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| Report to: | Blackpool, Fylde and Wyre Economic Prosperity Board |
| Report Author: | Rob Green, Head of Enterprise Zones, Blackpool Council |
| Title: | Hillhouse Enterprise Zone: Progress Report |
| Date of Meeting: | 29 June 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):

To note 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 completion of a full masterplan review 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. Consultants WSP have been commissioned to undertake a concept design for the Northern access route – incorporating the worst case cost option of a rail overbridge and thereafter to undertake a full refresh of the masterplan, to include recent new developments – the clearance of the former Vinnolit site and emerging opportunities within the energy and sustainable waste management sectors.

Wyre Council will lead on the Delivery Plan refresh once the position on Rail Reinstatement is clarified, but assumption is now that a rail bridge will be required.

b) Getting Building Fund

NPL, has continued to progress activities where funding has been secured from the Getting Building Fund, providing essential capacity upgrades to both water supply and electrical power distribution networks, extension of the fast fibre broadband network around the perimeter of the site – together with the construction of a new security gatehouse facility , which will assist rapid secure access and egress to the site. The gatehouse facility will be finally be completed in August following delays with external contractors. A decision has yet to be taken as to when the existing facility on Bourne road will be completed and how security will be effected to restrict unauthorised access to the Northern portion of the wider Hillhouse site.

The Getting Building Fund project has been allocated a total grant of £630,000, comprising £504,000 Getting Building Funding, with additional match funding provided by Wyre council and NPL at £63,000 each. Wyre Council and the Local Enterprise Partnership team are continuing to monitor progress and expenditure.

c) Residential Development

BXB's initial planning application for residential development of the site originally allocated for development of a large food store and district centre was unsuccessful, with the developer having now submitted a revised application to run in parallel with a pending planning appeal and an ongoing application for commercial development on the adjacent 'Island' site with decisions anticipated in July. The outcome of the planning application for the residential site is of significance because of the contractual obligation of the developer to construct a section of the new Hillhouse Northern Access road. WSP who have been appointed to prepare the concept design for the new Northern Access route to Hillhouse will ensure that the residential road design is compatible with the requirements for what will become the main HGV access route to the Commercial site, with appropriate screening and sound attenuation alongside service corridors /cycleway etc. A full topographical survey of the northern site and route of the access road was recently completed to inform design of the new road and associated services, and will contribute to the revisions of the masterplan and flood risk assessments that are to be undertaken shortly by SEP.

Substantial progress has been made on the three other residential sites accessed via Bourne road – with all including the Dickie and Moore development close to completion – which will then see final works to bring Bourne road up to adoptable standards. Bourne road will continue to be utilised as the main HGV access route to Hillhouse until the Northern road is complete. NPL has introduced a number of measures to reduce traffic speeds on Bourne Road, including a competition to involve the local children to design road side signage.

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. This Strategic Outline Business Case 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. This ministerial decision originally due in March/April, is still awaited but network rail and their advisors continue to develop the technical proposals on the assumption that a Tram/Train will be approved, to enable indicative costings to be worked up as a precursor to seeking funding. It's likely to be several years before a definitive timetable for the provision of a new service can be confirmed.

Whilst there is a possibility with the potential adoption of a Tram/Train solution would permit the use of an at grade crossing for the northern access road – the lack of certainty at this point necessitates planning for the construction of a road overbridge – which may see total costs for the road/ bridge being in the region of £7m at current costs – with full funding for the project still to be identified. The lack of certainty over delivery of both the road and rail solutions remains the major practical constraint to progressing key infrastructure to open up the Northern part of the Enterprise Zone. An outline planning application for the Northern Road and bridge is targeted for Q4 2024.

e) Marketing and Enquiries

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

Further Workshops are planned to inform updates to the four Enterprise Zone websites to reflect current progress and the current availability of commercial development land and property. The Enterprise Zone delivery team are awaiting clarity following the recent reintegration of Marketing Lancashire into Lancashire County Council as to who will lead combined marketing and liaison with appointed International property agents Colliers.

Regular newsletter updates continue to be issued by Wyre Council's Communications team and the next meeting of the Wyred Up business forum will be held at Hillhouse on the 4th July .

Hillhouse Enterprise Zone was represented at the UK Real Estate and Inward Investment Forum (REiiF) from 16-18 May 2023. The event welcomed around 8,500 delegates, specifically focused at developers and inward investment. For the second year, Blackpool Makes It Work exhibited at a specific stand, while a Lancashire consortium also took the adjacent stand.

Hillhouse was represented through the Enterprise Zone delivery team, with its current masterplan and prospectus exhibited at the conference, along with a video shown at the stand throughout the conference explaining the details and opportunities at Hillhouse.

In addition to Blackpool's presence at UK REiiF, a consortium of Lancashire's Economic Development Directors exhibited a stand at the conference, and held one speaking panel, involving representatives from Lancashire County Council, Lancaster Council, Preston Council, Blackburn with Darwen Council, Burnley Council and UCLan. Hillhouse was also represented within the Lancashire 2050 Investment Prospectus.

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.

| Date of enquiry | Target sector | Size and type of enquiry | Progress update |
|-----------------|-----------------------------------|--------------------------|--|
| Feb 2023 | Construction Concrete Manufacture | £1m investment | Site visit arranged |
| Feb 2023 | Machine tool manufacture | £300k investment | Expected to complete negotiation in Dec 23 |
| Jan 2023 | Waste recycling | £400m investment | HOT / Due Diligence |

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| 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 | Due to complete Feb 2023? |
| 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 |
| 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 DIT | 20 acre £30m investment | Shortlisted to final 4 |
| Jan 2022 | Battery Storage* | £1m | HOT agreed |
| Jan 2022 | Manufacturing | £500k, 1 acre | HOT agreed |
| Feb 2021 | Waste to energy project | 10,000 sqft | purchase complete |
| Jan 2021 | Waste to energy recycling project | Up to 4 acres | option signed progressed to planning |
| Jul 2021 | Window frames manufacturer | 1 acre | In operation |
| Jul 2021 | Energy from waste project | 5 acres, £50m investment | Purchase complete |
| Oct 2021 | Engineering manufacturer | 60,000 sqft workshop | To commence spring 23 subject to planning and funding |
| Oct 2021 | Asphalt production | 2.5 acres, £2m investment | Pre-application planning discussions held with Wyre |

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| | | | Council and LCC progressing to option |
| Nov 2021 | Housing and retail | 10 acre £30m investment | New Planning Application submitted by BXB Ltd for housing development |
| Jan 2020 | Business park | 60,000 sq ft | Spec devt by NPL, HoTs in discussion, subject to funding |

f) Hydrogen Steering Group

NPL who is 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, AB, 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. Next meeting is expected to be held in July 2023 at Wyre Borough Council's Civic Offices. NPL has a comprehensive plan to deliver 10MW Hydrogen production on site by 2024, with 100MW by 2025.

NPL is shortly due to launch their Hydrogen strategy for the Hillhouse Enterprise Zone , '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 then be extended to 100MW, where up to 70% of the Hydrogen produced will be used with the EZ, with the remaining Hydrogen being used locally or sent to grid.

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 having cleared much of the former production facilities have refurbished and actively marketed the remaining buildings, the majority have now been let. The revised Masterplan for Hillhouse will identify the availability of new development plots in this area.

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

- Karpa - a heavy engineering company 7000sqft building and 10 new staff - Complete relocation within Hillhouse to larger premises
- Express Windows - windows manufacture - 18,000sqft building and upto 40 new jobs – Complete expansion from existing Hillhouse facility at Burn Naze Industrial estate
- 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 to undertake 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 within the next Month.

h) Job Creation

The Enterprise Zone team continues to liaise with NPL Estates to record and support any new or safeguarded jobs on the site.

NPL and Addisons, supported by Wyre Council, continue to develop proposals to establish an onsite 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. Initial meetings took place with Lancashire Local Skills improvement and Lancashire Skills Hub in June and a potential property for the facility identified. Planned implementation in Q4 2023.

i) Enterprise Zone Board Meetings

An online Board meeting took place on Friday 21st April with a group of key stakeholders including Hillhouse tenants in attendance. No date has been set for the next meeting at time of reporting, however is expected to take place in July via MS Teams.

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 and Actions |
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| Uncertainty over change of key personnel at NPL Estates and Wyre Borough Council. | Clarify role and ongoing support from Blackpool Enterprise Zone Delivery team with new Service Level Agreement in place and strengthening Wyre support team. |
| Lack of market demand due to Covid-19 / Brexit /Inflation of costs of living/construction materials , Energy uncertainty and the commercial viability of development with existing scheme such as Energy from waste / | 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. |

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| Biomass plant which are in development being cancelled or postponed long term. | |
| 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 (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 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 (accountable body) and Lancashire County Council and securing additional delivery support resource. |
| Failure to secure purchase or rights over the Fleetwood rail line will impact upon ability 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. |
| 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. |

I) KPIs and Milestones:

| KPI / Metrics | Baseline (2016) | Target (2041) | Actual (2016-2023Q1) | RAG |
|---|-----------------|---------------|----------------------|--------|
| Jobs created / Jobs Safeguarded (FTE) | C 1650 | 3700 | 133 | Yellow |
| Construction Jobs | N/A | N/A | C 150 FTE | Yellow |
| New Commercial / Employment Space (SQM) | N/A | 450,000 sqft | N/A | Yellow |
| Refurbished Commercial / Employment Space (SQM) | N/A | 13,000sqft | 36118 sqft | Green |

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| New businesses located on Enterprise Zone (over baseline) | c45 | 10 | 12 | |
| No. of businesses receiving Enterprise Zone business rates relief (£ rates relief awarded) | N/A | N/A | 0 N/A | |
| Amount of Enterprise Zone 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 | Ongoing |
| 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 |
| 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 | Commissioned/ongoing |
| Planning Application for energy from waste plant ex Vinnolit store | Q3 2023 |
| Planning application submitted for 60,000 sqft development | Awaited September 2023 |
| A flood risk assessment to be scoped and commissioned for the entire site subject to identification of funding | Q4 2023 |

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| 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 | Q4 2023 |
| An Environmental and Ecology study to be scoped and commissioned for the entire site subject to identification of funding * | Q4 2023 |
| Planning application for new training centre to replace demolished buildings | Q4 2023 |
| 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
- Masterplan review and update 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 developed
- Housing Development on former Thornton AFC and Sainsbury sites completed – circa 200 dwellings
- Concept design of Rail Bridge and western access road completed
- 10mw Pilot Hydrogen production facility complete

Objectives over 5 years (by end 2028):

- Phase 1 spec build complete and fully let
- Phase 2 new spec development in planning pipeline
- Northern Access Road Constructed
- International business centre redevelopment
- Commenced 100Mw Hydrogen production facility
- Firm proposals for Tram/Train on Fleetwood in place and funding identified

Objectives over 10 years (by end 2033):

- 50% of site built out and thriving business hub
- Fleetwood/Poulton Transport link operational

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