

Report to:	Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author:	Rob Green, Head of Enterprise Zones, Blackpool Council
Date of Meeting:	17 December 2020
Recommendation:	<p>1) That the Board notes the report.</p> <p>2) The Board notes and approves the refreshed Masterplan.</p>

Blackpool Airport Enterprise Zone: Progress Report

a) Masterplan

The Enterprise Zone Masterplan and Delivery Plans have now been refreshed, to reflect the new development since 2016, the impact of changes in third party ownership across the site and requirements for changes required to satisfy Sport England and address Highway and transportation concerns. The Masterplan will be considered by Blackpool's Executive on 7 December 2020 before and after consideration by the Economic Prosperity Board, presented to the Lancashire Enterprise Partnership and Ministry for Housing, Communities and Local Government (a copy of the refreshed master-plan is enclosed as Appendix 10a).

Whilst there have been substantial changes to the estimated costs of delivering the Enterprise Zone the overall forecast remains in line with original estimates at c £72M. There has also been some variation to the projected income streams over the life of the Enterprise Zone, with initial cash flows impacted by delays in getting Phase 1 into full play. However, a grant funding allocation has been secured from the Towns Fund as part of Blackpool's Town Deal (up to £10m final amount to be confirmed but assumed at £7.5m subject to approval to a full Green Book business case) and Growth Deal, with financial projections indicating a small forecast surplus over the lifetime of the project after the cost of Prudential Borrowing.

With expenditure on enabling infrastructure heavily front-loaded, revenues may not be sufficient in the next few years to meet the cost of required Prudential Borrowing (subject to impact of Town Fund monies) and further recasting of the delivery plan programme may be required to ensure affordability. The masterplan and associated delivery plan are designed to be flexible to adapt to changing circumstances and opportunity and will be reviewed on an annual basis and fully refreshed every 5 years.

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.

New Project Manager Posts:

The roles were re-advertised in October and interviews will take place in December with one post to be funded by Fylde Borough Council and one by Blackpool Council. The importance of strengthening the project management resource is a very high priority to ensure continued successful and expanded delivery.

b) Fiscal Incentives

Work is continuing to lobby the Ministry for Housing, Communities and Local Government to seek an extension of Enterprise Zone fiscal benefits which are due to expire for Blackpool in March 2022 for rates relief and November 2023 for enhanced capital allowances

With full support from the Lancashire Enterprise Partnership officers have joined nationally with The Local Enterprise Partnership Network to put a proposal to HM Treasury. The proposal seeks an extension of business rates relief to 2025/26 as a low cost focus and engine for post Covid-19 economic recovery and growth, and to recognise the delays in all Enterprise Zones being able to bring forward enabling infrastructure.

Initial discussions with HM Treasury were positive but have been informed there is no 'bandwidth' currently at Westminster to deal with the proposals as the central Enterprise Zone team have been presently redeployed to deal with Freeports. Following the recent Comprehensive Spending Review, the Local Enterprise Partnership Network will now be re-engaging with Treasury and Ministry for Housing, Communities and Local Government to further discuss Enterprise Zone policy. In the meantime it is the intention within Lancashire to brief our local MPs on the campaign so far, the benefits of Enterprise Zones and the key role they have to play in the post-Covid recovery strategy and why officers are pushing for an extension of benefits. A template will be shared with northern Enterprise Zone counterparts in the absence of any strong centralised push from the Local Enterprise Partnership Network.

c) Current Activity Phase One

Planning consent was secured for the grass sports pitches in May 2020 and STRI Group has since completed their contract and are now off site, except for maintaining the seed growth on the pitches which will be playable from the start of the 2021/22 football season in September 2021. Minor issues with security are being addressed, whilst effort is also being directed to tackle some localised drainage issues at Division Lane, with work to repair a series of offsite watercourses and culverts commissioned and leadership provided to encourage other responsible bodies including Lancashire County Council, United Utilities and the Environment Agency to also contribute to support the issues highlighted by recent heavy rainfall.

The second of three proposed planning applications designed to release the Common Edge Sports pitches was submitted in September. It includes a 3G sports pitch, 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 including the creation of a new footway and cycleway. Only one 3G facility will now be provided at Common Edge Road to comply with Sports England's recommendations, with a further pitch to be enhanced for Rugby League use. Discussions with the Football Foundation have confirmed that they will still, subject to application, be willing to provide grant toward the cost of the facilities.

Construction of changing facilities was scheduled to be complete in time for the start on the 2021/22 season opening of the grass sports pitches, which will then trigger the release of the existing sports facilities for redevelopment, but may now be delayed slightly to allow additional highway works originally part of the later Common Edge junction scheme to be incorporated to address a pressing Highway constraint identified by Lancashire Highways.

Detailed design work on the changing room and car parking is now in the final stages and a contractor has been appointed with early engagement to value, engineer and agree a guaranteed maximum price.

Further design work has continued both the eastern gateway access and the Common Edge Road junction upgrade led by Blackpool highways team, but resources are stretched and progress slower than anticipated, with further detailed site investigation being commissioned. Design can only be finalised and the planning applications submitted once third party property purchase and leasehold surrenders and renewals have been confirmed. These are all in the final stages of negotiation and should be satisfactorily concluded by January 2021. Target for submission of the major planning application covering roads and commercial development is now targeted at the first quarter 2021.

A public consultation will be undertaken in the first quarter 2021, once planning approval has been received for the changing rooms and will encompass details of the highway design drainage issues and the wider masterplan as well as the commercial development. A quote has been received to host the consultation on the Blackpoolez.com website and work is ongoing drafting the mini site. The consultation may be undertaken alongside required consultation on the Blackpool Playing Pitch Strategy.

d) M55 Link Road

Efforts to fund the project have been boosted by its award of Getting Building Fund support and it is anticipated that a full funding package will soon be in place, including an Enterprise Zone contribution of up to £1m with Fylde Borough Council generated retained Business Rates growth monies being ring fenced toward this. It is hoped that the scheme will be in a position to enable Lancashire County Council to tender the contract in the first quarter of 2021.

e) Initial Development

Legal agreements have been concluded for the development of 40,000 sq ft facility to be occupied by Multiply Components Ltd, and Eric Wright Construction commenced on site works in late October. The Design and Build contract is for a nine month build with an October 2021 opening subject to completion of specialist fit out works being undertaken by the company. £800,000 of Growth Deal funding has now been secured for the scheme to assist with the cost of dealing with a number of abnormal costs including poor ground and the diversion of 33kva electricity cables and fibre optic cabling. A ground breaking ceremony was cancelled due to Lockdown 2 and an alternative small event on site such as a naming ceremony or a topping out ceremony will be organised in the New Year. Since commencement on site, Multi-Ply has been acquired by a Swedish company called MedCap which further strengthens Multi-Ply's covenant as a tenant and brings additional foreign inward investment into the Enterprise Zone.

f) Current Planning Applications

Four live planning applications are currently being considered by Blackpool Council, in addition to the changing room application, there is a long standing proposed development of a 20MW gas fired power generation facility, which continues to encounter problems related to impact upon aeronautical activity, an application for a small fibre switching data centre to support the roll out of superfast broadband across the Fylde Coast, and a retrospective application for construction of a cement batching plant at the Squires Gate Industrial Estate, which is attracting a degree of local objection on environmental impact grounds and causing other concerns relating to traffic and drainage.

Work is now complete on the construction of a 1400m² facility for exhibition designers Love Expo. A prospective tenant has been found for the smaller portion of the development not required for occupation by the developer. Public relations activity for both companies is pending once they are settled in.

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

The new owners of Squires Gate Industrial Estate has started work subdividing units and receipt of an up to date tenancy schedule is awaited from the new owners. HDL Ltd, who are already based on the Enterprise Zone, have taken a further 32,000 sq ft unit to accommodate their short to medium storage requirements. Work is progressing to resolve technical issues relating to planning permissions, building regulation and fire certification, whilst individual rating assessments are still to be put in place for newly created individual units.

The Enterprise Zone team continues to engage constructively with the owners of the property but communications with the owners are sporadic and usually centre on large space floor enquiries passed on from Enterprise Zone marketing. Whilst some jobs are undoubtedly being created and eventually rates income will be derived, it is difficult to actively promote the asset at this time.

h) Communications Infrastructure

The Aqua Comms subsea fibre optic cable landed on 11 October 2020 and a small, socially distanced event took place to mark the event. The new transatlantic fibre optic telecommunications cable, part of the North Atlantic Loop from New York to Denmark, opens up new business opportunities for technology-based industries looking for a location in close proximity to the exchange point.

Blackpool Council and BITC are leading a series of planned workshops to develop a digital strategy for Blackpool and to clearly identify market sectors leading to the development of an operational business plan. A meeting is also pending with the digital lead at Department for International Trade to introduce Blackpool's new digital opportunities.

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. 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. The Enterprise Zone Marketing Officer will provide marketing support for any co-op members for the benefit of Enterprise Zone businesses. Discussions are now underway to secure extension of the Local Full Fibre Network network along the coast to serve Wyre and Fylde, particularly the rural areas of both authorities.

j) Marketing

Marketing Lancashire has commissioned new proposals from Barbers for Phase 2 of the Enterprise Zone websites, alongside a new Enterprise Zone section of the Invest in Lancashire website <https://investinlancashire.com/lamec/>

Work needs to be undertaken to ensure the material is fully accessible for anyone with disability. Additional administrator rights have been obtained on elements of the LAMEC website to ensure regular news updates are posted and linked to Enterprise Zone social media accounts, but further improvement is possible.

Regular newsletter updates have continued throughout lockdown providing Covid-19 business support advice with the Marketing Officer continuing to monitor the situation

carefully. The next quarterly winter edition is planned by the end of December containing good news stories.

A planned online conference in collaboration with NW Insider and Marketing Lancashire did not go ahead due to lack of sponsor interest across the NW, however an Enterprise Zone special report ran in the November edition where all four LAMEC sites gained good exposure.

<https://flickread.com/edition/html/5f9050269c356#18>

The budget for the event has been reallocated for a double page spread in the forthcoming Invest in Lancashire Guide 2021 and David Holmes, chair of the Enterprise Zone Governance Committee is confirmed as a round table guest, representing LAMEC as part of the package.

The aim is to raise awareness of the Enterprise Zone's successes and to galvanise further support for the national fiscal benefits extension campaign to the Treasury. Now is an ideal opportunity to throw the spotlight on the benefits the Enterprise Zones can bring to the local economy and how they can be very useful in the Covid-19 recovery effort.

Work is also progressing jointly with Lancashire County Council to appoint a joint international agent for all four LAMEC sites by January 2021 and 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.

Enquiries since the last meeting are starting to show some signs of picking up in the past few weeks. Some enquiries of note have included:

- a) 20,000 sq ft nutrition company based at Enterprise Zone
- b) 20–30,000 sq ft for an engineering firm
- c) 40,000 sq ft for a White Goods distributor based on Enterprise Zone who has taken a further 32,000 sq ft temporary accommodation Squires Gate
- d) 80,000 sq ft for a food manufacturer
- e) 70-80,000 sq ft for a food wholesaler
- f) 4 X aircraft Hangar requirements

k) Blackpool: The Place for Business

A verbal update will be given at the meeting.

l) Blackpool Airport

A decision on the operating contracts for the airport will be taken in December. The Airport has continued to operate throughout Covid-19 lockdowns to ensure offshore services continued. This has resulted in significant adverse impact on earnings before interest, taxes, depreciation, and amortization which will impact upon ability to fund essential infrastructure upgrades. There is continued lobby group pressure to reintroduce commercial air services but in the present distressed state there is absolutely no interest from airline industry to consider new domestic or near European routes.

The contract to serve the offshore rigs transferred to NHV with effect from 1 December 2020 for the present time NHV will continue to serve the production platforms owned by both Spirit and Italian company ENI.

New airport estate signage is currently going through an approval process with the airport tenants and will the upgrade will be implemented in the coming months as much of the estate boards are out of date and in a poor state of repair.

m) Third Party Development

There is no current third party development activity on site but up to three projects are in the pipeline- with the Love Expo development having completed in October

To date:

- A total of over 300 live enquiries are currently logged for Blackpool Enterprise Zone.
- Some 91 businesses have located to the Enterprise Zone since April 2016.
- A gross cumulative total of 1525 jobs have located to the Enterprise Zone, this figure includes jobs to the area, safeguarded jobs within Blackpool and construction full time equivalent jobs.

n) Project Team

The latest meeting of the Blackpool Airport Enterprise Zone Project Team was hosted online on 20 November and the next meeting is due to take place in January 2021 on MS Teams, date to be confirmed.

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. A copy is available upon request.

p) Milestones

The table below lists key milestones scheduled to be discussed and approved at the next Enterprise Zone project board on 27 January 2021.

Milestones	Dates
Grass football pitch engineering contract completed	Sep 2020
Changing Rooms and car park/3G pitch planning application submitted	Sept 2020
40,000 sq ft spec development start on site	Oct 2020
Aqua Comms landing, connection made on land	Oct 2020
Private sector new build complete	Oct 2020
Common Edge Changing room and 3G pitches construction tender	Nov 2020
Head of Terms to be agreed 20,000 sq ft unit	Dec 2020
Changing rooms and 3G planning approval	Jan 2020
Revised masterplan/Delivery Plan to be considered by Accountable body	Dec 2020
Architectural feasibility study & design work for airport complete	Dec 2020
20mw gas fired generator planning decision	Dec 2020
Design and planning application for eastern gateway access	Feb 2021
Land/property acquisitions x 4	Q1 2021
Appoint international marketing agents LAMEC brand	Jan 2021
Town Deal outline Business case for Enterprise Zone submitted	Feb 2021
Fiscal benefit extension decision from HM Treasury	Mar 2021
Marketing of Common Edge phase 1 commences	Mar 2021
Proposition and identifying opportunities for data centre market	April 2021
Outline planning app for airport redevelopment	May 2021
Design and planning application for Common Edge Road	Summer 2021
Release of existing sports pitches & start of highway and utility infrastructure	Sep 2021
Planning approval for highways	Oct 2021
12 month construction contract for access road	Jan 2022
Control tower, first station relocation commenced	Mar 2022
Delivery of spec development of 20,000 sq ft commercial unit	April 2022
Replacement hangar development commenced	Sep 2022

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