

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:	To note the report.

### **Hillhouse Enterprise Zone: Progress Report**

#### **a) Implementation Plan**

Finalisation of the implementation and delivery plan has again been delayed as it is amended to reflect both the closure of the Vinnolit facility and the loss of the proposed Waste to energy plant, but also the progression of proposals by NPL Estates for an initial phase of speculative development totalling 6,100m<sup>2</sup> which would in part, assist the decanting of existing businesses from the old international business centre releasing that site for redevelopment.

NPL, who has secured an in-principle offer of funding from the Getting Building Fund toward the costs of essential infrastructure upgrades to enable the new speculative development to progress, are now preparing detailed planning applications for the development which should be submitted to Wyre Borough Council before the end of December together with a planning application to relocate the existing gatehouse.

The Getting Building Fund supported project also addresses a requirement for urgent upgrading and repair to ageing enabling infrastructure, including site access road, upgrade of utilities, and an extension and repair to Hillhouse's water ring main and electricity supply mains. The project has been allocated some funding £630,000 from the Getting Building Fund, with additional match funding provided by Wyre Borough Council and NPL. Formal confirmation of funding is dependent upon completion of the Local Enterprise Partnership's due diligence process but is also expected to be confirmed at the next Hillhouse Enterprise Zone Project Board on 11 December 2020. Funding of £200,000 has also been approved by Wyre Borough Council to support the extension of the Local Full Fibre Network broadband fibre optic network to the site gates, work which completed in November. NPL is to commit further expenditure to progress the extension of the fibre optic broadband capability throughout the Enterprise Zone 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 which will be completed by the end of December. This will be presented to Wyre Borough Council in January for approval as the accountable body and then subsequently to the Board, Enterprise Zone Governance Committee, Local Enterprise Partnership and in turn the Ministry for Housing, Communities and Local Government .

## **b) MARKETING**

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 marketing strategy has been prepared for inclusion in the Delivery Plan. When the Delivery Plan is completed, a communications campaign will be drafted to support site activity.

Work continues with LCC to appoint a joint international agent for all four LAMEC sites by January 2021, however the team agrees that the need for end product and identification of individual development plots to bring to market would be beneficial to any commercial property sales strategy.

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 place 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.

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 from BAE and Local Enterprise Partnership's Enterprise Zone Governance Committee chair 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 useful in the Covid recovery effort.

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:

- Three enquiries for Waste to Energy Generation facilities
- Manufacturing facility for PVC extrusion company
- Confidential Inward Investment manufacturing facility in the health sector

### **c) Hydrogen Steering Group**

Further Hydrogen Hub meetings have been put on hold until further notice due to furloughed key members of the group. These will be re-established once social distancing restrictions are lifted. 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.

### **d) Site Activity**

#### **i) Vinnolit**

Majority landowner NPL Estates has recently purchased of the vacant property of the former Vinnolit site and the units will be demolished over the next 12 months, releasing new sites for development resulting in increased long term employment.

#### **ii) Victrex**

Global polymer solutions supplier Victrex, which is a FTSE 250 company completed a cost saving programme in September 2020 with a significant majority of staff reductions achieved through voluntary severance rather than redundancy. There are now 528 employees at the Hillhouse HQ, a net reduction of 63.

### **iii) Forsa Energy**

Construction work is ongoing for a new 20MW Short Term Operating Reserve (STOR) gas turbines, planning consent having been granted in 2017.

A number of construction jobs have been created by Forsa Energy and NPL/Wyre Borough Council will confirm with the contractor the final numbers for the project.

### **e) Job Creation**

A number of construction jobs have been created 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.

### **f) Enterprise Zone Board Meetings**

A Hillhouse Enterprise Zone Project Board meeting has been arranged on 11 December 2020 online with a group of key stakeholders including Hillhouse tenants.

### **g) Communications Infrastructure**

Funding of £200,000 was approved by Wyre Borough Council to support the extension of the Local Full Fibre Network broadband fibre optic network to the site gates, work which is now been delivered. It is now for NPL to commit to further expenditure to progress the extension of the fibre optic broadband capability throughout the Enterprise Zone site.

### **h) Enterprise Zone fiscal benefits**

Work is progressing 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 Hillhouse in March 2021 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.

### **i) 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 on 11 December 2020. Copies will be available upon request.

### **k) Milestones:**

The table below lists key milestones scheduled to be discussed and approved at the Hillhouse Enterprise Zone project board on the 11 December 2020.

<b>Milestones</b>	<b>Dates</b>
LFFN (Local Full Fibre Network roll out) to site boundary	complete
Revised Delivery Plan	Dec 2020
Procure state aid advice once Implementation plan complete	Jan 2021
Demolition and site clearance of Vinnolit site to complete	Jun 2021
Risk Register updated regularly by Project Board	Jan 2021
60,000 sq ft speculative development of small multi-use units planning submitted	Dec 2020
A flood risk assessment to be scoped and commissioned for the entire site subject to identification of funding	Q1 2021
A transport assessment be scoped and commissioned for the entire site subject to identification of funding	Q1 2021
An Environmental and Ecology study to be scoped and commissioned for the entire site subject to identification of funding	Q1 2021
Getting Building Fund grant fund agreement to be agreed	Jan 2021
Appointment of joint international marketing agent LAMEC brand	Jan 2021
Commence works of electrical and water main upgrades	Jan 2021
Fiscal benefit extension decision from HM Treasury	Mar 2021
Completion of electric and water main upgrades	Mar 2021
Forsa Energy completion of build	Spring 2021
Demolition and clearance of Vinnolit plots complete	Summer 2021
Subsequent roll out of fibre ducting on site	Dec 2021
Planning application submitted utilities and infrastructure upgrade including new gatehouse	Jan 2021

Planning permission granted for utilities infrastructure and new gatehouse	June 2021
Construction commences for utilities infrastructure and new gatehouse	Dec 2021