

Report to: Blackpool, Fylde and Wyre Economic Prosperity Board
Report Author: Rob Green, Head of Enterprise Zones, Blackpool Council
Date of Meeting: Tuesday 7th January 2020
Recommendation: That the Committee notes the report.

Hillhouse Enterprise Zone: Progress Report

IMPLEMENTATION PLAN

A series of meetings have been held with the senior managers at NPL Estates to better understand their proposals for a phase of speculative development which would in part, assist the decanting of existing businesses from the old International Business Centre, releasing that site for redevelopment with the focus on the need for enabling infrastructure and the funding thereof.

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. This information is now being modelled into a revised delivery plan by consultants Genecon. The implementation plan will also reflect the impacts of the withdrawal of Vinnolit from the site over the next 12 months and the release of additional development land that this may enable.

MARKETING

Signage

All three large signboards are now in place, the final one being the most prominent on Bourne Road.

Promotional Drone Video

Video footage captured and 'Buzz Drones', with 'Just By Michael' (videographer) was completed in September. The video is approximately three minutes long and mainly shows aerial footage of the site and the potential development opportunities. It also includes some ground videography entering the operational side of some of the businesses with short interviews and commentary. This project aims to showcase the Enterprise Zone to prospective interested parties looking to relocate to the site.

The finished video has been made available to all EZ occupants, is displayed on the www.hillhouseez.com website and the Wyre Council web pages.

Newsletter

The previous newsletter can be found here <https://mailchi.mp/aeab24c26fe7/may-e-newsletter-361669> which was distributed to 52 recipients. Work continues to engage more people to sign up to the newsletter. The fourth edition of the newsletter will be published in Jan 2020.

Marketing Strategy

A marketing strategy is being drafted for inclusion in the Delivery Plan and a communications plan for 2020/2021 and these will be shared with the EPB at its next meeting. The EZ marketing team continues to support tenants on the site with any good news stories.

Events

Hillhouse EZ and Blackpool EZ co-exhibited at the Eco-I Conference, Lancaster University in September. The conference was well attended by over 300 delegates working within the renewable energy sectors and the team received a few enquiries about property availability at the two sites.

Hillhouse EZ and Blackpool EZ teamed up to co-sponsor 'Construction Business of the Year 2019' at the Wyre Business Awards, a prestigious awards ceremony held on Thursday 5 December at Marine Hall in Fleetwood.

Hydrogen Steering Group

Following an initial request from NPL to examine the opportunities of utilising Hillhouse, for the generation and storage of Hydrogen, a forum has been set up to explore the potential of hydrogen research, production and storage at Hillhouse. The initial meeting took place on Friday 6 December at B&FC Ashfield Road Campus. Individuals from both the public and private sectors were in attendance. There was wide agreement that this initiative needed to be pursued to ascertain full potential and that ideally the group should also be tasked with looking at additional low carbon energy opportunities across the EPB area – with a request from members that the public sector partners took on the role of coordination to enable maximum reach and buy in from potential contributors

The initial workshop involved a presentation by NPL Estates, a round table open discussion and an opportunity for Q&As.

The vision for hydrogen power on the Fylde Coast is to help meet local ambitions to deliver a clean low carbon energy economy in the area and to create a centre of excellence supported by education and industry. The plan is to deliver hydrogen research and production at Hillhouse, leading to the creation of a support network for hydrogen production, hydrogen storage, and supplies to local authorities, transportation companies, businesses and housing is in its infancy and more work needs to be commissioned to develop the proposals and look at integration with other renewable energy provision needed to power the Hydrogen generation.

In addition, to create provision of a hydrogen support network for the transport fleet for Wyre, Blackpool and the wider area. The plan would be to have depots and filling stations at least at Hillhouse EZ and Blackpool EZ. It would also involve/create sustainable energy solutions supported by tidal wind, solar, waste to energy plants etc.

The ambition around the Hydrogen sector will in part replace the lost potential from the Shale Gas industry and support Blackpool & The Fylde College and the Energy HQ at Blackpool Airport EZ in becoming a centre of excellence for renewable and sustainable energy studies, the Hillhouse EZ would specifically facilitate the delivery of waste to energy, solar, wind, hydrogen production, sustainable business park, connections to local housing and new transport links.

SITE ACTIVITY

Vinnolit - It is confirmed that Vinnolit ceased trading on August 31st 2019 and the site is now in the process of decommissioning and staff redeployment. Key staff will remain on site until at least Summer 2020 to assist in the decommissioning of the site. It is understood that a majority of the existing workforce have either opted for retirement or secured new roles with other businesses at Hillhouse with employment support and re-training advice being provided. Close contact is being maintained with Vinnolit management both onsite and via the immediate parent company in Germany.

The plant ceased operating as tier 1 COMAH status although lower tier COMAH status remains in respect of other manufacturing operations and upper tier COMAH status would be easily re-instated if required.

Biomass - Heads of Terms have been agreed between a Biomass developer and Le Fylde Estates (Landowner NPL Group) for a 150,000 tonne p/a EfW plant within the Hillhouse Enterprise Zone. Site investigations and early planning works are taking place. It is projected this will create a number of short-term construction jobs and permanent operative jobs once completed.

Forsa Energy – Early construction work has now commenced on the development of a new 20MW Short Term Operating Reserve (STOR) gas turbines, planning consent having been granted in 2017.

Job Creation – We expect a high number of construction jobs to be created this next quarter due to the start on site by Forsa Energy. At the time of writing, the team is waiting for confirmation on how many construction full time equivalent jobs are currently on site. In Q1 2020 the team will contact all Hillhouse businesses to assess what additional growth and jobs creation there has been over the past 12 months.

Joint Agent for LAMEC Cluster – The team is working with LCC to appoint a joint international agent for all four LAMEC sites by Spring 2020.

EZ Fiscal Benefits - The clock continues to tick with regards to the EZ fiscal benefits with the business rates relief due to expire on 31st March 2021 and the enhanced capital allowances (ECA) due to expire in November 2023, which will leave only a very short window of opportunity to capitalise once new development sites are released upon completion of key enabling infrastructure. As detailed in the Blackpool Airport report a combined approach to seek an extension of fiscal benefits is underway.

FORTHCOMING ACTIVITY

- Complete implementation plan by January 2020
- Procure specialist State Aid advice once IP completed
- Complete updated Risk Register by January 2020
- A flood risk assessment to be commissioned for the entire site
- A transport assessment be commissioned for the entire site
- A utilities assessment to be commissioned for the whole site
- An Environmental and Ecology study to be commissioned for the entire site

Ends

Reason for inclusion in Part II, if appropriate

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.