supply point	Mitigation can be achieved by lobbying National Grid and looking to support opportunity to utilise generated energy within the Enterprise Zone for the generation of Hydrogen

I) KPIs & Milestones:

KPI / Metrics	Baseline (2016)	Target (2041)	Actual (2016-2022)	RAG
Jobs created / Jobs Safeguarded (FTE)	C 1650	3700	133	
Construction Jobs	N/A	N/A	C 150 FTE	
New Commercial / Employment Space (SQM)	N/A	450,000 sqft	N/A	
Refurbished Commercial / Employment Space (SQM)	N/A	13,000sqft	36118 sqft	
New businesses located on EZ (over baseline)	c45	10	12	
No. of businesses receiving EZ business rates relief (£ rates relief awarded)	N/A	N/A	0 N/A	
Amount of EZ business rate relief received (£m)	£2,500,000	N/A	£0N/A	
Private Sector Investment (£m)	N/A	N/A	Circa £30m	
Public Sector Investment (£m)	N/A	N/A	£2m	
Gross Value Added (£m)	N/A	N/A	N/A	

Milestones	Dates
Forsa Energy completion of build and commissioning	Completed
Getting Building Fund grant fund agreement - LEP/NPL agreed	Completed
Appointment of joint international marketing agent LAMEC brand	Completed
Planning application submitted utilities and infrastructure upgrade including new gatehouse	Completed
Planning permission granted for utilities infrastructure and new gatehouse	Completed
Demolition and clearance of Vinnolit plots complete	Completed
Procure subsidy control advice once Implementation plan complete	TBC
Completion of revised Delivery Plan and masterplan refresh	Underway
Risk Register updated regularly by Project Board	Ongoing
Construction commences for utilities infrastructure and new gatehouse	Ongoing
Planning application for energy from waste plant HH North	Complete/ decision awaited
Planning application to demolish old buildings (Lab)	Complete
Topographical survey of Northern site	Complete
Completion of electric and water main upgrades	Complete
Concept design Rail Bridge and Northern Access road	Draft proposal received and under review
Planning Application for energy from waste plant ex Vinnolit store	Decision awaited
Planning application submitted for 60,000 sqft development	Awaited- target May 2024
A flood risk assessment to be scoped and commissioned for the entire site subject to identification of funding	Q2 2024
A transport assessment be scoped and commissioned for the entire site subject to identification of funding- subject to progress on study of options for Fleetwood Poulton rail route	Q2 2024
An Environmental and Ecology study to be scoped and commissioned for the entire site subject to identification of funding *	Q2 2024
Planning application for new training centre to replace demolished buildings	Q3 2024
Planning application for new rail bridge crossing	Q4 2024

*subject to habitat assessments to be undertaken between Nov 23 -Mar 24

Objectives over 2 years (by end 2025):

- Local Full Fibre Network roll out across site complete
- All full site supporting studies (topographical, flood/utility transportation, ecological and environmental) commissioned and completed
- Commencement of spec dev build of 60,000 sq ft multi-use units
- Utilities and infrastructure work including new gatehouse complete
- Railway Line purchase or access agreement completed following decision on future rail options
- Major development agreed for former power station site

- Energy from waste operator(X2) confirmed and large scale facility under construction
- Housing Development on former Thornton AFC and Sainsbury sites completed – circa 200 dwellings
- Concept design of Rail Bridge and western access road completed and planning applications submitted

Objectives over 5 years (by end 2029):

- Phase 1 spec build complete and fully let
- Phase 2 new spec development in planning pipeline
- Northern Access Road Constructed
- International business centre redevelopment
- Pilot Hydrogen production plant operative

Objectives over 10 years (by end 2034):

- 60% of site built out and thriving business hub

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