

Report to: Blackpool, Fylde and Wyre Economic Prosperity Board

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BLACKPOOL AIRPORT ENTERPRISE ZONE: UPDATE

1.0 Purpose of the report:

1.1 To review the work of the Blackpool Airport Enterprise Zone and its future work and priorities against its role and remit.

2.0 Recommendation(s)

2.1 To note the report.

3.0 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 updated reports were presented to Blackpool's Executive and approved in December 2020 reflecting the impact of changes in third party ownership across the site, requirements for changes required to satisfy Sport England and address Highway and transportation concerns.

An online public consultation is to be undertaken in respect of the refreshed masterplan and the supporting written document, with any significant amendments as a result of feedback reported back to Blackpool Council, the Economic Prosperity Board and Local Enterprise Partnership for endorsement. This consultation will be run in parallel with a pre-application consultation on the third Common Edge planning application, which will cover the new Highways and the development of the former sports pitches. Timing will be dependent upon on restrictions prior to the local elections in May.

The updated delivery plan estimates expenditure on infrastructure and delivery of the Enterprise Zone at £72m, which equates to £14,500 per job. With the benefit of a grant funding allocation of £7.5m secured from the Towns Fund as part of Blackpool's Town Deal, the financial projections indicate a small forecast surplus over the lifetime of the project after the cost of Prudential Borrowing. The estimated Cumulative Gross Value Added from the project will be close to £2bn.

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:

One of two Project management roles, funded by Fylde Borough Council has now been appointed and commenced work on the 1 March 2021. The outstanding role will be re-advertised in March. The importance of strengthening the project management resource is a very high priority to ensure continued successful and expanded delivery as the range and scale of direct delivery ramps up in 2021/22.

b) Fiscal Incentives

Work is continuing to lobby 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 Lancashire Enterprise Partnership support, Blackpool Enterprise Zone joined nationally with The Local Enterprise Partnership Network to put a proposal to HM Treasury. This 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.

Further to being informed by HM Treasury that there is presently no opportunity for the proposal to be included in the 3 March 2021 budget which focussed on the Freeports programme, the Local Enterprise Partnership Network will now look to re-engage with Treasury and Ministry for Housing, Communities and Local Government to further discuss Enterprise Zone policy, with the objective of securing support in the Autumn financial and business rates review.

In the meantime the Blackpool Enterprise Zone team has briefed local MPs for Blackpool South and Fylde (Blackpool Enterprise Zone), Blackpool North and Cleveleys and Fleetwood and Lancaster (Hillhouse) on the campaign so far, the benefits of Enterprise Zones and the role they have to play in a post-Covid-19 recovery strategy and why there is a pressing need to push for an extension of benefits.

A template clearly articulating issues and actions has now been shared with our northern Enterprise Zone counterparts to encourage them to widen the level of MP support across the Northern Powerhouse area.

c) Current Activity Phase One

STRI Group is now off site, except for maintaining the seed growth on the pitches which will be playable from the start of the 2021/2 football season in September. Additional drainage works have been undertaken in association with the phase one work to help alleviate local drainage difficulties in Fylde. A new drainage strategy has been developed for Common Edge to ensure that the drainage outflows to the existing drainage networks do not exceed current greenfield rates of discharge.

The second of three proposed planning applications designed to release the Common Edge Sports pitches was submitted in September 2020. 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 to comply with Sports England's recommendations, with a further grass 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 with a full funding application to be submitted in April 2021. Initially it was hoped that planning consent could be secured by January 2021, however very last minute issues raised by Sport England, Natural England and Lancashire Highways, have resulted in the final approval being unlikely to be secured until May. This will not delay the new sports pitches coming into use and phased release of existing pitches will allow Highway preparation works to progress.

Detailed design work on the changing room and car parking is now 95% complete with minor adjustments being made to allow for changing places provision and to value engineer, as second stage tender prices have shown marked escalation since November.

Further design work has continued both the Eastern Gateway Access and the Common Edge Road junction upgrade led by Blackpool highways team, with further detailed site investigation being commissioned. The purchase of third party property has now been agreed but leasehold surrenders and renewals with sports clubs are still under negotiation, and need to be resolved before the design can be finalised and the planning application submitted.

Target for submission of the major planning application covering roads and commercial development is the second quarter 2021.

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 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 Limited, 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 was secured and the funding fully drawn down. Steelwork has now been erected and cladding and external works will commence shortly. A naming ceremony or a topping out ceremony will be organised once the roof is in place, due to commence week commencing 1 March 2021.

f) Current Planning Applications

Three live planning applications are currently being considered by Blackpool Council, with a significant number of retrospective applications anticipated for works/and use changes within the Squires Gate Industrial Estate. These include an application for a small fibre switching data centre to support 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. A long standing proposed development of a 20MW gas fired power generation facility has been withdrawn.

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

The new owners of Squires Gate Industrial Estate continue subdividing and letting units and an up to date tenancy schedule has been received from the new owners. 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.

h) **Communications Infrastructure**

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 a new Enterprise Zone section of the Invest in Lancashire website <https://investinlancashire.com/lamec/> but phase 2 works on the individual LAMEC website has still yet to undertaken. Blackpool and Hillhouse Enterprise Zone continue to push for an update to the websites to include an option for people to sign up to the respective Enterprise Zone newsletters, as the websites only offer a City Deal and Lancashire Business Brief that are not relevant to the Enterprise Zones.

Any updates need 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 required.

A series of workshops are underway to discuss the branding and messaging for all four LAMEC sites and a combined communications strategy is to be implemented.

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 spring 2021 edition is planned by the end of March containing good news stories.

A double page spread in the Invest in Lancashire Guide 2021 has been secured along with editorial coverage and can be viewed here: [Lancashire Investment Guide 2021 \(flickr.com\)](#) David Holmes, chair of the Enterprise Zone Governance Committee C is confirmed as a round table guest, representing LAMEC as part of the package.

Work is progressing with Lancashire County to appoint a joint international agent for all four LAMEC sites. So far no interest has been received and the advert has been extended till 12 March 2021.

An editorial report on Lancashire enterprise zones is also upcoming in the Mar/April Lancashire Business View and a wide range of individuals from each of the three active sites have been put forward for interview.

An evaluation of the marketing activity 2020/21 is being prepared and 12 communication campaign being drafted for the forthcoming year 2021/22.

Top 10 enquiries are:

No.	Date of enquiry	Target sector	Size	Type of enquiry
1	Jan 2021	DC	up to 125,000 sq ft	National company, land sale enquiry for data centre
2	Dec 2020	FM	up to 80,000 sq ft	Land sale for international wholesaler, Warehousing and distribution
3	Oct 2020	DC	Up to 30,000 sq ft	D&B LH for NW data centre facility requirement
4	Apr 2020	AV	25,000 sq ft	D&B sale hangar for specialised sim/helicopter training facilities, worldwide contracts
5	Nov 2020	E	20,000 sq ft	D&B sale for mix of owner/occupier and spec devt
6	Dec 2020	FM	Up to 80,000 sq ft	D&B LH for regional manufacturing and warehousing co.
7	May 2020	AV	2 acres	Land sale for hangar complex for engineering and

				storage, high net worth investment for airport
8	Nov 2020	FM	Up to 30,000 sq ft	D&B lease for fast growth, local target sector company
9	Aug 2019	ADM	20,000 sq ft	D&B sale for established local manufacturers constrained at existing premises
10	Dec 2020	ADM	Up to 2 acre plot for 20,000 sq ft	D&B sale for established local manufacturers constrained at existing premises

SECTORS: ADM - Adv. Manufacturing and engineering, AV - Aviation, OA - Office administration, FM - food manufacturing, E - Energy, DC – digital and creative, O - Other

k) Blackpool: The Place for Business

A verbal update will be given at the June meeting.

l) Blackpool Airport

A decision has been made on the operating contracts and licensing for the airport which will be brought in-house. Staff have all been notified and a press release informing of the decision was issued to the local, regional and trade press early March. Work is underway to apply to Civil Aviation Authority for new operating licenses to come into effect from end of September, and a specialist project manager appointed on a short term contract to lead the transition.

The airport has continued to operate throughout Covid-19 lockdowns to ensure offshore services could be maintained. This has resulted in an adverse impact on earnings before interest, taxes, depreciation and amortization; which will impact upon ability to fund future infrastructure upgrades. There is continued lobby group pressure to reintroduce commercial air services but in the present distressed state of the aviation industry there is very limited interest from airline industry to consider new domestic or near European routes.

The airport was successful in securing support from the Airfield Development Advisory Fund, with the consultancy support funded looking at options for introduction of virtual control technology, which would avoid the requirement for construction of a new control tower. In the short term the existing 1939 tower is undergoing repair to extend its operational life.

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 now in place across the site.

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 114 businesses have located to the Enterprise Zone since April 2016.
- A gross cumulative total of 1602 jobs have located to the Enterprise Zone, this figure includes jobs new 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 29 January 2021 and the next meeting is due to take place 26 March 2021 via MS Teams.

o) Risk Register

The Blackpool Airport Enterprise Zone risk register is reviewed regularly with Blackpool Council's Corporate Risk Team, the Project Board and the Programme Board (EPB) every quarter.

p) Milestones

The table below lists key milestones which will be reviewed at the Enterprise Zone Governance Committee scheduled for the 18 March 2021 and also at the next Enterprise Zone Project Board on 14 April 2021.

Milestones	Dates
Proposition and identifying opportunities for data centre market	Ongoing
Land / property acquisitions x 4	Mar 2021
Appoint international marketing agents LAMEC brand	Apr 2021
Changing Rooms and car park/3G pitch planning application decision expected	May 2021
Appoint Common Edge Changing room and 3G pitches contractor	May 2021

Architectural feasibility study and design work for airport complete	May 2021
Head of Terms to be agreed 20,000 sq ft unit	Jun 2021
Focussed marketing of Common Edge phase 1 commences	Jun 2021
Design and outline planning application for eastern gateway access	Jun 2021
Design and outline planning application for Common Edge Road	Summer 2021
No. 12 grass football pitches ready for use	Sep 2021
Release of existing sports pitches and commencement of highway and utility infrastructure	Oct 2021
40,000 sq ft devt complete	Oct 2021
Fiscal benefit extension decision from HM Treasury	Nov 2021
Planning approval for highways	Dec 2021*
12 month construction contract for EGA access road	Jan 2022
Airport Control tower, fire station relocation planning application	Jan 2022
Outline planning app for airport redevelopment	Mar 2022
Decision on airport redevelopment planning application	May 2022
Commencement of works for airport redevelopment	July 2022
Delivery of spec dev of 20,000 sq ft commercial unit	Sept 2022
Replacement hangar development commenced	Sep 2022
Completion of airport redevelopment works	Autumn 2023

*Subject to Secretary of State approval of Greenbelt development

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