

AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

Please ask for: Derek Willmer
Direct Line: (01296) 585060
Switchboard: (01296) 585858
Textphone: (01296) 585055
Email: dwillmer@aylesburyvaledc.gov.co.uk



Our Ref:
Your Ref:

17 October, 2013

ECONOMY & BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

A meeting of the Economy and Business Development Scrutiny Committee will be held at **6.30 pm on 28 October, 2013**, in **The Olympic Room at The Gateway, Gatehouse Road, Aylesbury**, when your attendance is requested.

Membership: Councillor Miss P Lewis (Chairman); Councillors Mrs Bloom, Mrs Davies, Mrs Glover, Hawkett, Lambert, Monger, Mordue, Mrs Phipps, Poll, Richards, M Smith, Strachan, Stuchbury and Tyndall.

Contact Officer: Derek Willmer (01296) 585060

L White
Head of Administration

Members:

Ms Pam Bibby, Mr Derek Willmer, Committee Clerk (Generic Author), Web Master (IT), Cllr Avril Davies, Cllr Netta Glover, Cllr Mike Hawkett, Cllr Steven Lambert, Cllr Pearl Lewis, Cllr Howard Mordue, Cllr Llew Monger, Cllr Jackie Phipps, Cllr Chris Poll, Cllr Mike Smith, Cllr Robin Stuchbury, Cllr Brian Tyndall, Cllr Peter Strachan, Mr Bill Ashton, Mr Craig Saunders, Mr Douglas Gray (Audit), Mr David Lamb (Audit), Mr Les White, Miss Alice Fisher, Cllr Jenny Bloom, Cllr Chris Richards,

AGENDA

1 **APOLOGIES**

2 **TEMPORARY CHANGES TO MEMBERSHIP**


Any changes to be reported to the meeting.

3

MINUTES

To approve as a correct record the Minutes of the meetings held on 3 September 2013.

Copy attached as Appendix A.
Documents Attached:

 economy minutes 03 09 2013.pdf

4

DECLARATIONS OF INTEREST


Members to declare any personal or prejudicial interests.

5

SKILLS - UPDATE OF THE WORKING GROUP

To consider the report attached as Appendix B coloured blue.

Contact Officer: Mark Wathen (01296) 585064
Documents Attached:


 App B - Meeting of Economy and Business Development Scrutiny Committee Working Group.pdf

6

RURAL ECONOMY

To consider the programme attached as Appendix C coloured green.

Contact Officer: John Byrne (01296) 585678 and Mark Wathen (01296) 585064
Documents Attached:


 App C - rural economy.pdf

7

UPDATE ON LOCAL ENTERPRISE PARTNERSHIPS

To consider the report attached as Appendix D coloured pink.

Contact Officer: Mark Wathen (01296) 585064
Documents Attached:


 App D - LEP update economy scrutiny paper.pdf

8

SCRUTINY WORK PROGRAMME

To consider the programme attached as Appendix E coloured grey.
Members to consider items for the period to 17 March 2015

Contact Officer: Derek Willmer (01296) 585060
Documents Attached:

 App E - Economy and bus dev sc work programme 2012-2014.pdf

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

3 September, 2013

PRESENT: Councillor Miss P Lewis (Chairman), Councillors Mrs Bloom, Mrs Davies, Mrs Glover, Hawkett, Lambert, Monger, Mordue, Mrs Phipps, Poll, Richards, Strachan, Stuchbury and Tyndall.

1. APOLOGY: Councillor M Smith.

2. MINUTES

RESOLVED –

That the Minutes of the meetings held on 4 and 26 June, 2013, be approved as correct records subject to the inclusion of Councillor Patrick being inserted in the list of attendees at the 26 June meeting.

3. AYLESBURY VALE ESTATES – UPDATE ON PERFORMANCE

Philip Ingman and Graham Cole (Akeman) both tendered apologies for this item.

Members received a report and a comprehensive, confidential, but still draft, Business Plan that provided Members with an update on annual performance and the business strategy to be adopted for the forthcoming year.

Following consideration by this Committee the draft Plan, together the Committee's comments will be reported to Cabinet on 22nd October.

The Committee was reminded that AVE (Aylesbury Vale Estates LLP) had been incorporated in October 2009 and was owned 50/50 by the Council and Akeman LLP with the partnership governed by a formal Membership/Partnership Agreement and an Asset Management Agreement.

The Council's representation on the Partnership Board consisted of the Deputy Chief Executive and AVDC Members Bowles and Rand.

The Members' Agreement required the Business Plan to set out AVE's objectives for the life of the Partnership (i.e.20 years) and the annual overarching objectives for each accounting period. In particular the Plan must include a statement that AVE's business shall be operated with a view to producing the best risk adjusted profit obtainable and to maximise the risk adjusted rate of return to the Council and Akeman. Subject to agreement between AVE, Akeman and the Council the Plan was also expected to include the following matters (based on a 3 year projection where appropriate):-

- Strategic business objectives and targets

- Gross and net rental income projections, including assessment of operating costs, rental voids, rent arrears and any other losses and receipts
- Annual portfolio valuation prepared to a standard acceptable for AVDC financial reporting purposes
- Confirmation that the financial covenants regarding loan to value and interest cover are being maintained
- Projections of estimated receivable rent and confirmation of compliance with maintaining portfolio income levels
- Proposals for working capital budget, any new capital investments and reinvestments plus any distributions to partners
- Performance against key indicators and targets indicate levels of achievement.

The draft Business Plan tabled at the Board meeting in April and attached as confidential Appendix 1, was accompanied by an Asset Management Strategy and detailed plan for each portfolio asset. The Asset Strategy was included as confidential Appendix 3. A three year budget forecast was also attached as confidential Appendix 4.

During the 2012-13 financial year, AVE purchased the Hale Leys shopping centre, creating a separate special purpose vehicle Hale Leys LLP to own and manage the centre. By value, the shopping centre made up about a quarter of the total portfolio value of AVE, hence it had its own dedicated business plan, attached at Appendix 2.

Once approved the Partnership Business Plan provided the framework within which the Partnership Board works. Accordingly if the Board wished to pursue any substantive action which was not provided for in the Business Plan they must obtain specific authority from the Council (either by a Cabinet or Cabinet member decision) and Akeman.

From October 2014, as per the original Members Agreement, AVE is permitted to repay in full the five year mezzanine loan provided to it by AVDC at 20% interest. Doing so would have beneficial consequences for AVE and, as a 50% shareholder, the Council would also benefit from, but there would be shorter-term detrimental consequences to the Council's general revenue budget.

A five year term for the mezzanine loan was agreed as it was believed at the time that, by 2014 the commercial property recession might largely be over, and the portfolio rental income should have grown back to a point where dividend income returns to the council could replace the loan income derived from this mezzanine debt.

From AVE's perspective, the mezzanine loan note is at a cripplingly high rate of interest, and it made absolute commercial sense to repay this at the earliest opportunity.

From the Council's perspective, AVE's repayment of the mezzanine loan would generate a sizeable capital receipt but would leave a sizeable hole in the Council's revenue budget in the short term.

The key objective of this business plan was for the company to continue to pursue a policy of disposal of non-strategic assets generating low returns (principally long ground leases), in order to accumulate sufficient capital to repay the mezzanine loan in full at the earliest opportunity in October 2014. Further than this, the company intended to generate surplus cash than that strictly needed to repay the mezzanine debt, in order to pursue the policy of asset acquisitions to risk balance the portfolio in the manner described above.

The Committee were therefore invited to consider and comment on the draft Plan.

Members were generally supportive of the direction of work being carried. However, there were a number of issues concerning which Members expressed a view on or commented generally, including the following:-

- Members emphasised the importance of ensuring that all documents produced, especially spread sheets containing lines of figures, are produced at a size that makes them readable.

(All future documents of this nature would be printed on A3 size paper.)

- Some Members expressed the view that it was unacceptable the Akeman were unable to send any representative to the meeting.
- A request was made for the Councillor Board Members on AVE to be asked to attend future meetings.
- Members were interested to note AVE's intent to dispose of non-strategic assets but asked that caution be exercised on the disposal of "community assets" and to ensure that assets were not disposed of at prices below their community value.

Members were advised that AVDC's view was to focus on income rather than capital receipts and to have core estates of commercial assets with opportunistic peripheral properties without the burden of existing low ground rent properties that did not give the required return. The sale program therefore focused on repaying the existing loan and realising investable capital for potential assets within or adjacent to the Vale that offered longer lease opportunities.)

- Comments were made that the Business Plan should have a reference to the strategic aim of improving the prosperity of the Vale.
- Members were of the view that, whilst AVE could not be forced to take up a further loan, AVDC should look at ways of providing a loan that would be of benefit to both parties.

- Reference was made to the amount of focus being made to the loan situation rather than placing more emphasis on the Business Plan, how AVDC will react to the impending funding gap and their strategies for future years.
- Comments were made on the strategy for achieving revenue rents from tenants with charity status and the situation on discussions for the future of the Pembroke Road estate.
- Members were pleased to hear that AVE was forecasting growth from their retail assets but had concerns regarding the amount tenancies that were due to expire within the next two years.

RESOLVED –

That the Economy and Business Development Scrutiny Committee note the report and Business Plan submitted and recommend to Cabinet that the Plan be agreed because “The Business Plan is acceptable, forward looking and offers long-term benefits to the community and this Council”.

5. SKILLS PROVISION

Members received a short report to update Members on the progress made by the Task and Finish Group following the meeting on 4 June 2013.

Following the discussion at that meeting, it was agreed that a Task and Finish Group be established to help take forward the issues highlighted in the Skills Report and the various presentations received regarding this matter.

The Task and Finish Group met on the 30 July and the notes and key issues were attached as appendices to the report. The group comprised Cllrs Lambert, Miss Lewis, Monger, Mordue, Richards, and Stuchbury.

The group proposed that there could be a number of actions that could be taken forward grouped under three key themes:

- A skills and employment conference
- Advertising/promotional campaign and
- Partnership working

Members were conscious of the limitations to their remit and issues beyond the control of Aylesbury Vale District Council. With this in mind it was decided to go ahead with a skills and employment conference targeted at young people with strategic input from some of Aylesbury Vale District Council’s prominent partners.

Advice was given on the work currently being carried out by the LEP Skills Group on which most partners had a representative and the opportunities to AVDC if the Economy and Business Development Committee could become involved.

Following further discussion it was –

RESOLVED –

That the Committee notes the progress made by the Task and Finish Group and asked that a further meeting of the Group be arranged with representatives of the LEP Skills Group invited to attend.

6. ECONOMY SCRUTINY COMMITTEE - WORK PROGRAMME 2013 - 2014

A Work Programme for the period to end March 2014 was presented for Members approval. Following a short discussion it was

RESOLVED –

That the Work Programme as presented be approved with the following amendments:-

1. The Major Employment Sites report for 28 October 2013 to be moved to the 29 January 2014 meeting.
2. The report on the Aylesbury Vale Visitor Economy Action Plan to be moved from the 28 October to the 11 December 2013 meeting.
3. A Skills Update report to be inserted for the 28 October meeting.
4. Insert a report on LEPs for 28 October 2013.

Following a short discussion it was

RESOLVED –

- That an further meeting of the Economy and Business Development Scrutiny Committee Working Group be convened as soon as possible.
- That the Work Programme as presented be amended to include the above and items re-allocated to balance the programme between the meetings

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE WORKING GROUP

23 SEPTEMBER 2013

Attendees: Councillor Miss Pearl Lewis (Chairman), Councillors: Mrs Glover and Richards. Paula Buck BTVLEP and Mark Wathen AVDC attended also.

Discussion

Cllr Lewis provided Paula with an update of the discussion that the skills sub-group had been having. The sub-group were keen to continue their involvement in the skills issues, working with BTVLEP and others as appropriate.

Cllr Lewis emphasised that it was good to tell members of the public about the activity they were progressing on this topic.

Cllr Lewis referenced the several issues that the working group had uncovered:

1. A disconnect between what is happening in business and schools
2. The fact that young people aren't being encouraged to take alternative career paths
3. The ease of access to young people to make them aware of the range of opportunities was proving difficult; they wanted to get to parents

The main outcomes of the working group's deliberations and activity to take forward included:

1. Some form of advertising/promotional campaign stressing that pursuing alternative career paths in Buckinghamshire can be exciting – using examples such as motorsports and Silverstone and the Paralympics and Stoke Mandeville as well as the range of engineering and other companies on the doorstep such as Arla. Such a campaign might include radio, magazines and social media campaigns
2. There was a desire to hold a skills and employment conference with the aim of improving the links between education, business and training providers.

Paula Bucks, an employee of the County Council but present in her capacity of BTVLEP skills lead responded by outlining the 6 key strands which were to form the basis of the LEP's skills strategy going forward.

1. Apprenticeships and Higher Apprenticeships – accountancies now offer such higher level apprenticeships and represent alternatives to going to University for degrees, allowing students to study whilst working
2. Information, Advice and Guidance – Matthew Hancock from BIS has recognised that the current system of careers advice had failed to Inspire; hence there is a new programme coming out from BIS to do with 'Inspiring Young People'. Certainly Bucks should play into this.

There will also be a framework introduced and monitored by Ofsted about how schools are delivering against this new framework, which will be built into the new national careers service. There is a greater recognition that parental involve in choice

of education is key. Parents will be given up-to-date information to better inform young people.

3. Market Intelligence – more information will be gathered about the skills which employers need. The LEP have acquired some software which allows it to scan jobs advertised and examines the specific skills employers are looking for. This information can be cut and sliced and analysed by sector or technical skills. The LEP will use this to let schools know what is currently being advertised and out there.
4. Supply side planning - £11m-£15m is spent on skills in Bucks. Ways in which the supply side can improve to meet existing and future skills needs will continue.
5. Educated in Bucks – although there are good educational skills, there is a lack of work readiness; the LEP will work to improve the ‘educated in Bucks’ brand by focusing also on improving work readiness skills.
6. Future skills – this will be scenario testing what the jobs of the future might look like and how the system needs to adapt.

The key priority currently was in ensuring that the skills needs were reflected in the EU and SLGF plans being submitted by the LEP to draw down future funding to support the skills programme and work streams.

A key focus was to make the massive investment in skills already in the mainstream institutions work better.

A range of initiatives might be tried to attract graduates to stay in the area, including promotional videos from prospective employers placed on YouTube, what its like to work in a small company, offering a wide range of skilling and opportunities for fast track and perhaps offering bursaries for pupils whilst they are still at school.

There is also a significant issue of ‘underemployment’ by well qualified graduates doing menial jobs. The LEP might work with employers to fast track the more capable students to provide more ‘entry level’ jobs.

Opportunities for AVDC members to be involved going forward

1. Involvement in improving the ‘educated in Bucks’ branding going forward, around work readiness as well as qualifications
2. Working with the LEP and skills partners in promoting alternative career paths and planting these ideas in students’ heads through a marketing campaign
3. A meeting with children could be held at AVDC but meeting with educational providers beforehand in preparation for a conference
4. Sue Imbriano of the County was keen to establish some form of Young People’s forum to put their perspectives across
5. There was the opportunity of engaging with young people locally who had 4-5 years work experience as INSPIRATIONAL role models for future generations locally

6. The National Apprenticeship scheme has a programme linked into MPs which involves schools linking with employers to go into school which could be exploited more

At the Member level, there were opportunities for AVDC members to engage in:

- Branding and promotional work
- Connectivity between schools and business
- Supporting partners to deliver
- To work with the County and the LEP to take things forward

Immediate actions and ideas put forward:

1. Labour market vacancies and adverts in key employment sectors:
an initial action could be to ask Rupert Waters of BBF to review jobs adverts in Aylesbury Vale in the engineering and technical skills area and identify what types of jobs were already being advertise to give everyone a sense of what was already needed. Following on from that, a similar review could be done for other key sectors in Bucks and the Vale which could help inform the start of a campaign with the LEP.
2. Use existing links of residents and others with employers and bring together partners with employers in a conference/discussion (Gt Missenden cited)
3. Councillors who are school governors should raise the issues and opportunities to do something different
4. Another vehicle could be meetings such as the Local Area Forums or the Bucks Association of Local Councils
5. A regional skills conference could be a good idea
6. The Chair of the Scrutiny committee to draft a letter to the LEP to state how it would like its members to be involved going forward

RURAL ECONOMY UPDATE

1 Purpose

To provide Members with an update on economic development activity appertaining to the rural economy and the significant issues facing rural businesses that recent independent research has identified.

To enable Members to identify issues they may wish to explore in more detail.

2 Recommendations

- | | |
|-----|---|
| 2.1 | That Scrutiny Committee is asked to consider the information provided in the report and identify any issues or specific topics that it would like to examine further in the future. |
|-----|---|

3 Executive summary

- 3.1 In this paper, we have tried to define the rural economy more closely than the traditional 'land based sector'. In **Appendix 1**, you will see how the sector has been segmented and analysed, as well as where the growth issues and opportunities lie.
- 3.2 We have also highlighted the range of different stakeholders who are providing business support for this sector and who will continue to do so in the future. Most of them are likely to want to build on the existing funded programmes (LEADER) as well as ensure that specific rural issues are covered in future funding plans, either submitted as part of the EU funding bidding programme for 2014-2020 through the Local Enterprise Partnerships (LEPs) or their single Local Growth Fund (SLGF) plans, currently being prepared.
- 3.3 There are some issues which relate to the need to maintain vibrant thriving communities and broader transport and communications infrastructure issues, including superfast broadband, not all of which fall solely within AVDC's remit

4 Supporting information.

4.1 What is the "rural economy"?

For the purposes of this paper, the definition of a 'rural' business refers to businesses, predominantly micro businesses, situated in rural areas. This is different to purely "land based" businesses, although they are of course critical to the physical and economic landscape. The sector could be referred to as "non urban"

4.2 How significant is the sector?

According to the Buckinghamshire Green Infrastructure strategy 2009, 80% of the area is considered to be rural. The Buckinghamshire economy is worth over £11.8bn, with over 40% of economic activity taking place in rural areas, amounting to £4.72bn.

- The rural economy employs 58,400 people
- The majority of rural businesses are micro businesses (approximately 1 employee) and 41% are self employed
- The largest proportion of businesses are in construction, telecoms, land based or retail, hotel and catering

More detail about the sector and growth segments and challenges faced can be found in **Appendix 1**. This paper has been prepared by Nick Phillips, who is the lead officer for the rural LEADER programme and on the Bucks Rural Affairs Group (BRAG). (**See Appendix 1: “the rural economy”, by Bucks Business First and LEADER programme officer Nick Phillips (“Liaisons Entre Actions de Developpement de l’Economie Rural”)**)

4.3 What significant challenges does it face?

Businesses based in rural areas face many of the same issues to those faced in urban locations, yet they are also exposed to other challenges or perhaps challenges that have more of an impact on rural businesses as opposed to their urban counterparts. The rural business, in general, has a greater challenge to access public transport, does not benefit from associated attractions and integrated business support and is not able to work closely with similar businesses, as was recognised in the DEFRA report 2010.

Rural businesses may feel a greater impact of reliance on local services and organisations, making them more susceptible to collateral damage of large industry downturn or closure. The rural economy is considered by Government to be “hard to reach”, not only for geographical reasons, but also through **lack of access to superfast broadband** and other ‘**isolation**’ **related issues**.

A second **Appendix 2** accompanying this paper sets out the issues and priorities for action during 2012-2018, identified by the Bucks Rural Affairs Group (BRAG) in its rural strategy, emerging out of its November 2012 conference. (**See Appendix 2: “Bucks Rural Affairs Group priorities 2012-2018”**)

4.4 What are AVDC and other partners doing to support the sector?

There are a diverse range of support organisations working with rural businesses. Some of the support being provided is referenced in Annexe 1 in addition to the support provided below.

4.4.1 Aylesbury Vale District Council (AVDC)

Economic development

AVDC’s economic development team continue to support start ups with advice providing:

- two hour 1:1 business mentoring advice sessions on marketing or their business plan, including referrals from the business grants process
- 'virtual office support' and premises/facilities at Aylesbury Enterprise and Innovation Centre (AEIC), available to all businesses, rural or otherwise
- business grants, open to any business meeting the eligibility criteria
- business support referrals to Bucks Business First, where specialist help is needed or to take advantage of national schemes particularly targeted at rural businesses. The LEADER programme is managed by Nick Phillips at BBF, with whom we remain in constant dialogue
- close liaison with BBF's Connected Counties team regarding the 'roll out' of superfast broadband across the District and how it will improve connectivity in rural areas www.connectedcounties.com
- taking a proactive approach to work with agents/developers on the most significant employment sites across the Vale in support of the Vale of Aylesbury Plan in respect of job creation and growth and inward investment, including support for neighbourhood plan development around Winslow and Buckingham
- encouraging LEPs to develop rural programmes and build on existing ones, when preparing their EU funding proposals and Single Local Growth Fund (SLGF) bids

Leisure/tourism

Our leisure team continue to work across the County as part of VisitBucks and are working with Blue Sail consultants, BBF, BCC and various tourism business partners (mostly rural businesses) to develop a **Destination Management Organisation** for the area with a more cohesive tourism strategy which will benefit the tourism sector (including leisure, food and hospitality businesses across the Vale) to realise more of the area's potential. It is hoped that this work and focus given to such an organisation will create additional employment, access potential funding and promote the area more widely, as well as supporting new tourism development and initiatives locally.

Planning

The main direct support comes through working with individual businesses or developers. AVDC provides pre-application advice to commercial developers, including rural businesses. Initial general advice is provided free of charge as part of the priority to support business, but when AVDC get to more specific schemes and especially discussions with developers' architects of planning agents, it has to make a charge to recover its costs. Through the development management process AVDC seeks to negotiate to overcome problems with developments for businesses, wherever possible, rather than move straight to a refusal of planning permission on an application.

Planning officers also work closely with Parish Councils who are bringing forward Neighbourhood Plans for their communities. A key part of their involvement is emphasising the need for the Parishes' work to include engagement with local businesses and not just residents.

A further strand of work relates to infrastructure planning. It is unrealistic to expect that rural business developments can fund major infrastructure provision, or that there will be "public purse" funding for large-scale road building or increases in public transport subsidies in the foreseeable

future. However as a result of action over many years, the East-West Rail project is coming forward and this will have a significant benefit on the rural areas of the Vale. The importance of high speed broadband to rural businesses is recognised. This is covered later in this report.

There is sometimes a perception that planning, and particularly the Development Management process, gets in the way of rural businesses and growth. This is not borne out by the record of decisions on planning applications. We cannot isolate “rural businesses” from figures but looking at the year ending 30 September 2013, across the whole District we determined:

- 6 applications for B1 (normally office) developments, all of which were approved.
- 9 applications for B2/B8 (general industry/warehousing) developments – 1 of these was refused
- 78 applications for changes of use (This is a very wide category that goes well beyond business proposals and rural businesses). 12 of these were refused.

Looking at the 13 refusals:

- 4 related to changes of use in the town centres at odds with our policies;
- 3 related to proposals which would have resulted in the loss of employment development or sites;
- 2 related to the impact the development would have on the landscape of the area and/or the amenities of neighbours;
- 1 related to the inadequacy of the highways arrangement serving the site;
- 1 related to the failure to comply with Council policies relating to a proportionate contribution towards transport improvements in Aylesbury, given the increased traffic the development would generate;
- 1 related to the siting of a mobile home on a stud farm; and,
- 1 related to a residential land extension.

Planning policies and practices within Aylesbury Vale are more accommodating of rural businesses than elsewhere in the County, where designations such as green belt and Area of Outstanding Natural Beauty act as very strict constraints to growth, and even small-scale development is resisted. It is nevertheless recognised that national and local policies mean that there cannot be a completely laissez-faire attitude to development in the countryside. Whilst our policies towards the re-use of buildings for business development are generally accommodating of diversification, we still need to consider the sustainability of creating additional employment development/uses in countryside locations away from settlements on sites that are often not well served by roads (or public transport). We also have to have regard to the impact of developments and the traffic they can generate on the amenities of nearby residential properties and the character of the landscape.

Looking to the future, Members will be aware that we will be reviewing the development management policies that are currently contained in the Aylesbury Vale District Local Plan, as part of our work on the next component of the Vale of Aylesbury Plan. Planning officers are working with Environment & Living Scrutiny Committee on this, but if this Committee feels there are

issues we should be taking into account as part of that review, it would be helpful to have these identified at this stage.

Another factor that will affect the diversification of farm buildings is the recent change to the planning legislation, which means that some changes of use no longer require planning permission from AVDC. The Government is also consulting on extending these “permitted development” rights even further.

4.4.2 Local Enterprise Partnerships (LEPs)

The Bucks Rural Affairs Group and the National Farmers Union both outline what the key issues from their perspectives are (**see Appendices 2 and 3**) and also their expectations about what should be done and who might be able to help. A lot of these issues are directed at Local Enterprise Partnerships. (**more detail can be found in Appendices 2 and 3**)

As far as AVDC is concerned, it will continue to work working with both Local Enterprise Partnerships to ensure that future business support (growth hubs) is specifically targeted at rural businesses to meet their specific needs, which includes the other issues raised in the Appendices. AVDC will continue to work with both LEPs to ensure that as many of the issues as possible will be addressed and included in the ‘core’ LEP documents as they are developed, including the EU funding bids for 2014-2020 and also in the Single Local Growth Fund (SLGF) business plans to be submitted to Government in draft by December 2013 and finalised in the first half of 2014.

4.4.3 Bucks Business First (BBF)

AVDC has a Memorandum of Understanding with BBF to provide a range of help to businesses in the Vale. BBF has a range of funding streams and grants that are available to help rural businesses, including LEADER and ‘sustainable routes’ grant schemes, as just two examples.

AVDC will work closely with BBF to ensure that the rural issues continue to be addressed by either BBF currently or in the future, once the LEPs secure funding post 2015, which will need to be directed to programmes of support for rural businesses.

Four examples of recent case studies involving LEADER grant funding are attached as **Appendix 4**

As far as access to superfast broadband is concerned, BBF manage the delivery contract for the delivery and roll out superfast broadband using the BD(UK) funding secured by BTVLEP. The Connected Counties website map www.connectedcounties.com has been launched to allow parishes to have a good understanding of the phasing of the roll out of BD(UK) funded superfast broadband across the District. The map will set expectations out for what local areas will be able to get in terms of upgrade and when by inputting their local postcode. The build process for the first phase is likely to start in late 2013/early 2014 and be complete by the end of Q1 2014/15. There will be **eight phases** between now and 2016. More funding will be sought of an

additional **£250m** of Government superfast broadband funding nationally, arising from the BBC licence settlement between 2015-2017.

5 Reasons for Recommendation

- 5.1 There are a range of issues which face rural businesses. The ones that are similar to any other business are covered in the recent Bucks Business Survey undertaken by BBF. However, we have included Appendices here which are specific to the rural economy. Where possible, AVDC is working with the LEPs to ensure that rural related issues are picked up and covered under future LEP and BBF funding bids and plans.
- 5.2 Members' attention is brought to the fact that AVDC and partners are supporting rural businesses in several ways, but there are macro issues which face rural businesses and render them more isolated, primarily related to their relevant isolation from other similar businesses, the increased pressure on the viability of local community services and transport and communications issues, which are not solely within AVDC's remit. As a result, we would ask Members to consider what they would like to focus on next and how to progress further.

6 Resource implications

- 6.1 None

7 Response to Key Aims and Objectives

Economic Development functions of the council contribute to the corporate plan objectives of Growing the Economy of the Vale and Deliver Efficient and Economic Services.

Appendix 1 - Bucks Business First

Rural Economy Paper July 2013

The Buckinghamshire economy is worth over £11.8bn, over 40% of that economic activity takes place in rural areas amounting to £4.72bn.

This paper sets out the main priorities for businesses in the rural economy in Bucks. These findings will refer to data from other papers, reports and anecdotal feedback gained from detailed and long term work in the rural business sector.

The priorities referred to are considered relevant to the Buckinghamshire rural economy taking into account the geographical area roughly from Marlow in the south to Olney north of Milton Keynes.

The findings of this paper are supported through other rural networks that the author has involvement in such as High Wycombe Farmers Forum (steering group member and co-ordinator) North Bucks Rural Business Network (steering group member), the Bucks and Thames Valley LEP, Bucks Business First, Community Impact Bucks, members of the LEADER Local Action Group, Chiltern Tourism Network (founder and steering group member) farmers, rural businesses, rural police, the NFU, CLA,

The rural economy in Bucks, in this instance, refers to businesses, predominantly micro businesses situated in rural areas. This is different to purely “land based” businesses, that are of course critical to the physical and economic landscape but account for 3.5% of employment in Bucks. The sector could be referred to as “non urban”.

Where are we now?

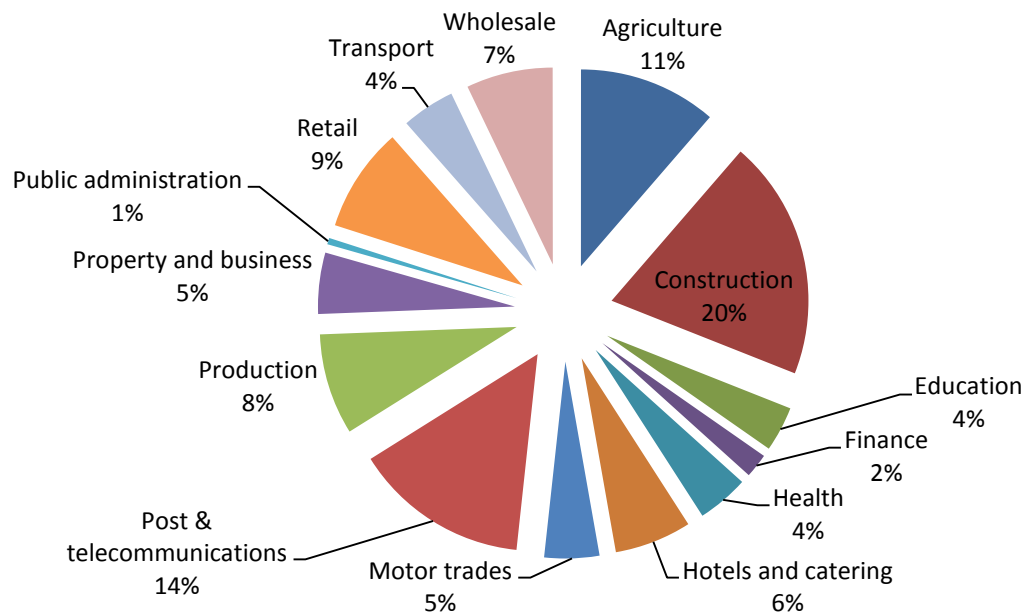
The Buckinghamshire economy is worth over £11.8bn. The rural economy employs 58,400 people and has 11,705 businesses, 91.5% being micro businesses.

Buckinghamshire is predominantly a rural county - 80% of the county is considered rural¹. Over 40% of all VAT registered businesses in the county are situated in the rural areas. The majority of these businesses are micro businesses with 82% employing less than 5 people and 41% of all those employed in rural Bucks being self employed.

These businesses fall into certain sectors. The land based sector is a relatively small sector being 10/11%, with construction being nearer 20% and telecommunications being 14% with retail, hotel/catering, property and production amounting to about 8%. This data will doubtless be changing by the day as the economy puts pressure on some sectors most notably construction and property generally.

¹ Buckinghamshire Green Infrastructure Strategy 2009

Make up of rural businesses in Bucks



ONS Data 2010

- 26,871 registered businesses in Bucks
- 90% have under 10 employees
- Highest rate of business start ups in the country.
- 10,965 were formed in the last 5 years.
- 11,630 people work from home in Rural Bucks

The make up of employment in Bucks underpins the rural significance and potential for growth:

- 34% of those employed in Bucks are employed in rural areas
- 42% of self employed people in Bucks live and work in rural locations
- 12% employment in rural Bucks relates to manufacturing
- 15% in retail 19% in property related activities
- Hotel and catering make up 3.4%

Why consider rural business as a sector any different to urban?

Businesses based in rural areas face many of the same issues to those faced in urban locations yet they are also exposed to other challenges or perhaps challenges that have a significantly greater impact on rural businesses to urban.

The rural business, in general, has a greater challenge to access public transport, does not benefit from associated attractions and integrated business support from working closely with similar businesses as recognised in the DEFRA report 2010. Rural businesses may feel a greater impact of reliance on local services and organisations, this makes them very susceptible to collateral damage of large industry downturn or closure.

The key pressures facing most rural businesses in Buckinghamshire are probably the same as those in the urban environment that of access to finance, increasing running costs, rates and heat light, raw materials and management time.

These pressures may vary between specific sectors however some pressures seem of greater significance in rural areas:

- Access to super fast broadband
- Cost of employment
- Marketing costs
- Lack of developed business networks
- Transport for distribution of goods and access to employment
- Lack of location intensity of sectors
- Reduced opportunity for economies of scale
- Lack of robust communications

Agricultural businesses specifically suffer from a variety of factors that do not impact on many urban businesses; not only the vagaries of weather that can impact production (in 2012 by 20/25% lower yields across the arable sector), cost of fuels, cost of fertilizer, international market conditions, EU agreement, grants, subsidies, environmental influences, law and access to name a few, all have a business changing impact and all are outside the control of the individual farming business.

Further; lending to agricultural businesses is challenging, many have Farm Business Tenancies that are limited leases for say 10 years. Many farms have only a few “pay days” per year (being harvest or cattle butchery) yet their costs are permanent. Banks are uneasy about running up huge overdraft when a tenant business may have little capital yet the farming industry is based on an “overdraft” cashflow.

Rural businesses in Buckinghamshire report² that they face increasing challenges in other areas:

- Skills and training for young workers (apprentices)
- Regulation (H&S, movement restrictions such as Foot and Mouth can devastate industries that rely on tourism.)
- Planning
- Weather (rural tourism businesses suffer downturn in poor weather)
- HS2 and mitigation
- Planning restrictions (although more positive changes are now being seen)
- Low interest rates are beneficial

The two specific and repeated major challenges raised by rural business:

1. Access to high superfast broadband. *Connected Counties* project managed by BBF is putting in £18m towards solving this issue.
2. Cost of employment/transport

² LEADER questionnaire 2012

Further areas where support has been requested for rural businesses in Bucks include:

- Business planning and business advice
- The cost of market town business rates for retail businesses.
- Parking in market towns

LEADER Local Development Strategy considered the targeted areas that flowed from these challenges are:

- To highlight the value and challenges of rural (non urban) based businesses as a sector that could offer growth.
- Encourage creative approach to planning by engaging planning officers in such organisations as LEADER.
- Encourage the use of apprenticeships.
- Stimulate shared transport systems.
- Work with and support existing business networks



Priorities for Growth Potential in Rural Bucks

Working extensively with rural businesses there appears to be sectors that show potential for significant growth in Bucks. These include:

- Tourism
- Retail
- Farm diversification businesses
- Community businesses
- Rural property security

Rural Tourism

All business sectors are important in the rural economy however tourism seems to be particularly in focus. Bucks not only has unique landscapes of the Chilterns in the south and the vale in the north of the county, but also is in the unique position of offering this rural landscape some 40 minutes from London. The pressure on tourist accommodation shows the potential. Some businesses in the north of the county are regularly reporting 90% occupancy of all accommodation, B&B, self catering and camping. In 2012, Tourism South East reported on various occasions that there was an 80% under supply of tourism accommodation.

In 2009/10 in Buckinghamshire, there were 1,313,000 staying trips that were spent in the county (rising by 6% pa) 38% of these overnight visits were staying in commercial accommodation as opposed to visiting friends. This resulted in a total expenditure by visitors to Buckinghamshire estimated to have been approximately £782,515,000 in 2009. With additional income from visitors staying with friends it is estimated that

£1,044,615,000 worth of income for generated for local businesses through direct, indirect and induced effects to Buckinghamshire.

Although we are not able to isolate the rural aspect of this expenditure the majority of attractions to Buckinghamshire are found in the rural areas. Rural Bucks has the greatest concentration of National Trust properties in the county outside London. Waddesden is one of the most visited properties in the National Trust and Silverstone draws in over 300,000 visitors per year. Further a recent study of tourism in Bucks (Blue Sail review) has recognised in their interim report the value of group visits, corporate visitors and family centred activities in Bucks. (The author believes that the uniqueness of the rural tourism offer in Bucks being the historic landscape and built environment is yet to be exploited.)

The Office of National Statistics employment figures for 2008 drawn from the Annual Business Inquiry shows there are an estimated 17,700 jobs in Buckinghamshire in tourism-related businesses, representing 8.5% of the total employee workforce. Tourism South East consider the South East tourism sector to have grown by 5/10% since 2008.

Tourism is further of value to the rural economy based on the “local circulation” of the expenditure. Some studies suggest as much as 65p in the £1.00 remains in the local economy when spent on rural tourism as opposed to less than 15% when spent in corporate organisations.

The key operators influencing this sector are Visit Bucks (BBF) who are responsible for supporting bookings and wide promotion of Buckinghamshire and the Chiltern Tourism Network who promote the Chilterns and have a vast business membership. Others operating are the Tourist Information Centres.

The LEADER programme has supported many rural tourism projects from campsites to self catering cottages. All have succeeded and the accommodation projects are reporting an over demand and under supply far above expectations. In some cases 80 and 90% occupancy rates which means that these operators are turning away visitors to rural Bucks. It is interesting to note that the “rural” aspect of the offer is high on the reasons for choosing the accommodation.

Rural Retail

Whilst retail businesses in general are under pressure some sectors of retail are doing well and demand seems to be on the increase. These include farm shops and coffee shops. This sector has exploded of late and in the small market towns such as Princes Risborough, Wendover and Buckingham it seems that the location, being within a market town gives rise to a new “leisure” shopping activity rather than shopping as a necessity. There are signs that this leisure shopping activity is supporting farmers markets as well as catering and gift shops.

Farm Diversification/Local Food

Whether lead by demand or supply it is unclear, but the numbers of farm diversification projects recently established in the food or leisure sector has increased and LEADER has supported many. Every project supported under this measure has succeeded to

date. (There have been no business failures supported by LEADER in this sector and many have exceeded expectations.)

Community Businesses

There have been many community shops and pubs established in rural Bucks over the last few years. Often driven by the collapse of the traditional village shop. Sometimes manned by a mixture of volunteer and paid staff these businesses are both in demand from the community and show a strong balance sheet in most cases. The future village shop is likely to be a community driven and supported business.

Local Support for Rural Business

The local support that is available is through:

- **Buckinghamshire Business First** provide a 'one stop shop' for advice and support covering all aspects of business advice from exporting to funding to business start up. Advice can be provided online, via telephone or face to face, plus through workshops which are regularly provided giving information and support on a wide range of topics such as business planning and how to best use social media. This support links in with other nationally and locally provided support. In addition local grant funding for a variety of purposes is available to SMEs and BBF provide a dedicated team to help employers apply for it.
- **Aylesbury Vale District Council** – Provide the small business grant, which is an offer of £3000 for early stage business (50% matched funding required) and £5000 for established business (100% matched funding required).
- **Aylesbury Enterprise and Innovation Centre** - A vibrant community based business centre dedicated to helping new businesses launch, assisting local entrepreneurs to evolve their ideas and supporting existing businesses with their ongoing growth
- **LEADER** (managed by Ngage Solutions a subsidiary of Buckinghamshire Business First) is and has been considered the most valuable injection of funding to rural micro businesses in Bucks and has specifically aided many businesses in Aylesbury Vale and rural Milton Keynes a snapshot of the impact is seen below and a full evaluation is currently underway, however the process of obtaining a LEADER grant involves the applicant developing a full business plan and cashflow. This is seen by some as onerous yet LEADER can report to date only a 1% business failure rate from supported projects:
 - **2013 Activity** - £1,412,044 in grants allocated in 2013, with 64 projects approved, with an average grant size of £22,063 for each one
 - **Statistics to date for whole project 2009 – 2013:** - Total amount of grant funding £3,116,868 of which:
 - ❖ £327,609 allocated to 21 projects concerned with farms and diversification

- ❖ £130,458 allocated to 10 forestry projects
- ❖ £597,110 allocated to 15 micro enterprise and tourism projects
- ❖ £336,755 allocated to 17 community projects
- ❖ £20,112 allocated to a training project

➤ **Leader funding has resulted in:**

- ❖ 61 new full time jobs created
- ❖ 147 jobs safe guarded
- ❖ 48 businesses supported
- ❖ 17 new businesses started
- ❖ 8 village halls and community centres supported
- ❖ 2 community shops supported
- ❖ 4 new and existing recreational and educational facilities

Conclusion:

Rural business refers to those businesses situated in rural locations. Rural business faces significantly different and in many cases greater challenges than the urban counterpart. With a sector worth nearly £5bn, and 40% of all Buckinghamshire businesses operating in rural areas and facing common challenges, the sector must be considered important to the economy of Buckinghamshire.

Growth potential exists in the rural economy as it does in the urban economy. However, the rural economy is considered by Government to be “hard to reach”, not only for geographical reasons, but also through a lack of superfast broadband, a reducing public transport network and the ever increasing cost of fuel.

Many sectors in the rural economy could be considered “ripe” for growth given specific circumstances and a recognition of growing demand. The rural retail offer as previously explored appears to show growth when linked to a leisure activity such as coffee shops and unique gift shopping. This is despite the challenges of high business rates. Further, the retail environment is showing significant enthusiasm for farm retail offers where food is offered with genuine provenance and if coupled with a leisure experience such as contact with animals or a coffee shop - demand is high. The retail offer in villages and market towns is also changing as more community shops are being introduced and thriving. These enterprises more usually require state intervention as capital start up is high. LEADER can point to many that out perform commercial retail units for reasons of community relations and strong management structures.

In Buckinghamshire, rural tourism is indicated to be a growing and thriving sector with substantial demand still not being met allowing for future growth potential. This has been confirmed by every tourism business supported by LEADER. Demand for accommodation is high, occupancy rates are in some places running at 90% and the family and low cost rural offer is showing greatest demand. In 2013 Tourism South East reported;

- **44% of accommodation businesses and 49% of attractions** report increased visitor numbers since Easter - the highest numbers since the survey was started in April 2012.

- **Around 90% of businesses say they feel confident** about the school holiday period - again, the highest levels since the start of the survey
- **73% of accommodation businesses** describe forward bookings as good or very good - the previous high was 60%, and this time last year this measure stood at only 50%.

Although this is not a Buckinghamshire specific report it shows the national trend.

Rural tourism is considered a priority for support under future RDPE funding streams and although the future strategy for LEADER will be written shortly it will certainly include a strong focus on rural tourism in Bucks as a potential growth area.

It is clear that there exists differences in challenges between rural and urban businesses however, there also appears significant opportunity for economic development in the rural sector over coming years.

Appendix 2 – Bucks Rural Affairs Group Priorities (BRAG) Rural Strategy: Draft Priorities 2013 - 18

Background:

Review key objectives/priorities for BRAG strategy refresh to include feedback from the BRAG stakeholder meeting. These key objectives to form the basis of a refresh of the rural strategy, and derived from the 'refresh' paper produced in Nov 2011 and the outputs from the BRAG conference in Nov 2012.

It was suggested that we work on the basis that the Rural Strategy 2008-2013 (the last one) is still broadly relevant in terms of its analysis of key rural issues and concerns. Certainly there is no desire to try repeat the comprehensive approach adopted last time.

Clarified that we concentrate on four overall themes:

- Enterprise and Skills
- Housing and Sustainable Communities
- Health and Wellbeing
- Services and Transport

For each theme it was agreed to identify an overall objective and then to highlight two or three specific actions/aims, along with associated measures. The results of the initial discussion are reported below.

1. Enterprise and Skills

Overall objective: **To ensure that there is a vibrant and viable rural economy in Buckinghamshire.**

Aim 1: Encourage rural business development to provide meaningful local employment.

This will be achieved through:

- Influence the Bucks LEP and SEMLEP regarding the rural economy, especially to develop a specific rural 'stream' to their work.
- Promote LEADER, in terms of its bottom up approach to rural development, as vital to developing the rural economy.

Aim 2: Ensure rural businesses and communities **have superfast broadband connectivity.**

This will be achieved through:

- Influence the Bucks/Herts BDUK programme to priorities rural businesses and communities.
- Support BBF in rolling out the BDUK programme and support BBF in applying for future funds for rural broadband in Bucks.
- Encourage rural communities to access Rural Community Broadband Funds (RCBF) to supplement the BDUK programme.

Aim 3: **Place special emphasis on tourism, forestry and agriculture** (and other land based industries) as the heart of a sound rural economy.

This will be achieved through:

- Work with the Bucks LEP and SEMLEP to promote tourism, forestry and agriculture as a key part of rural economic growth.
- Encourage creative and imaginative application of the planning system to enable appropriate diversification of land based industries.
- Secure appropriate farm diversification through LEADER, or via provision of advice, business support.

Measures:

- By 2018, encourage 100 apprenticeships in Bucks Rural Businesses, with 25 being within land based businesses.
- By 2018 95% of rural businesses in Buckinghamshire will have access to fast broadband.
- By 2018 there will be a 5% increase in the managed woodlands in Buckinghamshire.
- By 2018 there will be a 5% increase in the number of overnight stays in rural Buckinghamshire related to tourism.
- By 2018 there will be no fewer council owned “starter farms” in rural bucks available to rent than there are in 2013.

2. Housing and Sustainable Communities

Overall Objective: **To ensure rural communities remain vibrant, resilient and sustainable.**

Aim 1: Increase affordable social housing for local people in rural villages.

This will be achieved through:

- Encourage rural communities to embrace the Neighbourhood Planning approach where appropriate, and for smaller communities to explore the opportunity provided by the community right to build.
- Support rural communities to continue to use rural exception policies as a key part of securing local houses for local people.
- Ensure that Local Authority plans for social housing in rural areas are based on clear and reliable evidence of need in relation to the type and location of housing.

Aim 2: Sustain and support high quality natural environment in our rural areas.

This will be achieved through:

- Work with BNEP/CCB
- Encourage sustainable behavioural change
- Energy efficiency for rural areas, in terms of encouraging use of renewable technology and the appropriate grants/tariffs.

Aim 3: Ensure appropriate support, compensation and mitigation for rural communities adversely affected by High Speed 2.

This will be achieved through:

- Work with Bucks County Council / 51M on the impact of mitigation
- Holding HS2 to account for ensuring an effective and appropriate community engagement approach.

- Offer BRAG support for initiatives that consider the impact of HS2 on rural businesses or society environment.

Measures:

- By 2018 there will be 5% more social housing in Rural Bucks.
- By 2018 there will be 2 renewable energy or community heating systems in Buckinghamshire.
- We should consider a measure that would improve or be stable by 2018 perhaps Water quality/Air Quality/Abundance and quality of hedgerows.

3. Health and Wellbeing

Overall Objective: **To ensure those living in rural communities remain safe and healthy, and are supported to meet changing demographic needs.**

Aim 1: Promote and enhance access to the countryside as a significant contributor to healthy lifestyles.

This will be achieved through:

- Work with local authorities and the voluntary and community sector to encourage healthy lifestyles within rural areas
- Influence the BNEP/Health and Wellbeing Board to ensure their policies are robustly rural proofed.
- Encourage a LEADER approach to investment in the countryside.

Aim 2: Ensure the concerns of rural communities about the nature of and impact of crime are addressed.

This will be achieved through:

- Hold the Police and Crime Commissioner to account for his policy on improving the response to rural crime.
- Encourage and assist Thames Valley Police to introduce a standard definition of rural crime, and to develop appropriate evidence measures.
- Develop a network of local rural crime groups to improve knowledge and awareness of rural crime.

Aim 3: Ensure rural communities are served by safe, accessible and effective health and social care services.

This will be achieved through:

- Influence the Clinical Commissioning Groups and Healthwatch to ensure the needs of rural communities are identified and addressed.
- Encourage local authorities/NHS to limit the reduction of current services in rural areas
- Work with rural communities to identify and manage the implications of an aging population.

Measures

- By 2018 number of regular walkers in rural Buckinghamshire - 10% increase over five years.

- By 2018 the number of intelligence statements to TVP regarding rural crime in Bucks has increased by 10%.

4. Services and Transport

Overall objective: **to ensure that those living and working in rural communities retain key local services, and have effective and efficient transport to access services and employment elsewhere.**

Aim 1: Ensure rural communities have access to effective and innovative community transport.

This will be achieved through:

- Encourage rural communities to establish community transport and car share schemes where appropriate.
- Influence the transport authority to retain key rural public transport routes into all market towns (not just the main urban centres).
- Encourage the development of an integrated transport strategy that meets the needs of rural communities.

Aim 2: Support rural communities to retain and improve the shops, services and community assets they have available.

This will be achieved through:

- Encourage rural communities to prepare community led plans to identify future service needs.
- Encourage statutory bodies to recognise the contribution local and accessible services make in maintaining social fabric.
- Influence key rural stakeholders to maintain, support and encourage new shops, pubs, halls, churches and schools.

Measures

- By 2018 there will be 1000 more subsidised journeys to rural market towns in Buckinghamshire
- By 2018 ?

Appendix 3 – Chiltern LAG National Farmers Union perspective on priorities for the Local Enterprise partnerships

Chilterns LAG NFU Priorities

<p>Hertfordshire Rural Economy Overview</p> <ul style="list-style-type: none"> • Hertfordshire has an agricultural GVA of £30 million per annum. • The total value of agricultural output is £109 million and the total income from farming is £18 million. • There are 880 farms in Hertfordshire. • The total farmed area is 97,315 ha (out of an area of 163,872 ha) i.e. 59% of the surface area is farmland. • 2513 individuals are directly employed by farming. 63% of the farmed area is under agri-environment schemes (ELS and HLS). <p>(Source DEFRA 2010)</p>
<p>Bucks' Agricultural Industry Overview</p> <ul style="list-style-type: none"> • Bucks has agricultural GVA of £51 million p.a. • Total value of output is £139 million, profitability is £18 million • Farmers are directly spending £87 million in the supply chain • In Bucks: 2977 people working in agriculture. • 103734 hectares under farmland, out of total area in Bucks of 187400 hectares • 1278 total number of farms <p>(Source DEFRA 2010)</p>

The NFU priorities for LEP engagement with rural partners and rural activity are:

- a) LEPs should gain an understanding of the linkages between economic sectors rather than viewing them in isolation.
 - For example, agriculture needs to be seen as part of the agri-food chain: there are suppliers upstream of agriculture that provide inputs such as fertiliser and feed; there are processors, distributors and retailers downstream of agriculture; hauliers are commonly dependant on the agri-food sector for much of their business; rural (and other) tourism businesses commonly rely on access to a well-managed countryside.
 - A commitment to improving local procurement and developing local supply chains should be a priority. This would help to remove costs and retain value within the county.
- b) LEPs should actively promote business interaction, making the most of the types of enterprise in the area.
 - This might mean encouraging manufacturers and those in the construction sector to establish new, local supply chains that make use of locally-available agricultural outputs, e.g. wool and other renewable fibres for use in insulation and construction. This imaginative 'dating agency' approach can identify synergies and result in benefits to all concerned.

- c) The British consumer will benefit from increasing confidence in British Food security, a reduction in the carbon footprint from imported produce and economic growth that will bring job creation.
- d) LEPs should work closely with organisations representing rural businesses, including the NFU, to identify local needs and priorities. LEPs should also liaise with the Rural and Farming Network(s) for the area to ascertain their priorities for rural enterprise. LEPs should also interact with relevant professionals including vets, agronomists and accountants when working up detailed ideas for investment priorities.

Build up knowledge and skills in rural areas.

- e) Roll out of the EDGE apprentice program to Hertfordshire. EDGE Apprenticeships in Food & Fanning is an industry-led scheme that aims to educate, develop, grow and employ young people, equipping them with the skills they need to succeed in careers in agriculture.

Leadership training would help develop the image of fanning and give the industry confidence to face the issues of the future such as environmental change and population growth.

- f) ICT - Crop production technology which relies on a usable GPS signal, web access for sale are vital tools for many on-farm business.

Broadband is necessary for the running farm management software and the forthcoming switch to 'digital by default' for submitting mandatory information to government websites will mean the submission is done online.

- g) Infrastructure - Post-harvest storage options including grain and vegetable storage, and cold store development
- i) R& D - a proactive approach to engagement with the Agri-tech strategy by the LEP will be necessary for accelerating commercialisation of research outcomes.
- j) Water - With increased pressure from climate change, population growth and food security it is more important than ever that water resources are at the centre of planning for the future, and tackled in a coordinated manner. The key is to capture and store rainfall, and join up water resource planning with drainage and flood risk management where feasible. This will require new models of investment planning and engagement between water companies and public and private stakeholders.
- k) The aspiration is for Horticultural nurseries to become self sufficient in Water during the next decade, which can be achieved with Water harvesting & recycling projects such as reservoirs and rain collection.

- l) Feasibility studies for renewable energy projects are potentially helpful, ideally combined with energy audits and efficiency programmes.

NFU Priorities for Rural Development spending

What follows is a mixture of priorities and the characteristics we would like LEPs to display in their approach to RDP spending:

- a) Thorough preparation (including good engagement, planning, matching ambitions to the budget available), enabling a quick start from the programme start date, is essential.
- b) LEPs need to ensure they are part of the solution, making the process as streamlined as possible, rather than adding to the bureaucracy experienced by potential beneficiaries; they need to look for ways of making the process as quick and painless as possible and certainly should avoid prolonging it.
- c) The focus of agricultural investment should be on improving competitiveness, helping to safeguard farm businesses, maintain or increase employment and reduce the nation's reliance on food imports.
- d) Resource management is also important to farmers, and help with this can assist farm businesses adapting to legislative or contractual requirements. Ideally schemes should provide both economic and environmental benefits.
- f) A focus on actions to address greenhouse gas emissions from agriculture, something that was too often developed 'on the boor' by RDAs and their partners, can be helpful. Such schemes need to be coherent and palatable, and integrate with any government programmes that address GHGs at the national level.
- g) There should be a good mix of small and large grant schemes, the latter enabling the funding of big capital projects such as grain stores and water storage that can leave a measurable legacy. Small grant schemes should be as simple and straightforward as possible, and the administrative requirements should be correspondingly lighter.
- h) Effective links between capital grants and skills funding can be very valuable: benchmarking, advisory packages, mentoring and up-skilling are all important, and there are advantages to be gained from associating this with capital investment.
- i) Development work is important, whether through support or knowledge transfer from the skills package. Both help to ensure a progressive approach to farming needs. The personnel involved in such work need to be individuals that farmers trust and respect.
- j) Where possible, LEP priorities for rural development spending should tie in with their other rural work and other services targeted at small and micro-enterprises.
- k) LEPs should ensure that horticulture can benefit as well as other agricultural sectors.

l)LEPs should make use of LEADER staff and the knowledge they have developed in running the programme.

The NFU in Hertfordshire is represented by NFU County Adviser Diane Armitage and the NFU in Buckinghamshire is represented by Annie Vernon. They can be contacted at the addresses, emails and phone numbers below.

Diane Armitage County Adviser, Bedfordshire, Huntingdonshire and Hertfordshire

NFU – East Anglia
Willie Snaith Road
Agriculture House
Newmarket
Suffolk CB8 7SN

Diane.armitage@nfu.org.uk
Tel: 01638 672119
Mob: 07880 385683

LEADER Case study brief

PROJECT NAME: Happy Herefords Adding Value Project

LEADER Project Manager: Nick Phillips

LEADER area: AVMK

<p>Amount of Grant released</p>	<p>£36,000</p>
<p>Project detail Include specific details of what the LEADER grant is being spent on and how the project has benefitted from the grant. What can they do now that they couldn't before? What are the key messages from this project?</p>	<p>Happy Herefords is based on several small blocks of land on the Beds and Bucks borders where passionate farmer, Monica Brown, produces beef from pedigree polled & traditional Hereford cattle. When you buy meat from Happy Herefords, you'll not only know the breed, and where it has been grazed- you'll even know its name.</p> <p>Thanks to a £36,000 LEADER grant, Monica has been able to diversify the business, cut out the middleman and retail her own meat directly to the customer.</p> <p>The LEADER grant has enabled the purchase of a delivery van, a hog roasting kit, chiller and processing facilities. Monica now travels far and wide to tempt customers with her tasty burgers and sausages. Her Grill trailer is a .hot. favourite at shows as visitors can watch Rob .the butcher turned chef, flipping burgers and sausages which they can then sample before buying.</p> <p>I am able to maximise the value of the cattle that I spend my life looking after. enthuses Monica</p>
<p>A quote from the LEADER team</p>	<p>Nick Philips, LEADER programme manager says Happy Herefords is a great example of a farmer maximising the value of conservation grazing, and using entrepreneurial skills to establish a brilliant farming business. It is an innovative and ambitious project which is great to see from the farming community, and I am sure Monica's customers would agree!</p>
<p>A quote from the grant recipient</p>	<p>"My customers have the best beef available and I feel the animals gain the respect they deserve by the satisfaction of my customers. They can buy burgers from my mobile van or cuts of meat direct from my website. LEADER has been a real business boost!"</p>

<p>Photograph</p>	
<p>Any other information</p>	<p>The business can add up to 300% added value by making and selling burgers.</p>
<p>Approvals Nick to approve all case study final drafts</p>	

LEADER Case study brief


PROJECT NAME: Green Dragon Rare Breeds Farm

LEADER Project Manager: Nick Phillips

Location: Hogshaw near Quainton

LEADER area: AVMK

Amount of Grant released	£50,000
<p>Project detail Include specific details of what the LEADER grant is being spent on and how the project has benefitted from the grant.</p> <p>What can they do now that they couldn't before?</p> <p>What are the key messages from this project?</p>	<p>Ray Marzec has a vision to create a rare breeds and eco centre in the wilds of the countryside. The dream is now almost a reality. The Green Dragon Rare Breeds and Eco Centre could shortly be drawing thousands of visitors into the county. This vision has been 16 years in the making and the project was propelled forward recently when Nick Phillips announced that LEADER was to invest £50,000 into the project. "The local action group, who I represent, recognised that this project was a unique and brave proposal , which obviously as with any new business involved a considerable leap of faith. Mr Marzec has invested his savings, home and half his life's work just getting the farm and the animals. After considering the business plan in detail the LAG decided to support the building of the Eco Centre, Café and Shop on site." Mr Marzec is anticipating employing up to 12 people in the first few years. It was felt that an attraction developed on sustainable principles was a great project for the area.</p> <p>Although there will be a delay between the end of this round of European funding and the start of the next LEADER will continue to offer support and advice to rural businesses in the area.</p>
<p>A quote from the LEADER team</p>	<p>A great project but one that carries risk. The driving force is Ray and he has overcome so many barriers that the LAG were confident. This confidence was backed up by a detailed business plan and well researched cash flow forecast.</p> <p>The opportunity to create 12 jobs is of key interest to the LAG.</p>
<p>A quote from the grant recipient</p>	<p>"We are delighted and grateful for the support of LEADER. The Eco Centre is critical to the business case and will include a farm shop, a café and an eco information area. The attraction will include an interactive walled garden, play centre and much more. We have had so much interest in the project already, from school groups, universities, council members and many others."</p>

<p>Photograph</p>	
<p>Any other information</p>	<p>The business expects over 50,000 visitors per year by year 5</p>
<p>Approvals Nick to approve all case study final drafts</p>	

LEADER Case study brief


PROJECT NAME: Winslow Farmers Market Est by LEADER 2009

LEADER Project Manager: Nick Phillips

Location: Winslow

LEADER area: AVMK

<p>Amount of Grant released</p>	<p>£36,000</p>
<p>Project detail Include specific details of what the LEADER grant is being spent on and how the project has benefitted from the grant. What can they do now that they couldn't before? What are the key messages from this project?</p>	<p>Winslow Market Square will shortly be home to a thriving new farmers market one Sunday every month. Local farmers have clubbed together to work with the Winslow Town Council in order to set up this great venture. The LEADER programme for Aylesbury Vale and Milton Keynes were able to fund 80% of the new market stall and marketing. Nick Phillips Programme Manager for LEADER in Bucks staid. "This is an excellent example of innovation and collaboration amongst farmers, Town Council and local businesses. LEADER are delighted to be able to fund this project and may well be able to assist some of the farmers in their diversification projects in the future. The farmers that I have heard from will be bringing some very good quality local produce to the market."</p>
<p>A quote from the LEADER team</p>	<p>If we help one farmers market we are opening opportunities for maybe 20 to 30 farmers to sell their products. Farmers markets add to the character of a town and can create a destination, leisure activity and a learning experience all in one. But like most great successes they need a champion and Winslow has been lucky with its team.</p>
<p>A quote from the grant recipient</p>	<p>John Knight, Project Manager at the Town Council, Winslow said. "This project has been driven by the demand from farmers looking to sell their local produce direct to customers and the demand for a wider variety of local goods. LEADER grant will make a huge difference to the success up of this project."</p>

<p>Photograph</p>	
<p>Any other information</p>	<p>More and more farmers are finding ways to sell their produce direct to the public without going through the supermarkets. It seems local businesses are also pleased to see the market open as they will see more visitors to the town on a Sunday.</p> <p>The market now has over 30 regular attendees and turns over thousands of pounds every week. Many of the adjoining businesses such as cafes and antique shops now open on a Sunday due to the increased footfall in the high street.</p>
<p>Approvals Nick to approve all case study final drafts</p>	

LEADER Case study brief


PROJECT NAME: Harvest Moon Barn

LEADER Project Manager: Nick Phillips

Location: Claydon

LEADER area: AVMK

Amount of Grant released	£50,000
<p>Project detail Include specific details of what the LEADER grant is being spent on and how the project has benefitted from the grant.</p> <p>What can they do now that they couldn't before?</p> <p>What are the key messages from this project?</p>	<p>In the fields around Claydon in North Bucks is an opportunity to escape from it all. Really to escape situated at the end of a rough track about half a mile long will be a newly converted barn offering self catering accommodation for those seeking peace and tranquillity in the historic land of Claydon House built by the Verney family in 1791.</p> <p>The LEADER Rural Grants Programme have supported the development of a disused barn to provide much needed tourist accommodation in the rolling landscape of North Bucks.</p> <p>“With so many tourist attractions within minutes and such breath taking landscapes it seems amazing that there are so few opportunities for overnight tourist accommodation. This seems an excellent opportunity to support a new business venture.” Nick Philips LEADER Programme Manager.</p> <p>“We have been considering the plan for some time and now with the support of LEADER we have been able to get under way offering a six person self catering property in a really splendid location.” Said Christine Hodgins, owner of Winters Tale</p> <p>Many people consider Buckinghamshire as the perfect destination for all those looking for a break from London and the Midlands. Within an hour, visitors can be from central London to the most beautiful and breathtaking parts of the Countryside. TSE have recorded the huge rise in interest of the “stay-cation” particularly the activity short break. This includes cycling, walking and horse riding as well as visiting historic buildings and gardens.</p> <p>In 2008 21% of all holidays taken in the UK were cycling or walking holidays where most people chose self catering above hotels. Last year LEADER supported the Chiltern Cycle route, three self catering operations, a campsite and a B&B.</p>
A quote from the LEADER team	At the time of supporting the LAG were concerned about the occupancy levels as the site is so remote. In 2013 the owner recorded bookings amounting to 90% occupancy. The business case was developed on a 65% occupancy.
A quote from the grant recipient	“The barn has been so popular that I am now building a second to cope with the demand. I would not be where I am without LEADER support.”

<p>Photograph</p>	
<p>Any other information</p>	<p>The demand for self catering accommodation far exceeds supply in AVMK</p>
<p>Approvals Nick to approve all case study final drafts</p>	

LOCAL ECONOMY PARTNERSHIPS (LEPS) UPDATE

1 Purpose

To provide Scrutiny members with an update on the progress and future of Local Enterprise Partnerships.

To highlight some of the issues and uncertainties that continue and the evolving landscape, including the increasing powers and changing nature of the LEPS.

2 Recommendations

- | | |
|-----|--|
| 2.1 | That Scrutiny Committee is asked to note the progress and achievements of LEPS so far, from which AVDC has and continues to benefit |
| 2.2 | To understand and comment on some of the issues highlighted in the report which may need closer examination and review in the future |

3 Executive summary

- 3.1 AVDC is one of a number of local authorities that has an overlapping LEP arrangement, as its natural economic geography fits with both SEMLEP and BTVLEP, where it shares common 'travel to work areas' and shared workforce, housing, skills and infrastructure issues.
- 3.2 AVDC will continue to work to seize opportunities for the Vale, the Local Authority and its businesses, wherever it finds them. AVDC has benefitted strategically and financially from being part of two LEPS to-date, as have many of the other 39 LEPS who continue to see a future in overlapping LEPS.
- 3.3 AVDC has had a seat on both of the LEP Boards, which is helpful in being in a strong position to influence and ensure there is LEP impact in the Vale and its economic growth, benefitting AVDC's communities. As can be seen from the comments made further down in the paper, LEPS are relatively new and still finding their way. Furthermore, there is no certainty yet about what might happen after the 2015 general elections, although there would seem to be a cross party consensus that LEPS in some shape, form or function will remain.

4 Supporting information.

4.1 The original rationale and purpose of LEPS

Following the abolition of the RDAs (Regional Development Agencies), the coalition Government were keen to have some form of economic body which operated at the sub-national level between central government and local authorities, in line with the 'localism' agenda.

In June 2010, areas were invited to bid to form Local Enterprise Partnerships (LEP), whose broad aims were set out in the Local Growth White Paper in October 2010.

It was intended that LEPS should demonstrate clear leadership in local areas, setting out local economic priorities and needs which reflected the 'functional economic areas' to stimulate private sector growth and job creation. In essence, the LEPS were tasked with identifying and dealing with real, on the ground practical issues, causing large scale frustration to businesses.

It has been widely recognised that economic development can only sensibly be done on a scale greater than most individual local authorities, namely across a 'functional

economic area', defined in part by 'travel to work area', where there is a reciprocal flow of people crossing boundaries on their way to work, and where housing, infrastructure, skills and jobs markets are interconnected.

It is a fact that businesses and enterprise do not acknowledge municipal boundaries and are not bounded by the horizons of their local council, when hiring staff or setting up new operations. Equally, Universities are unbounded by Local Authority boundaries as they seek research and other collaborations with industry that can utilise their research, innovation and other commercial services. Consequently, Buckingham University is an integral part of the South East Midlands University group SEMU, part of SEMLEP.

Essentially, at the outset, the role of the LEPs was to enable Local Authorities and business representatives collectively to:

- Shape, inform and be informed by the real needs of business;
- Develop private-sector led commercial business cases in response to national funding opportunities;
- Provide a mechanism for businesses and local authorities to lobby for an appropriate share of national resources;
- To harness the collective experience and insight of business and local authorities to focus priorities;
- To provide sustained and joined-up lobbying for business critical infrastructure (e.g. East/West Rail)
- To bring together views on how best to use funding proposals to support jobs, employment growth, skills and training

4.2 Chronology of AVDC's involvement in two LEPs

South East Midlands Local Enterprise Partnerships (SEMLEP)

In March 2011, AVDC joined the South East Midlands LEP, as Aylesbury Vale is part of the natural 'functional economic area' of SEMLEP. SEMLEP itself, was an evolution and extension of an existing close working partnership with Local Authorities, which had previously been known as Milton Keynes South Midlands (MKSM), and had also co-operated in working towards a concept of the 'Oxford to Cambridge' arc.

Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP)

After the first wave of LEPs had been approved, it was clear that certain parts of the country were not represented by a LEP, which included Wycombe, the Chilterns and South Buckinghamshire, who had been having discussions with the Thames Valley LEPs. AVDC was approached by the remainder of the County to agree to its involvement in the establishment of another Buckinghamshire wide LEP. As a result, BTVLEP was formalised and approved in January 2012, accompanied by a Memorandum of Understanding (MoU) setting out how the overlapping arrangement would need to work.

At this time, 39 LEPs had been approved covering the whole country, SEMLEP being the 7th largest and BTVLEP the second smallest, many of which still continue to having overlapping areas today. Within SEMLEP, Cherwell, South Northants and some other Northamptonshire Districts are also in two LEPs.

4.3 A transformational change in LEP powers and functions

Heseltine Review and devolution of funding

A transformation in how LEPs were perceived occurred in October 2012, following the publication by Lord Heseltine of *“No Stone Unturned in Pursuit of Growth - a new partnership for growth”*. This report consisted represented a comprehensive economic plan to improve the UK’s ability to create wealth and consisted of a series of 89 recommendations to Government. These 89 recommendations were concerned with injecting greater stability into the economy, creating conditions for growth and maximising the UK’s economic performance.

The main thrust of these recommendations revolved around the potential for greater devolution of powers and funding to local areas (LEPs) by arguing for a major rebalancing of responsibilities for economic development between central and local government and between government and the private sector.

It represented a series of measures to unleash the potential of local Leaders, businesses and the economy at the local level.

Autumn statement December 2012

The Government’s initial response was positive and began to set the direction for the devolution of central departmental government spend to local areas. In short, the remit and importance of the LEPs now began to take on greater significance. The key recommendations adopted were as follows:

- empowering LEPs to assume responsibility for the devolution of some central government departmental spending into a LEP controlled single funding pot, called the Single Local Growth Fund (SLGF), with effect from April 2015
- allocating capacity funding of £250k to each LEP for 2012-2014 to enable them to develop the strategic economic growth plan for the area to bid for devolved funding
- agreeing to devolve a greater proportion of cross departmental growth-related funding from 2015, with a commitment to maintain similar levels each year until 2020
- aligning the EU common strategic framework plan priorities 2014-2020 and funding with LEP growth plans
- giving LEPs a new role in setting skills strategies, especially around employer led demand
- providing an additional £350m for Regional Growth Funding (RGF) bids
- enabling Local Authorities to come together in different ways to form Combined Authorities or other different governance models to allow for greater co-operation across LEP areas

2013 budget announcement

However, the scale of intent and funding proved to be a disappointment when the Government responded in the March budget 2013, in announcing only a £2bn single pot of growth funding for 2015, much smaller than the £59bn Heseltine had wanted over 5 years. The pot into which LEPs could bid for 2015 was £2bn and includes a proposal to top slice the New Homes Bonus (NHB) nationally by £400m. The government have recently consulted on this proposal and have yet to confirm that this will be the confirmed arrangement and local authorities have strongly objected to this proposal.

Bids for single pot funding will be allocated by formula (50%) and the rest by a competitive bidding process. It was indicated that similar levels of funding would be provided each year until 2020, after which it would be reviewed in line with Comprehensive Spending Round Reviews (CSR).

However, in return for this funding, LEPs would have to clearly demonstrate how they would make their area the best place to do business and show the clear difference they would make, as well as demonstrate how they can work across boundaries on areas such as transport, inward investment and EU programmes etc. The constitution of the amount available for funding on a national basis for 2015 is broken down as follows:

Creation of a single growth fund of £2bn from 2015:

Local Authority Transport Majors	£819m
Local sustainable Transport fund (capital)	£100m
Integrated transport block	£200m
Further education capital	£330m
European Social Fund (ESF) match	£170m
New Homes Bonus (NHB)	£400m
Total	£2,019m
Of which capital represents	£1,449m

Although this is allegedly single pot funding, there are strong indications that some part of the bidding process will be judged against “old departmental “ criteria, in particular transport..

In addition, EU funding allocated for the period 2014- 2020 has been announced which is as follows:

- SEMLEP circa £88m
- BTVLEP circa £17m

4.4 Current state of play – where are we now?

4.4.1 It is recognised that LEPs are still at an early evolving stage of development and are still in experimental mode. Moreover, it is recognised that LEPs cover different geographies and are of different characters, capabilities and capacities, although all they are focused on growth, competitiveness and investment.

AVDC’s current position is that it will continue to work with partners with whom it has a proven track record of collaboration in a naturally occurring ‘functional economic area’ and with whom it has and continues to benefit. Many of the 39 LEPs have Local Authorities that are in two or more LEP areas, precisely because they recognise that their long term interests are served by what happens in both LEPs and that they are able to influence what happens at the ‘top table’ – one example is Barnsley who are positioned in both Leeds and Sheffield City Region LEPs.

4.4.2 A complicated and evolving landscape to work with

A lot has happened since the Coalition took office and yet a lot of the initiatives have yet to bed down and impact. It is early days in the development of the LEPs and as a result, AVDC along with many others across the Country is still finding its way. However, in so doing, it is trying to keep abreast of all the changes and opportunities, whilst at the same time trying to ensure '**no door is closed**' to any opportunity that comes along, from which it might benefit.

Some opportunities might present themselves to one LEP as opposed to another and AVDC has to position itself to understand these opportunities, by working them through with other parties, before any commitments or decisions can be taken one way or the other.

Recent opportunities which have presented themselves solely through SEMLEP have included an opportunity to explore what being part of a City Deal would mean and the possibility of benefitting from a share of future business rates uplift from the Northamptonshire Enterprise Zone.

Below is an illustration of the initiatives we have to keep up with and relationships we need to maintain to position AVDC for future benefits to the area and its businesses.

- 1) there are a plethora of new partnerships and bodies - LEPs, Local Transport Boards, Combined Authorities
- 2) there are a range of national enterprise and innovation agencies and functions – UK Trade and Investment (UKTI), the Technology Strategy Board (TSB) etc
- 3) there are new sub-regional instruments – 28 City Deals, 39 LEP growth deals
- 4) there are new local instruments – community and neighbourhood budget pilots
- 5) there is a continuous stream of new policies to embed down – Community Infrastructure Levy (CIL), New Homes Bonus (NHB), Enterprise Zones (EZs), planning reforms
- 6) there are a range of new funding instruments – Regional Growth Fund (RGF), Growing Places Fund (GPF), Tax Increment Financing (TIF), business rates retention etc

4.4.3 The priorities for the LEPs 2013-2015

LEPs currently have to meet very significant and complex government expectations and EU compliance. What is clear is that this period of time should be spent in building a strategic economic leadership team with a shared vision and intervention strategies **but not in isolation**, as no LEP is an island nor is economic development.

LEPs must prove themselves to be ready to accept new powers and responsibilities in a transparent and fully accountable manner, as they are intended to be subnational bodies that are locally accountable, have devolved powers and resources at their disposal to be able to develop the economy and create an economic destiny, in tune with local place-based advantages to create a better quality of life for all.

They currently have a huge workload, not only of delivering against existing and new initiatives arising from Government and consultations, but focusing on providing the **evidence and story** to support both the EU 2014-2020 plan, which had to be submitted in draft form by early October 2013 and which will need to be finalised in January 2014, as well as the Single Local Growth Plan, the first draft needing to be submitted to Government by December 2013, for ongoing discussions with Government between January 2014 and April 2014, before being finalised in June 2014.

The key principle is of Growth Deals will be a partnership between the Government and Local Enterprise Partnerships, where the Government will respond to the offers made by Local Enterprise Partnerships in pursuit of the shared objective of growth. The Government and Local Enterprise Partnerships will negotiate Growth Deals on the basis of the Local Enterprise Partnership's Strategic Economic Plan.

4.5 How has AVDC benefitted so far ?

AVDC has had a seat on the Board of the two LEPs and has significant involvement of the CEO and Economic Development and Planning officers on various working groups, especially where they support and take forward AVDC's economic development strategy aims and objectives and develop projects/programmes in support of business.

Since Members had the opportunity of engaging with the LEPs at an early stage in 2012, matters have moved on apace. The most significant summary highlights of how AVDC has benefitted to-date include:

East/West Rail

Through a partnership called the East/West Rail consortium, consisting of Local Authorities and both LEPs, partners have managed to agree to provide local contributions to secure the Government's transport funding to deliver the East/West Rail from Bedford to Oxford by 2017, with an Aylesbury spur.

Superfast Broadband

BTVLEP have managed to secure £18m funding to support the roll out of superfast broadband across Buckinghamshire, through its Connected Counties partnership with Hertfordshire. This will be begin to be implemented on the ground by December 2013 and will significantly benefit Aylesbury Vale.

Key employment site investment

SEMLEP has agreed to an upfront investment of £4.4m of Growing Places Fund (GPF) to help upgrade the utilities and infrastructure to the Silverstone site, to accelerate the development and implementation of the Masterplan for commercial economic growth. This is Aylesbury Vale's most significant new employment opportunity in the Vale and especially important, since the recent investment by MEPC of £32m for a 999 year lease, who are keen to progress the realisation of their asset and return on investment.

Town centre masterplan

BTVLEP are working very closely with AVDC on the development masterplan for the Town Centre and have already invested £2m GPF funding to support public realm works around the Waterside development.

Sector and skills development

AVDC continues to work closely with SEMLEP and BTVLEP on the development and promotion of the High Performance Technologies sector, of which Silverstone is a part, as well as advanced engineering and manufacturing across the sub region.

EU and Growth plans

AVDC is working closely with both SEMLEP and BTVLEP on informing their skills plans for the future.

We continue to work with both LEPs in ensuring that our Local Authority and business needs are reflected in the emerging draft EU and Growth plans which the LEPs are preparing. Furthermore, we are working to bring the LEPs together to share their emerging plans with AVDC and each other, to align interests where there is

bigger impact and where local match is concerned and will continue to do this as these plans are formed.

MK/SEMLEP City Deal

An ongoing discussion with MK/SEMLEP and Government Ministers around a City Deal, which ultimately could provide additional revenue streams to support the delivery of services in communities, where Local Authorities are accepting significant housing growth under their Local Plans.

If this were to be successfully negotiated, it would also bring significant funds to bolster the sub-regional business support known as a 'growth hub', as the second wave City deals can bid into a Regional Growth Fund (RGF) pot which could draw down at least £2.5m in addition to local match. In addition, there is a skills strategy asking for greater freedoms to deliver more employer led skills programmes, apprenticeships and work readiness programmes, building on what has already been achieved with the likes of Arla and the UTC for instance, but developing similar programmes in other sectors where there is a need, such as in manufacturing and engineering.

Whether successful or not, the whole discussion has made SEMLEP aware that the New Homes Bonus (NHB) funding is significant to the Local Authorities and that rather than keep the NHB top sliced funding in a central growth fund LEP pot, they have sent a letter of intent to all Local Authorities making it known that the intent will be to repatriate those monies to those areas delivering new housing growth, as was the original intent of the NHB.

4.6 What now for the future?

Although LEPs are not perfect, it is clear that there will be little appetite, post 2015 elections, for another wholesale reorganisation of the economic development infrastructure.

However, some are suggesting that 39 LEPs is still too many and there may be a need for further slimming down and re-configuration of LEPs under a new Government. It has been suggested that a future Labour government would inherit a patchwork quilt of regional, sub-regional and local structures of economic governance and that they would be *"interested in finding ways of strengthening and extending partnerships between businesses, communities and elected leaders within and across areas", suggesting that one way to improve them would be to widen the geographical coverage, even bringing 'core cities' together with their wider hinterland"*.

In any event, whichever party comes to power, LEPs would be here to stay.

Equally Local Authorities will have a key role to play as democratically accountable bodies who would have both a key strategic and delivery role to play. Whatever shape and form LEPs take in the future, they will be primarily focused around an economic development model which consists of three core aspects:

- physical investments (assets, infrastructure)
- enterprise and innovation eco-systems (HEIs, business agglomerations, value/supply chains, local markets)
- community regeneration and economic inclusion (NEETS, rural, areas of multiple deprivation)

AVDC should continue to work with partners with complementary activity and where they have strengths which our area and businesses can benefit from. Ultimately, any LEP will need to have critical mass to be nationally significant and deliver Government outcomes and be globally significant with a recognisable coherent profile and reputation and prove that they are delivering growth.

Issues and uncertainties which will need resolving at some stage along the evolutionary journey

Governance:

Greater accountability and wider representation is key. Local Authorities have a democratic mandate and stewardship role which will involve influencing priorities, engaging with strategists, fostering and scrutinising delivery activities. They also have experience of addressing legislative challenges around planning and procurement processes

Resources:

Local Authorities will continue to have a major role to play especially with the partial re-localisation of business rates, through our planning function, and a possible reformed government finance system to raise revenue in future for economic development purposes

Business engagement:

Businesses are meant to know how to stimulate private sector growth, hence guide local economic strategies and lead the design of policies to support growth. With the allocation of new powers to the LEPs, it is important that these new powers and level of funding will be significant to ensure the continued commitment of businesses, who must be representative of the broader business demography and motivated by the interests of the area

Overlapping LEPs:

Whilst significant uncertainty over the future shape and direction of travel of LEPs still exist and significant lobbying from different factions and perspectives is still underway, AVDC should continue to maintain its dual stance of being in an overlapping area that looks south to Buckinghamshire and the Thames Valley and north to the South East Midlands to position itself to take advantage of the benefits that could potentially accrue from both, whilst remaining alive to ongoing developments. There is no immediate pressure or need for AVDC to decide at this point as to whether it should ultimately be in one LEP or two.

5 Response to Key Aims and Objectives

Economic Development functions of the council contribute to the corporate plan objectives of Growing the Economy of the Vale and Deliver Efficient and Economic Services.

Contact: Mark Wathen (01296) 585064
Background papers: None

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE – WORK PROGRAMME 2013 - 2014

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
4/2/2013 Lead Officer Tracey Aldworth	Economic Development Strategy refresh and progress update including information on grants and business start-up help	22/1/2013	Committee	To allow scrutiny to comment on the strategy refresh and Action Plan (Mark Wathen)	To make recommendations to the Cabinet Member	Cabinet Member for Economic Development
4/2/2013 Lead Officer Tracey Aldworth	Skills provision – scoping report	22/1/2013	Committee	To set the scene leading to a review of skills provision at the meeting of 25/3/2013 (Mark Wathen)	For recommendations to be made regarding specific skills provision that satisfy the needs of the Vale	Cabinet Member for Economic Development
25/3/2013 Lead Officer Tracey Aldworth	Skills provision – Aylesbury Business Needs - update on latest findings and to hear from skills providers and users.	12/3/2013	Committee	To review the skill set requirements of Aylesbury Vale and how these skills would be provided (Mark Wathen)	For recommendations to be made regarding specific skills provision that satisfy the needs of the Vale	Cabinet Member for Economic Development
25/3/2013 Lead Officer Tracey Aldworth	Broadband delivery. Include input from BRAG	12/3/2013	Committee	To review an update of Broadband delivery. (Mark Wathen)	To make suggestions on any further action to be pursued.	Cabinet Member for Economic Development

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
4/6/2013 Lead Officer Tracey Aldworth	Aylesbury Vale Estates update	21/5/2013	Committee	To monitor the performance of the joint commercial property partnership (Jon McGinty)	1. Monitor performance 2. To make recommendation to the Cabinet Member, as appropriate	Cabinet Member for Economic Development
4/6/2013 Lead Officer Tracey Aldworth	Refresh and update of Olympic legacy programme	21/5/2013	Committee	To update and allow scrutiny to comment on the programme (Ian Barham)	To make recommendations to the Cabinet Member	Cabinet Member for Leisure
4/6/2013 Lead Officer Tracey Aldworth	Skills Provision – round up following the meeting of 25/3/2013	21/5/2013	Committee	To update and allow scrutiny to comment (Mark Wathen)	To make recommendations to the Cabinet Member	Cabinet Member for Economic Development
26/6/2013 Lead Officer Teresa Lane	To review the draft Improvement Plan for Aylesbury Town Centre	12/6/2013	Committee	To allow scrutiny to comment (Teresa Lane)	To make recommendations to the Cabinet Member	The Leader of the Council

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
3/9/2013 Lead Officer Tracey Aldworth	Skills Provision – to report on the findings of the Task and Finish Group following the meeting of 4/6/2013	20/8/2013	Committee	To discuss the presentation by BCC (Cllr Miss Lewis)	To make suggestions on further action that could be recommended to BCC	Cabinet Member for Economic Development
3/9/2013 Lead Officer Tracey Aldworth	Aylesbury Vale Estates Business Plan update	20/8/2013	Committee	To monitor the performance of the joint commercial property partnership (Jon McGinty or Maria Memoli)	3. Monitor performance 4. To make recommendation to the Cabinet Member, as appropriate	Cabinet Member for Economic Development
					5.	

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
28/10/2013 Lead Officer Tracey Aldworth	Skills update report following working group meeting on 23/9/13	15/10/2013	Committee		To make recommendations to the Cabinet Member/Officers	Cabinet Members for Economic Development and Strategic Planning
28/10/2013 Lead Officer Tracey Aldworth	Rural Economy, look at implications of planning rules, impact on the economy, diversification uses and needs	15/10/2013	Committee	To review whether AVDC is doing all it can to promote and give help to expansion of the rural economy. (Mark Wathen/John Byrne)	To make suggestions on any further action to be pursued.	Cabinet Member for Economic Development
28/10/2013 Lead Officer Tracey Aldworth	Update on LEPs	15/10/2013	Committee		To make recommendations to the Cabinet Member	Cabinet Member for Economic Development

APPENDIX E
AGENDA ITEM No. 7

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
11/12/2013 Lead Officer Tracey Aldworth	Update on Aylesbury Town Centre Partnership and Management of the Town Centre plus Update on usage and plans for the Markets	26/11/2013	Committee	To look at how Aylesbury Town Centre is performing (Diana Fawcett & Teresa Lane)	To make suggestions on any further action that they would like to see pursued.	Cabinet Member for Civic Amenities
11/12/2013 Lead Officer Tracey Aldworth	Budget review	26/11/2013	Committee	To look at 2014/15 budget proposals within the Committee's remit (Andrew Small)	To make recommendations to Cabinet	Cabinet Member for Resources
11/12/2013 Lead Officer Tracey Aldworth	Aylesbury Vale Visitor Economy Action Plan	26/11/2013	Committee	To allow scrutiny to comment on the strategy refresh and Action Plan (Phil Black)	To make recommendations to the Cabinet Member	Cabinet Member for Economic Development

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
29/1/2014 Lead Officer Tracey Aldworth	Review of previous 12 month's scrutiny items	14/1/2014	Officers	To revisit the previous 12 month's items and assess whether the expected outcomes have materialised (Derek Willmer)	To further develop the effectiveness of Scrutiny	All Cabinet
29/1/2014 Lead Officer Tracey Aldworth	Major Employment Sites, including an update on Silverstone growth	14/1/2014	Committee	To look at designated sites and how to get them up and running and the planned growth of Silverstone (John Byrne)	To make recommendations to the Cabinet Member/Officers	Cabinet Members for Economic Development and Strategic Planning

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
17/3/2014 Lead Officer Tracey Aldworth	No items at present	4/3/2014				

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
3/6/2014 Lead Officer Tracey Aldworth		20/5/2014				

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
3/9/2014 Lead Officer Tracey Aldworth	No items at present	19/8/2014				

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
21/10/2014 Lead Officer Tracey Aldworth	No items at present	7/10/2014				

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
8/12/2014 Lead Officer Tracey Aldworth	Budget review	25/11/2014	Committee	To look at 2015/16 budget proposals within the Committee's remit (Andrew Small)	To make recommendations to Cabinet	Cabinet Member for Resources

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
21/1/2015 Lead Officer Tracey Aldworth	No items at present	6/1/2015				

Date of meeting	Item	Reports due	Requested by	Purpose of Review (Responsible Officer / Member)	Expected Outcome	Relevant Cabinet Member
17/3/2015 Lead Officer Tracey Aldworth	No items at present	3/3/2015				