

LEP - Enterprise Zone Governance Committee

Minutes of the Meeting held on Thursday, 12th May, 2022 at 11.00 am at the Virtual Teams Meeting

Present

David Holmes OBE

Mark Rawstron

Councillor Mark Smith

County Councillor Aidy Riggott

In Attendance

Steve Burns, Head of Service, Strategic Development, Lancashire County Council

Sarah Kemp, Chief Executive, Lancashire Enterprise Partnership

Chris Dyson, Strategic Development Manager, Lancashire County Council

Rob Green, Head of Enterprise Zones, Blackpool Council

Dave Gorman, Senior Democratic Services Officer, Lancashire County Council

Heather Cummings, Democratic Services officer, Lancashire County Council

Charlotte Schofield, Department for Business, Energy and Industrial Strategy

1. Welcome and Apologies for Absence

The Chairman, David Holmes, welcomed all to the meeting.

Apologies were received from Laura Sales Company Secretary.

2. Declaration of Interests

There were no declarations of interest.

3. Minutes of the Meeting held on 9 March 2022

Resolved: The minutes of the meeting held on 9 March 2022 were agreed as an accurate record and signed by the Chair.

4. Matters Arising

There were no matters arising.

5. Reporting to Lancashire Enterprise Partnership Board

No items were identified.

7. Date of Next Meeting

The committee noted that the next meeting was scheduled to be held virtually at 12.00pm on Wednesday, 31 August 2022.

8. Exclusion of the Press and Public

Resolved: - That the meeting move into Part II, Private and Confidential, to consider the remaining reports as they contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in the report. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9. Blackpool Airport Enterprise Zone: Progress Report

Rob Green, Head of Enterprise Zones, Blackpool Council presented a private and confidential report which provided the committee with an update on the Blackpool Airport Enterprise Zone. The report included updates on activity since the last meeting, including achievements to date, KPI's and milestones, risks, opportunities and issues, Master plan and delivery plan, project management, Fiscal incentives, current activity, town deal, development for Multi-ply Ltd, Squires Gate Industrial Estate, Planning applications, communications infrastructure, Marketing, Blackpool Airport, Project team and the Risk Register.

It was noted that the principal work being undertaken now is around the Towns Fund and the new highways to open the eastern sector of the Enterprise Zone. It was noted that the design work is progressing well, meeting the milestones.

Members were informed that the outline planning application for the highway had now been submitted and feedback is currently being received from the statutory consultees. It was reported that there are currently no major issues with this.

If approved this will need to then go to the Secretary of State for sign off.

It was reported that site investigations along the line of the road would be commencing over the next two weeks and that the first work at the division lane junction is intended to start in August/September.

Members were informed that the acquisition of the key properties to school road

had been completed and that once the planning consent is received, demolition work can commence.

In terms of the 3G pitches it was noted that work had been delayed allowing a new culvert to settle to ensure that it doesn't cause disruption and that this will be tendered in the next three months and will be moved forward. The sports pitches are designed for community use in the area and the landscape and public real area will all be open to the local community.

It was noted that work was currently progressing with the changing room facilities and that it should be complete in roughly eight weeks' time. The facilities will only be able to be used once the junction is complete due to conditions from Lancashire highways however it would be ready for the new season.

It was reported that the football pitches had roughly 3,000 youth footballers who were playing in a tournament over the Easter break and that it went very well.

In relation to the new primary substation it was reported that discussions are still ongoing with Electricity North West and papers have recently been signed for the first secondary substation at the airport.

Concerns had been raised regarding a suggestion that there is currently only 8mw of network capacity available, however members were reassured that they are working to accelerate this.

The Multi-Ply development was now complete, and they are now in full occupation and have transferred from their previous premises. It was highlighted that they had been able to draw down their business rates relief allowance before the cut off date and that the building is now being used to show case as an exemplar building that will be part of the design guide that is being developed to support the next stage of development on phase 2.

Members were informed that two new planning applications for smaller units have come forward and it is hoped that the launch of the new brochures for the eastern gateway will attract a new level of enquires.

It was noted that the intention is to acquire two new parcels of land and there are negotiations on three other long leaseholds so there is full control.

It was reported that work is being undertaken with a company which is involved in data centre management and data technology looking at liquid cooled servers in data centres and efforts are being made to find a premises for them to put in a trial data facility using liquid cooling that has the benefit of saving 40-60% of the normal electricity consumption. They will then look to scale this up on the airport site and incorporate a district heating system for the offices and the commercial building that will be released by the relocation of the airport facilities.

Committee members were updated that the new managing director, Steve Peters, started a week ago at the airport site.

The airport has recorded about 45000 movements in the last financial year which is its best in fifteen years and it was noted that they are pushing ahead with design work for a new control tower, hangers and potentially a new mini terminal for helicopter operations offshore.

Members were informed that they were not successful in getting an extension of the financial rates relief benefits however, it was reported that Blackpool was quite successful overall in utilising that fiscal incentive. A full report on the lifetime benefits that were achieved using the rates relief will be presented at the next Enterprise Governance Committee along with an update on the NNDR position as the report should be back from Treasury by the end of May.

It was reported that tender is now out for the appointment of engineering consultants. From the framework, tenders will be back from the 10 June 2022 and there should hopefully be an appointment in place by the 1 July 2022. It was commented that they have broadened the scope so the engineer can also work on Hillhouse to give leverage to move things forward.

It was noted that 20 weighting of all tender evaluations run by Blackpool are based on their social and economic value contributions and proposals.

They are looking to appoint a local apprentice for the engineer role. Contractors have been taking on local temporary staff and it is expected that the consultant's theory is to visit lectures of Blackpool and Fylde college to work across from the HE and the FE sides. It was commented that they are always mindful of this and that the designs there are based around the community benefits.

The review process of programmes is currently on hold but the EZ's was almost concluded last year. One highlight of the actions in this review across all the EZ sites was around the aspects of social and economic value and the impact that will have. This will be built into the process.

It was commented that there would be value in creating a case study showing real life stories of social value from each of the EZ showing their capability. This would display a wealth of evidence going forward which could then be used to move forward showing the social value.

It was mentioned that it would be important to look at the pricing impact on procuring items or construction and quotation of items makes outturn pricing of projects difficult. It was noted that we need to understand what financial exposure the EZ's have got against the volatility in the marketplace and that it is important that they take account of and notify the right people of that vulnerability.

Committee members were notified that Blackpool has built in a fair level of contingency and that there is flexibility to delay some aspects of Phase 2 if necessary.

Members requested to have sight of any unintentional consequences that arise to ensure support from the Committee is provided and to show evidence and

transparency.

It was commented that there needs to be close monitoring moving forward and that currently there are various governance and monitoring systems in place. It was highlighted that there are set budgets and that they can value engineer and revalue materials providing savings across the sites. They are also working closely within teams to keep to budgets and to be able to adapt to do things differently.

Resolved that;

- i. the report be noted,
- ii. real life stories of social value from each of the EZ showing their capability are captured.
- iii. aspects of social and economic value be recorded in the review of the programme that Anne- Marie has been working on.
- iv. Committee members have sight of any unintentional consequences that arise to ensure support from the Committee is provided.

10. Hillhouse Technology Enterprise Zone: Progress Report

Rob Green, Head of Enterprise Zones, Blackpool Council presented a private and confidential report which provided the committee with an update on the Hillhouse Technology Enterprise Zone.

The report included updates on activity since the last meeting, including achievements to date, KPI's and milestones, progress with the site's Delivery Plan, update on the planning application by NPL Estates for a residential development, update on the residential development by BXB purchasing the former Sainsbury retail site and planning application logged for the main site of residential development, progress made by Dickie & Moore with their residential development plans for the former Thornton AFC site, ongoing issues regarding road access across the Fleetwood-Poulton railway line, Marketing, update from the Hydrogen steering group, Vinnollt site, new companies on site, job creation and Hillhouse Board and Project board meeting update.

It was highlighted that there has been more momentum from NPL and Wyre Borough Council and that their economic development team are focusing their time on Hillhouse.

It was reported that there is still no clarity on the future of the rail line. The first study has been concluded with colleagues in Lancashire and they are currently waiting for a response from the Department for Transport as to whether it is a heavy rail and whether it has a future or not. It was noted that this has started to impact on the interests of some developers.

Members were informed that they will continue to push on with the design of the northern access road on the assumption that there will be heavy rail there and will design a bridge over this railway line.

It was mentioned that after the planning application went in there was a tree preservation order put in on half the Hillhouse site however, it was noted that this is now being resolved.

There is a lot of work needed to be carried out in terms of designing the infrastructure and they are progressing some of the enabling works on the site.

Committee members were informed that there are a number of enquiries coming forward and that they have agreed terms for the site.

It was noted that there are also two large enquiries that have now moved to a second stage enquiry level.

Resolved;

That the report be noted.

11. Samlesbury Aerospace & Warton Aviation Enterprise Zone: Progress Report

Chris Dyson, Strategic Development Programme Manager, Lancashire County Council, presented a private and confidential report which provided the committee with an update on the Samlesbury Aerospace and Warton Aviation Enterprise Zones.

Regarding the Samlesbury site, the report included updates on the Memorandum of Understanding between the LEP and the County Council, Site Delivery Programme: Phase 2a - Delivery of Public Infrastructure and Development/Growth Deal Programme and Phase 2b Delivery Programme, a Planning update, commercial agents, Marketing and Communications and Warton Aviation Enterprise Zone.

Members were reassured that all EZ officers are working in strong partnership and around the marketing of the Enterprise Zones across Lancashire as a whole.

It was recognised that at Samlesbury the focus remains on key and emerging sectors around cyber, security and robotics research and development which is playing into the marketing angle.

It was highlighted that there are some very strong community, social value and wellbeing elements on the Samlesbury Site and that the LCC Project Team and on-site delivery team tracks activity in terms of materials used and material that is recycled on site.

It was noted that an apprentice has now moved on to full time employment within

the site.

The roads and public footpaths running through the EZ are open and it was noted that there has been an increase in public use of the above, stimulating interest in the site as well as providing general well-being benefits.

The low carbon study will help when looking further into some of the wellbeing opportunities on site and the partnerships to deliver the site remain very strong.

It was reported that the model for delivery of business rate growth and funds is being secured by the County Council and that the Memorandum of Understanding with the LEP is being progressed towards a legally binding document.

It was noted that the County Council continues to proactively progress with the site's development with multiple work packages being delivered.

It was confirmed that the right mechanisms are in place to allow the programme of activities to continue onsite noting that Phase 1 is complete and substantial progress has been made on phase 2 on delivery of the site.

With the AMRC complete, it has opened significant delivery opportunities for Lancashire. It was also noted that most of the Utilities are now complete on the site.

It was reported that works are ongoing on a 40-acre plot in Zone C and the sustainable drainage system that passes through the plot is close to completion. This will plug into the current surface water drainage system with native plants, enhancing ecological benefits.

The Phase 2b programme represents a substantial area of spend. It was noted that it had been agreed to kick start a programme to strip the runway and remove the ground down to clay base level and a protection layer put in place. This substantial programme of work is being delivered by the County Council's in-house alongside external contractors.

Members requested a summary on the position in terms of spend to date across the various phases. It was noted that Growth Deal grant had been expended in majority and that match funding from Lancashire County Council will be incurred in future quarters. A change – request had been submitted to Growth Deal to facilitate a changed strategy to deliver the on and off-site foul water drainage.

The report outlined business rates provision and how interest rates are applied.

A summary of the loan position was also set out in the report.

It was noted that there is flexibility in business rate provision but there is a need to get development on site at the earliest opportunities.

In terms of planning there have been no significant changes since the last report.

The Project Team are currently reviewing the local development order that expires in 2024 and work has developed on this.

It was highlighted that landscape programmes were important as are low carbon opportunities. In terms of the Sablesbury site, they are looking at the next tree and landscaping programme which they are hoping to start planting late this year and to be as low maintenance as can be.

A review has been started to look at what type and range of facilities can be accommodated and facilitated on site and it was noted that this needs to be site focussed and the positioning of ancillary facilities is important.

An update on marketing and communications was given. Work in terms of website development was underway through a broader LEP led initiative across all the Enterprise Zones.

In relation to the marketing strategy and report it was noted that there is information on the Collier's website, and the structure of the website is being reviewed

The committee was informed that future site marketing strategy is being considered in light of current and future enquiries and key sector interests. This includes general promotional material initially to focus on commercial agent website.

The one issue that was raised by the LEP Chief Executive was regarding the repayment of the business rates. The LEP CEO will write a letter to relevant parties setting out why it is important repayments are made on time and not left until the end of year.

An update on the AMRC extra plot space will be reported back to the next meeting.

In response to a question, it was noted that the period of performance projection on the agenda is for the lifetime of the Enterprise Zone noting that this would be influenced by the makeup of the build, space on site and timeliness of realising those investments and turning into rates generating services.

It was noted that it is important to show a level of visibility and certainty that the threshold can be met.

An update on Warton was provided.

Work is ongoing around the future proposition for Warton as an Enterprise Zone site. Sarah Kemp provided an update on activities that the LEP are engaged with BAE and partners around emerging sectors and will provide an update position at future EZGC meetings on the sector specific work which will inform debate between LCC, the LEP and BAE.

Resolved that;

- i. The LEP team produce a report for the next meeting detailing the marketing and strategy for the EZ's setting out what has been achieved to date including the marketing plan for the next three years.
- ii. An update on the AMRC extra plot space be brought to the next meeting.
- iii. That the LEP CEO has further discussion with the Chair to look to arrange for a presentation be provided at the next meeting showing the emerging opportunities for Warton.

6. Any Other Business

In answer to a question around the impact of the current economic climate it was noted that there had been no mass reduction to enquiries in Hillhouses, Blackpool had seen a slight reduction although are working to revamp their marketing and Samlesbury has not seen a mass negative impact.

It was requested that a report be brought to the next meeting to include a section with 'economic vulnerability' so that the committee can ensure there is an audit trail on enquiries in the market as a consequence of prices rising.

It was noted that there are also some broader support packages available: link

It was noted that lots of work needs to be done on the metrics following the LEP review. Anne-Marie will include the social aspect in this, circulate to the Chair and then to members for comment.

Resolved that;

Anne-Marie updates the metrics and circulates to the Chair and then on to members before the next meeting.