

Report to:	Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author:	Rob Green, Head of Enterprise Zones, Blackpool Council
Date of Meeting:	28 September 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)

That the Board notes 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 findings of interested parties in developing large areas of the Enterprise Zone and a decision by Government on the Rail Reinstatement Project for the Poulton-Le-Fylde to Fleetwood line, which is presently subject of further studies being led by Network Rail. Potential to undertake partial revamp of masterplan to reflect the loss of Vinnolit and opportunities presented. With Consultants WSP commissioned to refresh the current plan

Wyre Council have held discussions with interested parties for significant redevelopment of areas of the Enterprise Zone, these parties are now in contact with Lancashire County Council to better understand the Rail Reinstatement Project and its impact upon their ambitions, with Network Rail now leading next round of studies and quarterly liaison meetings established.

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, who have secured funding from the Getting Building Fund toward the costs of essential infrastructure upgrades to enable the new speculative development to progress, have received planning permission from Wyre Borough Council and are progressing with all the works, however the new security gatehouse, which had fallen behind schedule following issues with original contractors is now complete.

The project has been allocated funding of £630,000, comprising £504,000 Getting Building Funding, with additional match funding provided by Wyre council and NPL at £63,000 each.

c) Residential Development

BXB have purchased the former Sainsbury retail site. Wyre Council granted planning consent in June for a social housing development to be undertaken by Places for People and work on up to 130 units will commence in the near future. A further site in the ownership of BXB is the subject of an ongoing planning application for a small retail development and petrol filling station, with development likely to commence shortly after the grant of a planning consent.

Dickie and Moore have made substantial progress with their residential development on the former Thornton AFC site, with the site now nearing completion. Developers of an adjacent site, part of the former ICI works but out-with the designated Enterprise Zone boundary, has also seen rapid progression of new housing units. The works to complete Bourne Road, the main access route to Hillhouse, to become an adopted Highway has commenced following final agreements with Lancashire County Council Highways. NPL has introduced a number of measures to reduce traffic speeds on Bourne Road, including a competition to involve the local children to design roadside 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 SOBC will show 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 was due in March/April, but is still awaited. Network rail appointed consultants are continuing to develop the proposals for a Tram/Train option organising series of technical workshops held in early June. This remains the major practical constraint to progressing key infrastructure to open up the Northern part of the Enterprise Zone with one prospective developer directly engaged with Lancashire County Council to try and progress a decision. Cost of a bridge across the line will be circa £7m up from original estimates at the start of £3.5-£4m. Consultants WSP have undertaken a study and concept design for a new Northern approach road and bridge over the rail line – which is now being assessed by developer NPL, with further development of the proposal likely commissioned prior to the Year-end. Funding still needs to be identified for the construction of the bridge and there would likely be a three-year plus lead time to development. Outline Planning application to be targeted for Quarter 2 2024.

e) Marketing & Enquiries

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

Workshops are ongoing to inform updates to the four websites to reflect each of the current Enterprise Zones' sites and their commercial development land and property availability. Marketing Lancashire and the Local Enterprise Partnership will continue to lead on this activity, with support from the Blackpool Enterprise Zone delivery team and Wyre Council.

Regular newsletter updates continue to be issued by Wyre Council’s Communications team.

Following the success of UK REiiF 2022, Hillhouse Enterprise Zone was represented under the Blackpool Makes it Work campaign banner at UK REiiF (Real Estate Investment and Infrastructure Forum) in Leeds, 16-18th May 2023, which served as an opportunity to promote investment opportunities across the two active Fylde Coast Enterprise Zone. Blackpool have confirmed their attendance at REiiF in May 2024 and will again promote opportunities at Hillhouse.

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 design assessment arranged
Feb 2023	Machine tool manufacture	£300k investment	Expected to complete negotiation in Dec 23
Jan 2023	Waste recycling	£400m investment	HOT / Due Diligence
Jan 2023	Laser Manufacture	£1.5m Investment	Not progressing
Jan 2023	Environmental support	£600k investment	HOT/ Review
Dec 2022	Chemical production	£600k investment	HOT/ Review
Nov 2022	Transport and shipping	£1m investment	Complete
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	HOT
July 2022	Battery storage	£7m investment	Project scoping
July 2022	Hydrogen production	£10m investment	HOT / Project scoping
July 2022	Hydrogen generation	£10m investment	HOT / 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	Not progressing
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, permit progressing
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	Not progressing
Oct 2021	Asphalt production	2.5 acres, £2m investment	Not progressing
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 Project and 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 Local Enterprise Partnership, 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. The next meeting is expected to be held in late 2023 at Wyre Borough Council's Civic Offices. NPL have a comprehensive plan to deliver 10MW Hydrogen on site by 2024, with 100MW by 2025.

NPL is 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 be extended to 100MW, where up to 70% of the Hydrogen produced will be used within the EZ, with the remaining Hydrogen being used locally or sent to grid. Finally, the project will develop to GW scale Electrolyser with CCHT power production.

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 has acquired the vacant property of the former Vinnolit site and the property is currently been marketed, with strong market interest for the refurbished warehouse properties all of which are now let / purchased and interest in the cleared sites for Waste to Energy facilities and bottom ash recycling.

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

- Karpa - a heavy engineering company 7000sqft building and 10 new staff - Complete
- Express Windows - windows manufacture - 18,000sqft building and upto 40 new jobs - Complete
- 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 about to start 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. Option is agreed and progress and agreement now subject to planning.

New companies on site:

- A fast growing transport company has located at Hillhouse and also have taken additional office space.
- A small engineering upcycle company has located on the Hillhouse site.
- An expanding company that delivers large events and concerts in Europe have taken additional storage space.
- Express windows now operational

- Work started on EFW building
- Environmental consultant on site
- Medical services company now on site
- Civil construction engineer expansion
- 2x Crane Hire / Support companies
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h) Job Creation

The Enterprise Zone team will continue to liaise with NPL Estates on any new or safeguarded jobs on the site.

NPL and Addisons, supported by Wyre Council, are exploring the opportunity to set up a 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. An Initial meeting with Lancashire Local Skills improvement and Lancashire Skills Hub has been arranged to progress. Planned implementation in Q4 2023.

i) EZ Board Meetings

An online Board meeting took place on Friday 7 July 2023 with a group of key stakeholders including Hillhouse tenants in attendance. Next meeting is due to take place Friday 29th September on-site, kindly hosted by Addison Project.

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 & Actions
Uncertainty over change of key personnel at Wyre BC.	Clarify role and ongoing support from Blackpool EZ Delivery team with new SLA to be put in place and strengthening Wyre support team.
Lack of market demand due to Covid-19 / Brexit / Energy uncertainty and the commercial viability of development with existing scheme such as Energy from waste / Biomass plant which are in development being cancelled or postponed long term.	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 DiT large scale enquiries.
Continuing delays in applying for and securing planning and highway approvals and potential land contamination issues that need to be	Close liaison with NPL, Wyre (accountable body) and LCC, refresh of EZ Project board and securing additional delivery support resource –

overcome. Highway usage impacted by proximity of residential accommodation.	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 LCC 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), LCC 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 LCC ongoing dialogue with LCC.

I) KPIs & Milestones:

KPI / Metrics	Baseline (2016)	Target (2041)	Actual (2016-2022)	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
New businesses located on EZ (over baseline)	c45	10	12	Yellow
No. of businesses receiving EZ business rates relief (£ rates relief awarded)	N/A	N/A	0 N/A	Yellow

Amount of EZ 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	Draft proposal received /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
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	Q1 2024
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 2024):

- Local Full Fibre Network roll out across site complete
- All full site supporting studies (topographical, flood/utility transportation, ecological and environmental) commissioned and 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

Objectives over 5 years (by end 2027):

- Phase 1 spec build complete and fully let
- Phase 2 new spec development in planning pipeline
- Northern Access Road Constructed
- International business centre redevelopment

Objectives over 10 years (by end 2032):

- 50% of site built out and thriving business hub

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