

## **Lancaster District**

The administrative area of Lancaster City Council is the largest of all the Lancashire authorities, covering 576 square kilometres.

Lancaster is the county town of Lancashire and is at the heart of one of the fastest growing economic regions in the UK. The district is ambitious and is at the forefront of innovation and growth, embracing the changing face of industry and welcoming new business. It boasts a portfolio of assets stretching out across two areas of outstanding natural beauty, with historic landmarks still in the possession of the British Crown such as Lancaster Castle.

Lancaster is one of England's most vibrant historic cities, where culture and heritage captivate and inspire visitors. The prospect of the Eden Project in Morecambe only adds to the momentum building in the region, as businesses and organisations recognise the potential on offer.

The city is now harnessing its many sectoral opportunities, to diversify its business base, to create more opportunities for local people and local businesses and to create a stronger, more sustainable economy.

### **Characteristics of the Lancaster district economy**

- 4,585 enterprises in 2018
- A skilled workforce – 36% of residents hold NVQ Level 4+ qualifications
- Economic activity rate of 77.4%, higher than the North West
- Significant growth in employment rates since the last recession
- Employee jobs have increased from 52,000 in 2009 to 57,000 in 2017
- Full-time employment has played a significant role in the growing base of jobs
- Significant reduction in unemployment over the long-term, from 7.4% in 2004/05 to 4.7% in 2017/18

### **Location**

Lancaster district has the highest rate of self-containment of all the Lancashire local authorities. This means that comparatively more people live and work in the district than in other places in the county. This affords great potential for the benefits of economic growth to be captured locally, for the benefit of its residents and businesses. This can lead to sustainable patterns of growth and prosperity.

### **Connections**

Despite its ability to contain much of its economic activity, Lancaster district is not, however, an isolated or insular place.

Strategic transport connections northwards to Glasgow and Edinburgh and southwards towards Manchester, Birmingham and London mean that it is exceptionally well connected. A West Coast Mainline Station provides access to intercity services and the Trans Pennine routes. A strong case will be made for the new HS2 high-speed rail network to stop at Lancaster, improving national connectivity to the whole of the wider city region across north Lancashire and south Cumbria.

The national M6 motorway intersects Lancaster district and provides a direct arterial connection to the rest of the UK.

Lancaster district is also a place open to the world with its notable international connections. Its train links provide a direct connection to Manchester International Airport (one hour) as well as Liverpool John Lennon Airport, Glasgow and Edinburgh to the north and the developing airports in Blackpool and Carlisle.

The Port of Heysham provides further international connectivity. This includes passenger and trade links with Ireland and the Isle of Man. The Port of Heysham sits at the heart of an industrial cluster. In addition to passenger services it provides an essential role as a hub for operations and maintenance activities for some of the world's largest offshore windfarms.

Passenger services from Heysham Port to the Isle of Man are operated by the Steam Packet Company, whilst Seatruck Ferries specialises in the carriage of freight, and operates services from Heysham to both Dublin and Warren Point in Northern Ireland.

The Heysham to M6 link, or Bay Gateway, was officially opened on March 2, 2017. It was named 2017 Economic Infrastructure Project of the Year at the British Construction Industry Awards 2017.

## **Economy**

Lancaster district sits at the heart of the Lancaster and South Cumbria City Region Partnership - one of the North's new economic "hotspots" and is fast becoming known as an emerging city region influencing an area that extends across north Lancashire, into adjacent Yorkshire and around Morecambe Bay. This is a £7 billion economic area that has seen a productivity (GVA) increase of 34% between 2010 and 2016. This places it as the third fastest growing economy in Great Britain. The Lancaster city region has a population reach of 313,000 people, including 154,000 economically active people and an employment rate (82.7%) that exceeds the English national average.

**Digital** - Lancaster has a growing cluster of digital businesses. Digital Lancaster, the local agency for the sector, has estimated that the growing business cluster in Lancaster City Centre comprises more than 300 digital companies, employing more than 1,200 people. The diversity of digital activities encompasses web design, product development, software and ecommerce.

**Health Innovation** - Lancaster University is also spurring on Lancaster district's economy to develop and commercialise expertise in health-related innovation. This will harness the power of innovation to meet the needs of an Ageing Society as one of the Grand Challenges of the Industrial Strategy.

The new Health Innovation Campus at Lancaster University is a £160 million investment project and a national exemplar. The campus will comprise 34,000 square metres floorspace and will be divided into three phases, with the first phase expected to complete in 2019. Business space of about 18,000 square metres will be developed with the aim of targeting business investment and occupation from health, medicine and wellbeing industries.

This is a game-changer for the Lancaster district economy.

The Health Innovation Campus will create a fertile and supportive environment in which a cluster of economic activity can be founded and grown. Innovative business models will be created that identify new ways of tackling complex tasks, such as health diagnostics, improving quality of life as part of the Healthy Ageing agenda. The high value-added nature of activity that is expected to be accommodated will help to bring high value jobs to the area, creating a successive wave of benefits for the local economy.

**Visitor Economy** - The foundations for growth of Lancaster district's visitor economy are strong; the area is building on its strengths and visitor numbers are growing year-on-year, currently at more

than 7.5 million visitors per annum, creating an economic impact of £477m within the local economy. The wider region is located between two Areas of Outstanding Natural Beauty, contains the sweep of Morecambe Bay, the coastline and offers ease of access to two National Parks. These natural attributes are an integral part of Lancaster district's identity and can contribute to growth of the visitor economy in the future.

Beyond built heritage, this area has been recognised by Arts Council England as having one of the most significant cluster of culture in the North West after Manchester and Liverpool. This strongly supports the visitor economy but is also an important contributor to quality of life for those that live and work in the area.

The visitor economy is growing in Lancaster district as the City Council effectively positions Lancaster region "the place" and markets it externally, playing on the comparative advantages of the city, key centres, coastal and rural areas. The visitor economy will play an important role in helping to sustain retail, leisure and service sector businesses that provide a vital supporting role in the local economy.

**Low Carbon Energy** - The developing area around the Port of Heysham is home to important operations and maintenance activities associated with the offshore wind industry.

Lancaster district does contain one of the largest concentrations of power generation in the UK at Heysham. The two power plants owned by EDF Energy are currently both operational. Heysham 1 is capable of supplying 1.5 million homes and is expected to be in production until at least 2024, whilst Heysham 2 has larger output capacity and a later decommissioning date of at least 2030.

Beyond the nuclear sector, Heysham's industrial land offer provides opportunities to accommodate energy-related uses and businesses. These could include biomass developments among other uses.

As part of the Council's commitment to tackling climate change, Heysham Gateway can play an important role in the delivery of renewable energy generation and storage.

## **Summary**

Lancaster district is planning to accommodate a growing population and increase in households. This will lead to growth in the business sectors that support people's needs. These are all important sectors in their own right but are not distinct to Lancaster district and will not drive productivity growth alone. The presence of several "driving sectors" including digital, health innovation, the visitor economy and high value energy provide a focus for the City Council and its partners in facilitating economic prosperity.

## **Strategic Sites**

Economic development in driving sectors of Lancaster district's economy will be facilitated by a portfolio of projects. They are of sufficient scale and scope to lead to a meaningful change in Lancaster district's economic performance. Once delivered they will provide foundations for further development and investment over the long term. This will help to make Lancaster district's economy more diverse and resilient.

**The Eden Project North** - The Eden Project North is a multi-million-pound investment planned by the creators of the world-renowned Eden Project in Cornwall. A site for the new attraction, Eden Project International Limited's only other facility in the UK, has been chosen in Morecambe.

Plans for the attraction are currently in the late stages of development and funding is being investigated. Eden Project North has the potential to create a world-class visitor attraction in

Lancaster district, drawing visitors from a wide catchment that would extend to a national and international stage. Initial estimates suggest that once up and running the Eden Project North could attract between 500,000 and one million visitors a year. This will not only provide a catalyst for the reimagining and regeneration of Morecambe but will also contribute significantly to the value of the visitor economy locally – thereby benefiting businesses operating in the sector in Morecambe and across the district.

**Health Innovation Campus** - The Health Innovation Campus has the potential to act as a catalyst project for further rounds of business investment and a cluster of activity emerging, following its establishment.

The campus is international in its outlook and activities. Innovation at the campus is focused upon helping people to live as long and healthily as possible. Lancaster University is committed to harnessing its expertise in research, education and engagement to implement ideas and enhance health outcomes and quality of life.

**Bailrigg Garden Village** - Sustainable growth is planned at South Lancaster with the creation of Bailrigg Garden Village. The vision for the garden village encompasses both homes and jobs. It goes further and is presented as being a “vital economic catalyst for the Lancaster City Region”.

Bailrigg Garden Village will be a major design and construction project that will be delivered over the course of the next decade. This will provide significant economic opportunities during construction and beyond once the Garden Village is completed. The proximity of the University and its collaborative working on the project creates a bigger economic opportunity in South Lancaster.

**Canal Quarter** - This is a 16-acre mixed-use site with the potential to deliver wide-ranging economic benefits. The Council is currently consulting with residents and local organisations on the future purposes of the site.

The regeneration project will be mixed-use, rather than retail focused, creating an inclusive, accessible city centre experience and supporting the development of a vibrant evening and night-time economy. This will include new uses for historic buildings, opportunities to enhance Lancaster University’s physical footprint in the City Centre and to deliver an arts village, new homes and business space.

Business space will encourage digital sector businesses and provide opportunities for collaborative working.

The arts village will enhance the reputation of the already strong arts and cultural offer of Lancaster and the wider area as regionally significant, as recognised by the Arts Council. This facility will provide a focus for the arts within the wider city region and will assist in making Lancaster the North West’s primary cultural centre outside of Manchester and Liverpool.

Delivery of the Canal Quarter will therefore provide an environment which supports many of the driving sectors of economic prosperity, including the digital sector and the visitor economy.

**Heysham Gateway** - Following the development of the Bay Gateway, the major new transport route connecting the Port of Heysham to the M6 motorway, the potential of Heysham Gateway for industrial development is greatly enhanced. Heysham Gateway is located in the South Heysham area and comprises predominantly industrial land. The area includes major economic assets such as the Port of Heysham and Heysham Nuclear Power Station. The area also includes several industrial sites such as Lancaster West Business Park, Heysham Business Park and Major Industrial Estate.

Heysham Gateway provides the opportunity to accommodate large-scale renewable energy generation, storage and infrastructure uses as well as further regeneration for a range of business uses. With the Bay Gateway, Port of Heysham, grid connection and nuclear expertise, this area has the potential to become a significant decommissioning hub for the UK, supporting innovative new generation technologies.

Occupiers requiring energy security or involving energy intensive processes will be attracted to the Heysham Gateway area. The area may also offer appeal to businesses seeking locations close to the international connections offered by the Port of Heysham and onward UK connections via the recently completed Heysham link road.

Heysham Gateway is at the heart of several potential catalyst projects which could generate significant additional benefits for the economy and residents of Lancaster district. They include:

- Heysham Power Station decommissioning
- Port of Heysham – Peel Ports have been investing in the port to ensure its competitiveness
- National Grid – National Grid is building a new sub-station.
- Ørsted - South Heysham now has the energy infrastructure
- Lancaster West Business Park – Located in a strategic position on the Heysham link road.
- Heysham Business Park – This site has potential for development

## Summary

There are a number of large-scale and economically significant projects which are already in development or underway. These align well with the sectors of the economy which are best placed to drive investment and prosperity.