

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
BLACKPOOL AIRPORT ENTERPRISE ZONE	FINANCE AND DEMOCRACY COMMITTEE	29 MARCH 2021	13

BLACKPOOL AIRPORT ENTERPRISE ZONE PROGRESS REPORT

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY OF INFORMATION

a) Background and Advice

Blackpool Airport Enterprise Zone sits alongside Hillhouse Technology, Samlesbury and Warton Enterprise Zones (EZs) and continues to play a key role as part of the Lancashire Advanced Manufacturing and Energy Cluster (LAMEC) in retaining Lancashire's position as a national leader for high value industrial activity.

In respect of governance, the progress on the programme is closely scrutinised by the Blackpool Fylde and Wyre Economic Prosperity Board (a joint committee of the three local authorities) which acts as the Programme Board for Blackpool and Hillhouse Enterprise Zones, in accordance with the governance structures set out in the Memorandum of Understanding dated 9th November 2016. This MoU also confirmed Blackpool Council's role as accountable body for the EZ. Progress reports are also presented to the LEP EZ Governance Sub-Committee, to Blackpool Council's internal EZ and Airport Project Board, and to the EZ Project Team comprised of a large number of external stakeholders in the project including representation from Fylde Council and St Annes Town Council. Reports have also presented as required to the Growth Deal Management Board and LEP Board in respect of a Growth Deal project that sits within the Enterprise Zone.

b) Achievements to date

The Blackpool Airport Enterprise Zone has benefitted from c.£30.6m public and private sector investment to date to enhance the site's potential as a premier business location in the North West.

In July 2018, Blackpool Council, as majority landowner and accountable body, approved an EZ masterplan and delivery plan agreeing to invest up to £28.8m to enable essential infrastructure and to kick start development over the first few years to open up the site for development.

An updated delivery plan and revised masterplan (see appendix A) was approved by Blackpool Council on 7th December 2020. The current delivery plan identifies that expenditure of up to £72m will be required to complete site assembly, provide core enabling infrastructure and promote and deliver the Enterprise Zone over its remaining 20 year lifetime. The investment required to deliver the EZ will be funded by a combination of prudential borrowing against forecast business rates growth, land and property disposals, and grants and rentals to achieve a position of equilibrium after the cost of borrowing. With a target of 5,000 jobs this expenditure equates to £14,400 per job- with the EZ expected to add a cumulative £2Bn to the GVA of the Fylde coast.

Recent grant funding of £800,000 has been secured from Growth Deal toward the MultiPly Project, and a provisional allocation of £7.5m from Blackpool's Town Deal funding has been awarded to support highways infrastructure.

Blackpool Airport Enterprise Zone provides a very significant opportunity for Lancashire as a post-Covid-19 economic recovery project stimulating growth, employment and skills, helping to diversify the economy and providing a location attractive to modern industry and inward investment, and providing property to enable local business to grow.

The tables below seek to summarise the progress to-date against the Key Performance Indicators and identifies key milestones to be achieved over the next two years

Baselines at April 2016	
Existing jobs	Difficult to estimate as it is an existing business park with over 200 businesses located on site but circa 1,800
Companies on site	c.250 – 300
Business rates baseline (set Dec 2017)	Blackpool - £1,503,000 Fylde - £870,000 TOTAL £2,373,000

Key Performance Indicators	Targets to 2041 (25 year lifetime)	Actuals up to Q 3 20/21	RAG
Build, convert or re-purpose potential employment space	260,000 sqm	24,277 sq m	
Attract Private Sector Investment	£300m+	c.£21.69m	
Jobs created	5,000	1,602 (gross)	
New Businesses	140	114	
Develop new infrastructure	£72m	£28.8m*	

Milestones	Dates
Proposition and identifying opportunities for data centre market	Ongoing
Land / property acquisitions x 4	Sept 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 & design work for airport complete	May 2021
Head of Terms to be agreed bespoke 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	Sept 2021
Design and outline planning application for Common Edge Road	Sept 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	Mar 2022*
12 month construction contract for EGA access road	Mar2022
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

Objectives over 2-3 years

Phase 1 infrastructure complete

Phase 1 spec and bespoke developments commenced and pre-lets secured

Commenced relocation of aviation operational infrastructure to enable new development

Commenced upgraded utilities including PV solar site and new primary sub station

Objectives over 5 years

Common Edge Phase 1 development complete – all plots occupied

Residential development underway

Relocation of airport existing property stock and infrastructure complete

New airport spec development in planning stages

Objectives over 10 years

Phase 2 continued spec development of remaining plots airport site

Squires Gate Industrial Estate – spec proposals for future development

c) Masterplan

The EZ masterplan and delivery plans have now been refreshed to reflect the new development since 2016. The updated plan 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. The masterplan is appended as appendix 1.

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 EPB and LEP 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 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.

One of two Project management roles funded by Fylde Borough Council has now been appointed and commenced work on the 1st March 2021. The outstanding role will be re-advertised in April. 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.

d) Fiscal Incentives

Work is continuing to lobby MHCLG to seek an extension of EZ fiscal benefits which are due to expire for Blackpool in March 22 for rates relief and November 23 for Enhanced Capital Allowances.

With full LEP support, Blackpool EZ joined nationally with The LEP 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 EZ's 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 3rd March budget which focussed on the Freeports programme, the LEP Network will now look to re-engage with Treasury and MHCLG to further discuss EZ policy, with the objective of securing support in the Autumn financial and business rates review.

e) Current Activity Phase One

Work on the provision of 12 new grass football pitches – granted planning consent by Fylde BC in May 2020 has now been completed with Contractor STRI Group now 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 Division Lane

including reopening of blocked drainage ditches and culverts on Moss Edge Lane to relieve pressures caused by partially blocked Highway drains in Division Lane. 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 to Blackpool and Fylde Councils. 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 floodlit 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 June. Initially it was hoped that planning consent could be secured by January, 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, with the Fylde planning committee consideration being targeted for the April 28th meeting. 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.

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

f) Initial Development

Legal agreements have been concluded for the development of 40,000 sq ft facility to be occupied by Multiply Components Ltd, 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. £800K 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.

g) 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 current planning applications include an application for a small fibre switching data centre to support role out of superfast broadband across the Fylde Coast.

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

The new owners of Squires Gate Industrial Estate continue subdividing and letting units and over cladding the building to improve appearance.

i) Marketing

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

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 EZ social media accounts, but further improvement is required.

A series of workshops have been held to review the branding and messaging for all four LAMEC sites and a combined communications strategy is to be implemented once approved by the LEP.

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 \(flickread.com\)](https://www.flickread.com)

Work is progressing with LCC to appoint a joint international agent for all four LAMEC sites. So far, no interest has been received and the advert was extended to 12th March 2021, with an appointment to be confirmed in April.

j) Enquiries

A reasonable number of new enquiries have been received in the past few months despite the twin economic uncertainties of Brexit and Covid and work is continuing to secure these interests with development proposals presently being worked up.

The 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.
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 & engineering, AV - Aviation, OA - Office administration, FM - food manufacturing, E - Energy, DC – digital and creative, O - Other

k) Blackpool Airport

Blackpool Airport Operations Ltd has taken the decision that on expiry of the existing operating contracts the CAA licensing for the airport will be brought in-house and the airport managed directly by the company. 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 now underway to apply to CAA 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. 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.

Work has continued to repair and upgrade the airport infrastructure – with the Control tower in the middle of a £150,000 programme to repair the Visual Control Cupola and provide a short service life extension whilst studies are finalised to determine the nature and location of new aircraft control facilities – with a potential new location to the south of the main runway one option

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.

The contract to serve the offshore rigs transferred to NHV with effect from 1st December for the present time NHV will continue to serve the production platforms owned by both Spirit and Italian company ENI.

To date:

- A total of over 300 live enquiries are currently logged for Blackpool EZ.
- 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.

SOURCE OF INFORMATION

Enterprise Zones Team, Blackpool Council

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

That the committee note the contents of this progress.

FURTHER INFORMATION

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