



**AGENDA ITEM: 5(j)**

**Cabinet: 12<sup>th</sup> November 2013**

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**Report of: Assistant Director Housing & Regeneration**

**Relevant Managing Director: Managing Director (Transformation)**

**Relevant Portfolio Holder: Councillor A. Owens**

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**SUBJECT: LIVERPOOL CITY REGION SUPERPORT STUDY AND WIDER  
ENGAGEMENT WITH THE LIVERPOOL LEP**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To inform Cabinet of progress made in relation to the Liverpool City Region Superport (LCR Superport) project and on the costs and benefits of corporate membership of the LCR Local Enterprise Partnership (LEP).

**2.0 RECOMMENDATIONS**

2.1 That further discussions take place with the Liverpool City Region LEP regarding the benefits of Corporate Membership, or other forms of appropriate membership, and that Lancashire County Council and the Lancashire LEP be approached to see if they are willing to part fund this membership.

2.2 That delegation be given to the Assistant Director Housing & Regeneration, in consultation with the Portfolio Holder;

2.2.1 to enter into Corporate Membership, or another form of appropriate membership, of the Liverpool City Region LEP subject to appropriate budgetary provision being made and upon ongoing negotiations and to review this membership in subsequent years.

2.2.2 to enter in all other necessary documentation and agreements to facilitate the above arrangement.

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### **3.0 BACKGROUND**

- 3.1 As a result of officer attendance at a Logistics & Manufacturing conference in Liverpool on 11 June 2013, the Council has become more aware of the LCR LEP's proposals to create a LCR Superport on the back of Peel Port's proposals for a new deepwater container terminal at the Port of Liverpool (known as Liverpool2) and the reopening of the Manchester Ship Canal to freight vessels.
- 3.2 The opening of the Liverpool2 container terminal (anticipated in 2015) will open the Port of Liverpool up to receive some of the largest container vessels in the world, vessels that can currently only dock at Southampton and Felixstowe in the UK, and will tie-in with the opening of the new deepwater Panama Canal (also anticipated in 2015), thus allowing a more direct route for sea freight from Asia and the West Coast of the US to Europe. As such, it presents a tremendous opportunity to provide access to sea-freight directly into the north of England.
- 3.3 In this way, it will offer companies based in the midlands, north of England and in Scotland a much cheaper alternative to Southampton and Felixstowe given the reduced reliance on road haulage within the UK (which is far more economically and environmentally expensive per mile than transporting goods by sea). This could result in up to 50% of the UK's sea freight passing through the Port of Liverpool in due course.
- 3.4 There are obvious cost benefits for logistic and manufacturing companies to locate close to such a port, and both Peel Ports and the LCR LEP anticipate a significant demand for, in particular, modern logistics space within an hour's drive time of the Port of Liverpool in the coming years. As such, the LCR LEP has established the LCR Superport project to seek to capitalise on this demand and ensure that the City Region is ready to accommodate such demand, both in terms of available space for businesses and training of the local workforce.
- 3.5 The project effectively sees the entire City Region as part of a wider "Superport" offering a range of appropriate space to businesses that use the Port of Liverpool, appropriate infrastructure to enable these businesses to link from the City Region to the rest of the UK and Europe (i.e. motorway access, rail freight access and air freight access via Liverpool John Lennon Airport) and that provides a population with a broad skill-base, and one that will develop with the right training. This concept of seeing the whole City Region as a Superport reflects the modern way in which ports function, with not all services and businesses needing to be dockside and associated businesses being able to locate up to 40 miles away from the port and still utilise its facilities and benefit from the shared infrastructure in the wider City Region.
- 3.6 As yet, the LCR LEP have not quantified the precise level of new logistics and manufacturing space that will be required in the City Region, but it is clear that there is little space of this type left available in the City Region at the moment and so it is imperative that the LCR LEP and Local Authorities explore the opportunities for creating such space in the City Region to meet the anticipated

demand and ensure that the main benefits of the Liverpool2 container terminal are retained within the City Region.

- 3.7 While West Lancashire is not within the LCR LEP, it is very much part of the functioning economic area of the City Region, and was acknowledged as such by the Regional Spatial Strategy and within the Council's own Economy Study. In addition, the key settlements of Skelmersdale and Ormskirk are less than a 30 minute drive from the Port of Liverpool, with the access to Skelmersdale (via the M58) being especially good. As such, there is a significant opportunity for Skelmersdale and the wider West Lancashire area to benefit from the Liverpool2 container terminal and contribute to the LCR Superport project, a fact that is acknowledged by the LEP officers leading on the LCR Superport project.
- 3.8 Therefore, WLBC officers (including the Assistant Director Planning and the Deputy Assistant Director Housing & Regeneration) met with officers from the LCR LEP on 25 July to broach the subject of how West Lancashire might get involved with LCR Superport project. This meeting was very promising and the officers from the LCR LEP were very willing to discuss how West Lancashire may have greater involvement in the LCR Superport project and in other LCR LEP projects in the future given that Skelmersdale and Ormskirk are very much part of the City Region's economic area. It was acknowledged that developing a more formal working arrangement between WLBC and the LCR Superport project would be mutually beneficial.
- 3.9 In particular, aside from the opportunity for increased involvement with the LCR LEP and the Merseyside Authorities that the LCR Superport project provides, involvement with the project will also provide opportunities to raise awareness within the logistics and manufacturing markets of what West Lancashire has to offer. It will also provide links for the likes of West Lancashire College to offer relevant training to the local workforce, in the short-term help to fill the vacant Comet warehouse (and surrounding undeveloped land at XL Business Park) and the soon to be vacant Matalan premises with appropriate businesses. In the medium-term it will help to facilitate the remodelling of existing industrial estates such as Pimbo and Gillibrands with more modern, fit-for-purpose units.
- 3.10 An outline proposal (attached as Appendix A and summarised below) was received from the Liverpool LEP outlining three potential opportunities for West Lancashire to engage with the LCR Superport project and more widely with the LCR LEP, although did not contain details of costs:
- Involvement with a Study exploring the demand for distribution space in the City Region – the scope of this could be expanded to include West Lancashire and WLBC could make a financial contribution towards this study as a discrete, one-off engagement;
  - Engagement with the marketing and business development activity that the LCR Superport is facilitating – this would likely involve a small ongoing contribution to include West Lancashire in all such activity by the LCR Superport; and
  - Corporate Partner Membership of the LCR LEP – this would involve West Lancashire becoming more closely aligned with LCR LEP and WLBC

becoming a Corporate Partner, and as such make a regular contribution to the funding of the LCR LEP.

- 3.11 The Assistant Director Housing & Regeneration has further explored with the LCR LEP all the above options including the potential for Corporate Partner Membership of the LCR LEP, and more details on cost the respective costs. West Lancashire's involvement in the Superport Project and wider involvement in the Liverpool LEP has been raised at the Superport Committee and the LEP Board.

#### **4.0 CURRENT POSITION**

- 4.1 An email has been received from the Liverpool LEP which states that West Lancashire's involvement in both the Study and more widely as a Corporate Partner of the LEP was welcomed at meetings of the LEP Board and Superport Committee. Our required contribution to the Superport Distribution Space Supply and Demand Study is £6,000. Under delegated authority this funding has been found from the Major Projects Reserve, as the Study will feed directly into the evidence base for the Industrial Estates Remodelling work which is identified as a major project within the Council's latest Business Plan.
- 4.2 Details of the benefits of Corporate Membership of the Liverpool LEP has also been received and is attached as Appendix B. The cost of Corporate Membership is £21,000 per annum.

#### **5.0 FUTURE ACTION**

- 5.1 A report is being prepared for the Lancashire Chief Executive's meeting on 15<sup>th</sup> November which will suggest that either LCC or the Lancashire LEP may wish to contribute to West Lancashire's Corporate Membership, although if this is not forthcoming I am seeking a delegation to allow further discussions to take place on the best way for the Council to engage with the Liverpool LEP, including possible Corporate Membership. The funding for this could constitute a growth bid for the next financial year.
- 5.2 Whilst Corporate Membership does offer several advantages it does seem to be aimed at businesses who want to participate in the activities of the LEP. Through further discussions with the LEP it may be that another form of engagement may be more appropriate for this Council, or we may be able to gain some form of enhanced membership (for example having observer status on the LEP Board).
- 5.3 At the MP's Skelmersdale Summit meeting held in early October, there was also a discussion of the importance of the Superport to West Lancashire and the HCA and LCC have suggested that monies may be available to conduct further study work to examine in more detail how West Lancashire may benefit from the Superport. Officers will meet with these bodies to look at this in more detail as this could also assist with the industrial estate remodelling work that is just commencing.

- 5.4 It is expected that the outcome of the Superport Study will be received in November and this will be reported to Members in due course.

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 Engagement with LCR LEP and the LCR Superport project will help to raise the profile of West Lancashire to businesses and so bring new employment opportunities and training opportunities to the Borough. As such, it would help to achieve some of the objectives of the Sustainable Community Strategy. It will also help to deliver some of the economic and employment land policies within the new West Lancashire Local Plan 2012-2027, and so contribute positively to the sustainability of the Borough.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 There are some financial implications arising from this report in respect of potential funding required to become a Corporate Member of the Liverpool LEP, should this be determined to be the best way forward for the Council following further discussions with the Liverpool LEP and also subject to seeing if Lancashire County Council and the Lancashire LEP may be prepared to contribute to the membership. The potential monies required (£21,000) will form part of a budget growth bid for 2014/15. The need for future membership could be reviewed after this initial period.

## **8.0 RISK ASSESSMENT**

- 8.1 At this stage of discussions, there are no risks to the Council of engaging in further discussion with the LCR LEP. However, if the Council do not take up this opportunity to explore our involvement with the LCR LEP, there may be a risk that the Council and the Borough miss out on some significant economic opportunities in the coming years.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix A – Proposal for Liverpool City Region Superport to engage with West  
Lancashire Borough Council

Appendix B – Benefits of Corporate membership of the Liverpool LEP