

Report to: Blackpool, Fylde and Wyre Economic Prosperity Board

Report Author: Rob Green, Head of Enterprise Zones, Blackpool Council

Date of Meeting: 4th June 2019

1. Blackpool Airport Enterprise Zone: Progress Report

COMMERCIALLY CONFIDENTIAL

a) Masterplan

We have yet to receive any formal feedback from MHCLG with regard to the masterplan and delivery strategy and continue to work on the basis that no news can be taken as implied approval. In the light of some recent significant changes in land ownership around the former Wellington Bomber Factory and the way this may now be developed, together with the evolving proposals for the Sports Village we are contemplating bringing forward a full review of the masterplan and consequently the Delivery and Implementation plan. The Marketing Strategy will continue to be implemented for the Enterprise Zone. A familiarisation site visit by MHCLG officials is still anticipated at some stage in the next three months and the EZ continues to host regular Ministerial visits – the most recent by BEIS minister Lord Henley on the 17th May 2019.

b) Development and investment partnerships

Eight of the thirteen respondents to the initial PIN notice inviting interest from potential developers and investors have been interviewed. The intention is now to proceed to formal procurement in July to appoint a development management advisement partner for the whole EZ. A decision on appointing a developer for the phase one development will be deferred until there is greater clarity of the delivery programme for the Sports Village and Eastern Gateway access road later in the year.

c) Current activity - Phase one

Architecture planning and surveying practice Cassidy + Ashton have submitted on 16th April 2019 the outline planning application for the phase one development of the Sports Village, housing and industrial accommodation including the Eastern Gateway access road, to Blackpool and Fylde councils. Decisions in principle are anticipated in July/August 2019 and the application will then be referred to the Secretary of State for a decision as the land is within the current Fylde and Blackpool Greenbelts. The final decision is anticipated being received in late Autumn. The submission of the outline planning application had been delayed whilst additional Highway and Transportation studies were completed.

d) Eastern Gateway Access Road

Work is being commissioned to progress the delivery of the Eastern Gateway access road with a view to appointing a design and build contractor who would submit a detailed planning application for the construction of the Eastern Gateway access road, connecting Queensway to Amy Johnson Way, once the phase one outline consent has been determined, targeting commencement of construction in early 2020.

e) Common Edge Sports Village

Consultants LK2 are revising initial proposals and the business case for the Common Edge Sports Village to reflect matters raised by Sport England. The Blackpool Council Playing Pitch Strategy is also being updated. Both pieces of work should be complete by the end of June allowing the full business case to be completed and funding to be agreed in principle.

Work has been completed by agronomists on the design of the relocated grass playing pitches that will form the first phase of the Sports Village. A full planning application for the associated engineering works to create the playing surface, associated access track and airport boundary will be submitted to Fylde Council once the Phase One Outline application has received a decision in principle and referred to the Secretary of State. Work will then commence as soon as feasible, to ensure the new playing facilities have time to fully establish. Consideration is being given to the possibility of providing temporary changing accommodation to facilitate the early use of the grass pitches which will be a considerable distance from the present changing facilities.

Designers will be appointed by way of competitive tender to complete the design of Phase Two of the Sports Village which will include the sports hub and EZ service facility, once the business case has been approved.

f) Link Road

A number of matters relating to the delivery timetable for the M55 link road are awaiting resolution. Delays in this process may have the potential to impact to a small degree upon the scale and pace of delivery of phase one of the EZ and are being monitored with a regular dialogue with Lancashire County Council and Fylde Council.

g) Initial Speculative Development

Work is also progressing at a pace to complete the design of a 40,000 sq ft speculative B1/B2 unit on an existing serviced site on Amy Johnson Way. The intention is to submit a full planning application in early June for a decision in September 2019. A number of potential occupiers have expressed an interest in the property, with subject to contract negotiations for a lease currently being progressed.

h) Former Wellington Bomber Factory

The approved EZ Masterplan envisaged the demolition and redevelopment of the former Wellington Bomber factory fronting Squires Gate Lane as part of the second phase of EZ delivery, scheduled to be undertaken from 2022. Concerns over a number of matters resulted in exploratory discussions for Blackpool Council to acquire the property being discontinued. The property has now been purchased by a North West based property investor and developer who is looking to bring forward plans for early refurbishment and re-modelling of the approximately 800,000 sq ft estate. The emphasis of the EZ team has now moved to working in partnership with the new owners to facilitate early investment in the property to maximise employment opportunities and provide improved accessibility. Marketing particulars for the available space is already in circulation by a team of commercial property agents.

i) Communications Infrastructure

A new transatlantic optic fibre communications cable linking New York to Blackpool is being constructed by Aquacomms and agreement has been reached to route this via the Enterprise Zone for onward connectivity to Newcastle and the Nordic countries. A local fast fibre network is being developed in association with this to serve the Airport Enterprise Zone and also link Hillhouse EZ in Wyre via the Blackpool Tramway.

Presence of the new optic fibre link will provide fast communication links with timings of less than 64 milliseconds to transmit data from Blackpool Airport to New York, some 11 milliseconds faster than the best current connections to London and thus providing a competitive advantage. The new connection will open up the possibility of securing investment in the provision of data centre facilities at the EZ and of securing investment from data driven industries. A study to confirm the feasibility of undertaking such specialist development is presently out to tender and will be completed by the end of July. This report may well recommend the acceleration in the planned delivery of enhanced EZ utility capacity.

j) Planning Applications

In addition to the Phase one Outline Planning application there are presently two planning applications being considered by Fylde BC and two by Blackpool Council, including a proposed development of a 20MW gas fired power generation facility which aims to be carbon neutral and has the potential to provide power and heat to businesses across the EZ.

k) Marketing

Work continues in partnership with Marketing Lancashire to develop the content of the Blackpool Airport EZ pages of the LAMEC web site. Downloadable rates relief and ECA information sheets, Masterplan summary brochure and fly through imagery have been added. Approval is awaited from Lancashire County Council to include additional features such as social media feeds and an interactive property search facility.

Recent Press and promotional activity has been limited by pre-election guidelines but is now expected to ramp up as new development continues. Planned activity over future months includes attendance at trade shows, including MiPiM UK which will be held at a new venue in October at Smithfield, London.

Additional EZ site signage is being designed for location on the airport frontage and the second EZ newsletter is scheduled for distribution to all existing EZ business in early June.

There continues to be a steady stream of enquiries for the EZ, driven both by the web site, site signage, and word of mouth although the volume has declined in recent months in part due to widespread market uncertainty, but also reflecting the relative paucity of immediately available accommodation and serviced development plots on the market. Many enquiries are for smaller accommodation in the 1-5000 sq ft category, with several live enquiries up to 10,000 sq ft, three in the 30-40,000 sq ft range and one very tentative enquiry for up to 200,000 sq ft. A number of enquiries particularly those derived via DIT from the overseas network are for heavier industry users which are better suited to the Hillhouse EZ in Wyre and which are referred on to the Wyre EZ team.

l) State Aid

Initial State Aid advice has been secured from Solicitors DWF Manchester office. This has indicated that there are few significant risks in relation to State Aid as much of the land and property which will benefit EZ related investment, is in public ownership or will confer benefit on a significant number of parties and this will be covered by a number of standard exemptions. A further meeting is planned with DWF to confirm actions to be taken to mitigate any risk particularly in respect of Blackpool Airport where special rules are applicable.

m) Blackpool Airport

The new Instrument landing System (ILS) has been installed and is due to be commissioned and receive full CAA approval in June, with other navigational aids in the process of delivery to maintain the airport's operational capability, particularly to support the core off-shore helicopter operations where the prime contractor, Spirit Energy, has indicated their willingness to renew its contracts for a further five years. BAOL the council-owned operating company is continuing the process of preparing long and medium term business plans.

n) Third Party Development

The 20,000 ARC facility on Amy Johnson Way was completed in late March becoming fully operational in April. Work is continuing on the 9 MW Gas Fired Power generation facility which is nearing completion and should become operational from August 2019. In addition to the ongoing planning applications two further applications for circa 25,000 sq ft on two sites are expected within the next month.

To date:

- A total of 255 enquiries have been received since commencement of the EZ.
- Some 57 businesses have located to the Enterprise Zone since April 2016
- A total of 1350 jobs have located to the Enterprise Zone of which some 185 are considered to be completely new jobs to the area.

o) Project Team

The fifth meeting of the Blackpool Airport EZ Project Team took place on 10TH May at Lancashire Energy HQ. The EZ risk register will be available at the next meeting for consideration and review.

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