

Future Generation Connecting the Heysham Gateway



Growing Places Fund Outline Proposal of Lancaster City Council

Andrew Dobson
Head of Regeneration and Policy
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Growing Places Fund - Outline Proposal

Future Generation – Connecting the Heysham Gateway

In response to an invitation from the Chief Executive of Lancashire County Council, Lancaster City Council is pleased to provide this outline proposal for consideration by the Lancashire Local Enterprise Partnership. The following information responds to the topics raised in the invitation and is preceded by a general introduction to our proposals.

Background

Lancaster City Council, Lancashire County Council and its private sector partners are working together to implement the economic regeneration priorities established in the adopted Lancaster LDF Core Strategy. We are supporting and facilitating growth and investment in the two key priority sectors where Lancaster District makes a particular contribution to the wider regional economy. These are:

- Energy Generation; and
- The Visitor Economy.

Both priority areas seek to capitalise on the opportunities presented by construction of the Heysham to M6 link road which will dramatically improve road access to the Heysham peninsula and provide relief to Lancaster's congested traffic system.

This paper focuses on the potential for significant growth in the south Heysham area, the **Heysham Gateway**, arising out of investment in **Energy Generation** (from nuclear, off-shore and other renewable sources) and allied growth and expansion at the **Port of Heysham**.

Lancaster district has close links with the regional "Energy Coast" programme via Heysham's nomination as one of eight sites allocated nationally for nuclear new build. The Energy Coast seeks to develop Lancashire and Cumbria's strategic coastal areas by increasing the existing critical mass of business and industries in the energy and environmental technology sectors.

We are seeking to provide the infrastructure needed to bring forward sites and premises to complement private sector investment in energy generation and the Port of Heysham, a key and growing freight transport hub. A major part of the Port's growth strategy is to maximise the benefits arising out of the construction of more wind farms in the Irish Sea. In turn, continued growth of the port will increase demand for business sites and premises to support the activities of the port and those using it.

We have clear evidence of unsatisfied demand for business premises in the area due to a lack of available sites and premises. This stems from a failure of the market to deliver the required enabling investment in site infrastructure and site preparation.

Growing Places support is required to provide investment in infrastructure and enabling works to four key sites. These are:

- The Port of Heysham and adjoining Port of Heysham Industrial estate;
- The Lancaster West Business Park;
- The Walker and Heysham Industrial estates; and
- Mellishaw Lane (White Lund Expansion).

Ownerships

The sites are in a mixture of public and private ownerships. All of these sites are made up of previously developed (“brown field”) land.

The Port of Heysham and adjoining Port of Heysham Industrial estate

The Port of Heysham covers a site of just over 50 hectares of which 16 hectares is water (the sea). It is owned by Peel Ports Limited who fully support this submission.

Peel Ports also support the council’s aspirations in respect of The Energy Coast and consider the Port of Heysham to be strategically placed to provide logistics support in this regard notably through the utilisation of port infrastructure. The Port is already home to one of Europe’s major offshore supply bases, providing logistics support to one of the largest gas fields in UK waters. The emergence of the Irish Sea Round 3 off-shore wind farm zone and the development of Heysham 3 nuclear power station offer considerable opportunities to enhance the role of the Port of Heysham particularly in terms of further employment opportunities.

Peel Ports proposed investment will be in two main areas. Firstly, within the existing operational area of the port (edged red on Plan 1), vacant and under used areas will be developed for uses that support the off-shore wind energy generation industry.

Secondly, Peel Ports wish to expand the port area to take in the adjacent 9 hectare Port of Heysham Industrial Estate (edged green on Plan 1). This area represents the only logical opportunity to enable the Port of Heysham to expand. However, this area contains a number of existing, operational, businesses and such a move would be subject to land acquisition and the successful relocation of existing business occupiers to alternative sites and premises.

This relocation is dependent on suitable sites and premises being available in the locality. This is, in part, the rationale for identifying and bringing forward the remaining sites in this submission.

The Lancaster West Business Park

Most of this site is owned by the two local authorities (City and County). Smaller areas at the southern end of the site are in private ownership. Within this site, there is around 23 hectares of vacant land potentially suitable for development. Lancashire County Council has recently constructed a new access road into the site from the main A683 road. This site would be suitable for relocating businesses from the Port of Heysham Industrial Estate. The site is shown on Plan2.

The Walker and Heysham Industrial estates

Both these sites are in private ownership. However Lancaster City Council owns 12 hectares of vacant land immediately to the south of the Walker Industrial Estate which has been identified as having development potential. The city council is currently marketing this site for disposal to potential developers. This site is also shown on Plan2

Mellishaw Lane (White Lund Expansion).

This site is divided by Mellishaw Lane (see Plan 3). The 6.5 hectare site to the north of the lane is owned by a private developer. The more extensive area of land (14.5

hectare) to the south of Mellishaw Lane is owned by a local farmer and is in agricultural use at the moment. Both sites require investment in infrastructure to ready them for development. At the moment, a funding gap of around £1.8m has been identified in connection with Mellishaw North.

Planning Framework, permissions and legal consents

All of the sites are either allocated for development in an existing local plan or adjoin allocated land. In these latter cases, steps are being taking through the local planning process to extend the industrial designations. There are no obvious planning reasons why these sites should not be designated.

Lancaster District Local Plan

Maps 1-3 show the current land allocations in the adopted Lancaster District Local Plan. All of the existing main industrial areas are allocated for employment uses under Policy EC5.

In addition, development at the Port of Heysham is limited to that which is port related (Policy EC10) in recognition of its particular importance to the local economy.

The Local Plan proposes an extensive area of woodland planting under Policy E26 known as “Middleton Wood”. This has been implemented in part, most notably to the east of the Heysham Industrial estate where a community woodland has been established. The intentions behind this designation was to improve radically this large area of derelict land and to provide a more attractive location for employment growth.

Both of the Mellishaw Lane sites are allocated for B1, B2 and B8 industrial uses in the Local Plan.

Lancaster District Local Development Framework

The local plan is the process of being progressively replaced by the Local Development Framework.

The Core Strategy (adopted 2008) identifies South Heysham as a “Regeneration Priority Area” under Policy ER2. Paragraph 5.13 states:

“South Heysham can accommodate recycling based industries and has significant potential for renewable energy. The completion of the Heysham-M6 link road will increase the accessibility of the area and could stimulate further growth. The Port and Power station may also generate land needs”.

Policy ER7 of the Core Strategy also identifies South Heysham as a key focus for renewable energy generation including wind and biomass technology. Paragraph 5.36 confirms the city council’s intention to establish Lancaster district as a centre of environmental technologies and paragraph 5.39 identifies the potential at South Heysham for wind energy and the potential synergies with other renewable and environmental technologies such as biomass.

The forthcoming LDF Land Allocations DPD, which should be adopted in 2013, will consider expanding the Major Industrial Estate and the Lancaster West Business to include additional development land (as shown on Plan 2). It will also consider the future of the Mellishaw South allocation.

Lancashire Minerals and Waste LDF

In addition, the emerging Lancashire Minerals and Waste LDF identifies land at the Port of Heysham, the Lancaster West Business Park and the Heysham Industrial Estate as being suitable for waste treatment facilities. This document has recently been through its independent examination. Allocating these sites in both LDFs will provide flexibility in terms of the range of uses that can be located upon them.

Other Consents

As a port authority, Peel Ports benefit from “permitted development” rights under the General Development Order to undertake certain port related activities without the need for planning permission. The land area of the port estate extends to 34.0 Ha (84.0 Ac) and it is classed as “operational land” for planning purposes. Under the terms of The Town and Country Planning (General Permitted Development) Order 1995 Part 17 is applicable to Development by Statutory Undertakers. Class B(b) essentially enables the undertaking (upon land) of certain port related operations (e.g. loading and unloading of cargo) under the auspices of “permitted development” and consequently planning permission is not required.

Investment package secured

Involvement of the Peel Ports will result in considerable investment in addition to that already made in the Port itself (£10m) and by operators such as Seatruck Ferries and Norfolkline (£60m). Peel will be required to fund relocations from the Port of Heysham Industrial Estate and direct investment in facilitating new off-shore related businesses.

The County Council has recently built a new access road in to Lancaster West Business Park which will reduce the cost of providing serviced plots on this site.

Lancaster City Council (with £1m ERDF and NWDA funding) has also provided a new access road into the Heysham Industrial estate and created the new community woodland which is rapidly improving the appearance of, and investor perception in, this part of the area.

This is in addition to the investment in the M6 Link (£123m) and indirect development such as Off-shore energy generation and national grid upgrades.

Investment required from the Growing Places Fund

The strategy behind the bid aims to provide much needed industrial land over the next 2-3 years to provide for existing and growing needs, particularly from the Port of Heysham. It also aims to have ready a portfolio of sites which will prove attractive to business growth generated by completion of the Heysham/M6 link road in 2015. Longer term, this will establish the Heysham Gateway as the premier business location in the area for companies operational in the energy and related fields.

This means sequencing investment to ensure that an adequate supply of suitable sites are available at the right times. A key driver in this is the work associated with relocating businesses from the Port of Heysham Industrial Estate to facilitate growth of the Port.

This translates into the following investment requirements:

- Site clearance and servicing of additional land at the Lancaster West Business Park (public owned land) – circa £800k
- Site clearance and servicing of additional land south of the Walkers Industrial Estate – circa £600k
- Infrastructure Gap Funding for Mellishaw North – circa £1,800k
- Site investigation/viability study for Mellishaw South – circa £60k

Total potential call on Growing Places fund = £3.26k

In terms of recycling funding, it is envisaged that Peel Ports will acquire serviced plots on market terms to facilitate relocations from Port of Heysham. This will be recycled.

Other serviced plots will also be sold on the open market and receipts recycled.

Gap funding for Mellishaw North will be subject to normal clawback rules.

Key project deliverables in 2012/13

If Growing Spaces Funding was available, it is not unrealistic to expect that by the end of 2012/2013 physical works would be underway on both the Lancaster West Business Park and land south of the Walkers Estate. This would mean that service plots would be available from mid 2013 onwards. Depending on the scale of funding available, this could provide up to 30 ha of new industrial land.

We already have expressions of demand from companies such as Mulgrew Transport (1- 2 acres 4-5000 sq foot workshop/office), Surefreight (3-4 acres 10-20,000 sq feet warehousing 6000 sq feet workshop and offices) and HMT Transport (expansion /possible relocation 3-5 acres 20,000 sq feet of warehousing plus 5000 sq feet of workshops and offices). We also have interest from various other smaller scale users for 1/2 -1.00 acre

Development at Mellishaw North could begin in 2012 with completion in 2013. This would provide 19 serviced industrial plots total 158,000 square ft on 6 hectares of land. Feasibility/viability work at Mellishaw Lane could be completed in 2012 and provide evidence over whether this land can provide for long terms needs or whether other options need to be examined.

The fund will therefore facilitate:

- Creation of New Jobs in target sectors;
- Productivity enhancements by supporting business locations close to the port; and
- Long term sustainable growth.

Supporting research & innovation through the Lancaster Science Park building on the strength of Lancaster University

Key infrastructure requirements

The key infrastructure requirements are set out above.







