

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: LANARKSHIRE ENTERPRISE ZONE - UPDATE
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 8 June 2000	Ref: REP.697	

1. Purpose of Report

- 1.1 This report seeks to update Committee on the progress of the Lanarkshire Enterprise Zone to the end of March 2000 and to provide specific comment on the Eurocentral sites in response to a request for information from an Elected Member.

2. Background

- 2.1 The Lanarkshire Enterprise Zone was designated in February 1993 and comprised 9 sites across the former District Council areas of Hamilton, Motherwell and Monklands. The purpose of the Zone was to regenerate 420 acres of land creating a range of sites providing development opportunities for a range of industrial and commercial sectors to locate to Lanarkshire. Initially the jobs target for the Zone was approximately 7500. The main benefits for qualifying occupiers locating onto the Enterprise Zone are:-

- 100% capital tax allowance
- Exemption from local authority property rates.
- No planning consent required for appropriate uses.

3 Performance to March 31st 2000

- 3.1 The Lanarkshire Enterprise Zone is Scotland's most successful Enterprise Zone. It continues to attract a number of international and expanding indigenous companies. In total, 87 companies are now located on the Zone compared to 80 companies at March 1999.
- 3.2 Results for the year end to March 2000 include:-

- At present, 7,941 people are employed on the Enterprise Zone with a projected total of 10,651 new jobs anticipated to be created during the life of the Zone.
- A further 2,106 existing posts are anticipated to be safeguarded.
- Of the 3,058,162ft² completed business space, 95.8% is currently occupied
- Over 71.84% of Zone land is committed for development with 118 acres remaining available compared to 67% at March 1999

- Enterprise Zone space completed/under construction is 3,236,012ft² with a further 1,198,000ft² proposed compared to 3,028,162 ft² and 1,170,000ft² at March 99
- Key highlights in the year include Tannochside Park being fully developed and the largest phase of private sector speculative development extending to 145,000 sq.ft ever carried out on the LEZ under construction at Hamilton International
- Existing space at Excelsior Park and East Shawhead is fully occupied with only 1,000 sq.ft of accommodation remaining available to lease at Calder Street.
- At Eurocentral, a new strategic partnership has been formed called Eurocentral Partnership Ltd which consists of Amec Developments Ltd, Scottish Enterprise Lanarkshire and The Royal Bank of Scotland. Details of proposals to carry out speculative development of approximately 100,000 sq.ft are at an advanced stage.

3.3 Companies currently committed to or located onto the Zone include:-

Chungwha Picture Tubes	Amari Plastics
Allied Precision Company	Orange
Scottish Express	Headlam Group
Watson & Philip	Bank of Scotland
Kwik-Fit Insurance Services	First Direct
Alexander Russell	Altatron
Oakwood Foods	DMC
DuPont Photomasks	Tri Fast
West of Scotland Packaging	Hewden Stuart
Scottish & Universal Newspapers	Cellnet
Granby	Provis
TFC Cable Assemblies	Rosti Scotland Ltd
Ofrex	Scottish Power
Mercury One-2-One	Retronix

3.4 Attached at Appendix 1 is a Summary of Development on the Lanarkshire Enterprise Zone at 31st March. Further a Summary of Available land at 31st March is attached at Appendix 2 of this report.

4 Background to Eurocentral

- 4.1 In 1981, the Scottish Office identified the Newhouse West area for strategic use under the National Planning Guidelines. 250 acres were identified by Locate in Scotland and Scottish Office as a location for a large user or users as a high amenity site. (The Treasury submission was then reduced to 150 acres)
- 4.2 In 1991, British Rail announced their choice of the Newhouse West/Mossend area for the new freight terminal. LDA and AMEC created a joint venture called Rail Link (Scotland) Ltd. Rail Link (Scotland) Ltd was to oversee the Eurocentral Freight Village – 1,000,000 sq.ft of industrial/distribution space on 98 acres of land.
- 4.3 Following AMEC's concerns re the EZ having a detrimental effect on the scale and rate of development at the Freight Village, a 50:50 joint venture was set up between LDA and Rail Link (Scotland) Ltd in 1992. This JV, called Mossend Development Ltd (MDL) – was established to develop a 100 acre site as part of the general EZ scheme.

4.4 The original site targets for the Enterprise Zone were:

- | | | | |
|----|---------------|---|--|
| a) | Newhouse West | - | Single Users |
| | | - | Site size – 95 acres |
| | | - | Development Density – 20% |
| | | - | Total Floorspace – 825,000 sq.ft |
| b) | Mossend | - | Good/High quality industrial use |
| | | - | Site size – 94.8 acres (5.2 for amenity hub) |
| | | - | Development Density – 39% |
| | | - | Total Floorspace – 1,600,000 sq.ft |

4.5 In 1993, a restructuring of the JV agreement was drawn up between LDA and AMEC when AMEC withdrew from developing the Terminal. The position for each of the sub-areas was:-

Eurofreight Terminal	Developed by LDA
95 acre Strategic Site (EZ)	Developed by LDA
100 acres EZ	JV – LDA and AMEC
510 acres non EZ	Freight Village and future developments – land rights acquired by LDA

4.6 Major infrastructure improvements to the site have since included:-

- M8/A8 access road and roundabout
- Northern sewer outfall
- Eurocentral Loop Road

4.7 **Position at June 1998**

Newhouse West – Strategic Site
 CPT – 70 acres – 625,000 sq.ft
 APC – 7 acres – 130,000 sq.ft

There were 18 acres remaining on site, but they are doubtful for development due to the configuration of the site. CPT had 5 acres reserved. The remainder (13 acres) is most likely to provide facilities to service the Eurocentral Site.

Mossend – General EZ Site

36.6 acres taken up with a total of 380,000sq.ft built. Occupiers were Lite-On, Scottish Power, Securicor/Omega and the Headlam Group.
 There are 62.4 acres available for development.

4.8 **Position at March 1999 through to March 2000**

Mossend (now covering all EZ sites)	
Completed Floorspace (and occupied)	1,134,000
Land total	191.23
Available Land	80.40
% Take-up	58.16%

4.9 The current position in respect of the Mossend EZ site is attached at Appendix 3 of this report. While job figures have not been included for the Freight Village the current position is that Autotrax, TDG and the Freight Terminal have created approximately 250 jobs currently.

5. Conclusion

- 5.1 The Lanarkshire Enterprise Zone was created with the objective of restructuring the area's economy, to create skilled and sustainable jobs for the residents of the area. It is anticipated that the total jobs created on completion of the Zone in February 2003 will be between 9,000-10,500.
- 5.2 Noticeably Chungwha Picture Tubes are unlikely to achieve their initial jobs target due to the much publicised downturn in the Asian economy which will result in a lower than planned jobs figure being achieved. However, the diversity of companies currently located onto the Zone and the jobs that they have created has made a crucial contribution to the restructure of Lanarkshire economy over the last 7 years.

6 Recommendation

- 6.1 Committee is asked to note the contents of this report.



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Director of Planning and Environment

30 May 2000

For further information contact Maureen McConachie, Economic Development Manager, Tel: 01236 616266.

APPENDIX ONE

**Summary of Development On the Lanarkshire Enterprise Zone
31st March 2000-05-30**

Enterprise Zone	Completed (Sq Ft)	Occupied (Sq Ft)	%	Under Construction	Proposed (Sq Ft)	Total (Sq.Ft)
Excelsior Park	220,000	220,000	100	0	0	220,000
Calder Park	202,000	201,000	99.5	32,000	28,000	262,000
East Shawhead	142,865	142,865	100	0	0	142,865
Tannochside	729,700	676,900	85.6	0	40,000	769,700
Mossend	1,134,500	1,134,500	100.00	0	1,100,000	2,234,500
Hamilton International	477,613	447,613	82.29	145,850	0	623,463
Dunalastair	50,000	20,000	0.40	0	0	50,000
Brandon Street	71,484	60,957	85.27	0	0	71,484
Airbles Road	30,000	30,000	100.00	0	30,000	60,000
	3058162	2929835	95.8	177,850	1,198,000	4,434,012

APPENDIX TWO

**Summary of Available Land On the Lanarkshire Enterprise Zone
31st March 2000**

Enterprise Zone	Total Net Site Area (Acres)	Available Net Site Area (Acres)	% Taken Up
Excelsior Park	30.76	13.75	55.2%
Calder Park	24.95	5.79	76.79%
East Shawhead	10.20	0.00	100%
Tannochside	59.06	0	100%
Mossend	191.23	80.40	58.16%
Hamilton International	78.12	5.3	93.21%
Dunalastair	15.00	10	33.3%
Brandon Street	2.00	0.00	100%
Airbles Road	8.38	3.04	63.72%
TOTAL	420.05	118.28	71.84%

APPENDIX THREE

Eurocentral Enterprise Zone	Plot/Unit	Area (sq ft)	Area Totals	(Acres) Available	Jobs S'guarded	Jobs Current	Jobs Projected
Newhouse West Site:							
Chungwha Picture Tubes (Phase I)		625,000	70.00			1000	2000
Phases 2-4		1,100,000					
APC		130,000	7.00			30	200
Eurocentral Partnership Ltd:							
Europoint		120,000	15.00			100	150
Headlam Group		40,000			35	46	47
Scottish Express		81,500	6.90		190	190	200
Scottish Power		138,000	11.93		215	240	240
	Plot B		9.70	9.70			
	Plot C		5.00	5.00			
	Plot D		6.10	6.10			
Speculative Development by EPL	Plot E	94,000	10.90	5.00			
	Plot F		17.80	17.80			
	Plot G		12.90	12.90			
	Plot L		5.34	5.34			
	Plot M		6.53	6.53			
Enterprise Zone Total		2,234,500	185.10	68.37	440	1,606	2,837

Eurocentral	Plot/Unit	Area (sq ft)	Area Totals	(Acres) Available	Jobs S'guarded	Jobs Current	Jobs Projected
Non-Enterprise Zone Sites:							
	Plot H		9.80	9.80			
	Plot I		7.72	7.72			
	Plot J		12.18	12.18			
	Plot K		10.00	10.00			
Freight Village:							
	Plot 1		8.80	8.80			
	Plot 2		8.80	8.80			
Auto Trax	Plot 3		13.00				
	Plot 4		22.80	22.80			
	Plot 5		18.95	18.95			
TDG Logistics	Plot 6						
	Plot 7						
Single User Site:			75.00	75.00			
		0	187.05	174.05	0	0	0