

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

21 October, 2014

PRESENT: Councillor Miss Lewis (Chairman); Councillors Mrs Bloom, Mrs Glover, Hawkett, Kennell, Poll, Strachan (Vice Chairman) Thompson and Mrs J Ward (in place of Councillor Mrs Davies).

APOLOGIES: Councillors Bowles (Cabinet Member for Economic Development and Major Projects), Mrs Davies and Lambert.

1. MINUTES

RESOLVED –

That the Minutes of the meeting held on 3 September, 2014 be approved as a correct record.

2. FEEDBACK FROM PREVIOUS MEETINGS

(a) 17 March, 2014: Inward Investment in the Vale

It was confirmed that as part of the development of the Vale of Aylesbury Plan, sites identified as part of the neighbourhood planning process, as being suitable for employment were being examined within the context of promotion for inward investment, and that AVDC was working closely with organisations such as Bucks Business First to ensure that a targeted approach was being taken to business retention and inward investment. Whilst no specific action had yet been taken in relation to identifying intermediaries who might assist with inward investment on a risk and reward basis, it was confirmed that officers were working closely with potential investors with a view to bringing forward employment sites which already had the benefit of planning consent. The Cabinet Member for Economic Development and Major Projects had confirmed that he was willing to examine whatever opportunities might present themselves to encourage inward investment.

(b) 3 June, 2014

(i) Support for Business Growth within the Vale

Cabinet had considered the Scrutiny Committee's feedback and had endorsed the earlier proposals for the use of the £166,500 funding with the exception of the £50,000 specifically proposed to be allocated to the Town Centres business rates support scheme. Cabinet had concurred with scrutiny's view that this money be incorporated into the Business Grant Scheme. The qualifying criteria for the existing scheme would be adjusted in order for retail premises to qualify for the grants. A

response was awaited from County Council and the Bucks County Fire and Rescue Service on whether they wished to formally support the scheme. Following further discussion on support for business growth in the Vale, Cabinet had resolved to allocate the £166,500 raised by the Council Tax increase in 2014/15 as follows:-

Scheme	£
Additional Staffing Support for Economic Development	£41,500
Match Funding Support for European Funding	£25,000
Additional Contribution to the Golden Welcome Scheme	£50,000
Business Grants Scheme	£50,000
Business Rate Support for New Businesses	Self Funding
Total Funding Allocated	£166,500

Further work was being undertaken to clarify the position around discretionary business rates discounts and this would be the subject of a further report to Cabinet in due course. The overall provision regarding economic development (having regard to scrutiny's view that more significant investment in this activity was essential to secure the economic wellbeing of the District), would be considered as part of the budget planning process for 2015/2016.

(ii) Aylesbury Vale Estates (AVE) Business Plan 2014 - 2015

Cabinet had considered the AVE Business Plan taking into account fully the views expressed by the Committee, and had approved the Plan.

RESOLVED –

That the feedback from previous meetings and decisions made by Cabinet be noted.

3. LOCAL ENTERPRISE PARTNERSHIPS UPDATE

The Committee had received a report regarding the work of the Local Enterprise Partnerships (LEP) in October 2013. AVDC was a member of two LEPs – the South East Midlands LEP (SEMLEP) and the Bucks Thames Valley LEP (BTVLEP). This had come about as a result of SEMLEP being established first in April 2011, as a natural successor to the Milton Keynes and South Midlands Growth Partnership, of which AVDC was a founding member. The Government had then decided that areas of so called 'white space' were an issue and that LEPs should therefore cover the whole of England. The Bucks Thames Valley LEP had therefore subsequently been formed in December 2011 and also included the Aylesbury Vale area, hence the

current overlap arrangement. This situation was not unique to the Vale and occurred in over 20 other Local Authority areas.

It was reported that since the last report to the Committee, the main focus and activity of the LEPs had been on developing their Strategic Economic Plans, the EU Structural Fund Investment Fund Strategy and submitting proposals to Government for Local Growth Funds (LGFs). Copies of the various strategies and documents from the LEPs had been posted on the LEP websites.

In July 2014, the Government had announced the allocation of the funds from the national pot of £2bn. Copies of the specific growth deals for both LEPs had been appended to the Committee report. In summary, BTVLEP had secured £44.2m from the Local Growth Fund and SEMLEP had secured £79.3m. This included funding for the Aylesbury Eastern Link Road and Stocklake Link scheme.

In addition to this LGF funding, the LEPs had also been allocated EU funds for the 2014-2020 period. BTVLEP had been awarded €13.8m and SEMLEP €87.9m. It was expected that calls for funding would be made in January 2015. Projects would then be the subject of full business cases over the Summer of 2015, with the intention to commence in Autumn 2015. AVDC had representation on both the LEP EU funding groups.

Both LEPs were now working on the next round of Local Growth Funding submissions with bids for 2016/17 being submitted by the end of November. These would reflect the priority needs for the LEP areas. AVDC was contributing to this process to promote opportunities across the Vale that matched the SEP priorities.

A wide range of events and seminars had been arranged by both LEPs targeting the sector strengths in the region, such as high performance engineering as well as general engagement with businesses, the skills sector and other partners to help build up the engagement with the LEPs.

The “Planes, Trains, Automobiles” brochure was currently being produced by SEMLEP to provide information on SEMLEP’s offer. AVDC had ensured that businesses and support from the Aylesbury Vale area were noted. Other sectors also being developed included Food and Drink. SEMLEP was currently working with NEP and University of Northampton on the Food and Drinks proposition for the SEMLEP and NEP areas, focusing on key and leading businesses that could act as potential case studies; details of academic links and sites to support the SEMLEP wide offer.

Both SEMLEP and BTVLEP were contributing towards the national space offer to UKTI, AVDC having ensured that Westcott, the heritage site for rocket propulsion, COMDEV and MOOG ISP were being included into the offer.

High Performance Technologies (HPT), incorporating 6 LEPs, was currently bidding for UKTI funding for a future HPT event over the Grand Prix week 2015. A skills group was also taking forward an initiative to work closer with schools to introduce

engineering, and other STEM career opportunities, to school children and their parents at an earlier stage.

In addition, BTVLEP had secured over £350,000 to invest in the growth of the Buckinghamshire Local Growth Hub. The Growth Hub, co-ordinated by Buckinghamshire Business First, provided business support, advice and facilities for the local business community.

The future focus for the LEPs would be ensuring that projects for which they had already received funding were delivered and that they achieved agreed economic growth outcomes. They would also be ensuring that the appropriate financial assurance frameworks and risk management mechanisms were in place to support the projects.

AVDC remained committed to working with both LEPs and to ensuring that the LEP local growth deals and key projects maximised all possible benefits for businesses and residents of the Vale.

Members commented on a number of aspects associated with the work of the LEPs, including the following:-

- The need to bring forward as soon as possible major road infrastructure schemes which would benefit the economic development of the District, as well as improving the quality of life of Vale residents. Members were pleased to note that funding was being set aside for developing the business cases of schemes that could be “brought off the shelf” in the event that construction funding was made available.
- Members enquired about the capacity of the LEPs to deliver the projects for which funding had been allocated and noted that they received core funding from Central Government and local authority partner contributions (similar to a subscription).
- Members were pleased to note the degree of activity taking place to encourage inward investment by high technology companies and the work being done to increase the manufacturing base of the District.
- It was confirmed that contributions were being made where appropriate to developers (in the form of repayable loans) to ensure the delivery of road infrastructure. This was essentially to ensure that schemes were developed speedily. The funds would be repaid to the Authority with interest, for re-investment in other economic development projects.

After general discussion, the Committee

RESOLVED –

That the latest position regarding the Local Enterprise Partnerships be noted.

4. ECONOMIC PERFORMANCE UPDATE

The Committee received a report on the latest progress and position regarding Economic Performance in Aylesbury Vale. An overview was also provided on the national economy as a comparator, but it was appreciated that direct comparisons were difficult. Each of the business areas had been assessed with comparative historical information and with regional partners where this was available.

The national economy had grown for five consecutive quarters, the largest growth being in construction at 2.6% and manufacturing at 0.8%. During the first 2 quarters of 2014 employment continued to rise and unemployment to fall. These changes continued the general direction of movement since late 2011/early 2012. Despite this positive performance, the UK economy remained 0.6% below the peak in the first quarter of 2008.

The Aylesbury Vale economy was also moving positively forward with Job Seeker Allowance claimants falling consistently since February 2012 and over the first two quarters of 2014 by 0.5% to 1,282. However, during 2012-13 the number of jobs recorded a fall of 1.6%, with an increase of 200 public sector jobs and a fall of 1,100 in the private sector. Despite seeing employment fall in 2013, Aylesbury Vale had seen the strongest performance since the commencement of the recession in 2008, recording the 43rd highest increase of all local authorities. During the same period full time work fallen while part-time work had increased.

The employment data indicated an increase of jobs in wholesale, education, health and arts / entertainment and a reduction of jobs in business administration and support services (down 2,500), the professional, scientific and defence sector (down 1,600) and manufacturing (down 800). Overall, for the last 4 years, the number of business closures in the Vale had been greater than the number of start ups. With the exception of the Chiltern area this picture was consistent across Buckinghamshire.

The number of working age people stood at 115,000 representing 63% of the local population. This had shown a regular annual decline from 65% ten years ago which indicated a growing older resident population.

Aylesbury Vale annual housing completions have been recognised nationally as the leading area with the highest numbers of dwellings in the region over the last 4 years and nationally for the highest number in 2013. The 1,020 dwellings completed in Aylesbury Vale represented 1.4% of the stock, the 4th highest rate of growth rate of all 326 local authorities in England.

Commercial premises and employment land were being marketed through all channels. Of the 353 vacant premises in Aylesbury Vale, a larger proportion of these were industrial land, warehousing, office and retail. The Council was working with its partners AVE, BBF, other local authorities and commercial agents to encourage take up of the available employment space.

Working with Buckinghamshire Business First (BBF) and Aylesbury enterprise and Innovation Centre, the Council had assisted 372 business including 206 smaller businesses and 16 larger businesses (more than 50 employees) with a range of regular business support events held across Buckinghamshire. These events had covered financial, legal, marketing, website and networking.

Since starting the grant funding support programme to Aylesbury Vale businesses, over £330,000 (averaging around £30,000) had been committed per annum in grants. Over the last 3 years, 12 business had received total funding of £54,970. With the reduction in funding available for the grants programme the grants criteria had been changed to ensure that grants were only awarded to businesses with the highest quality applications and evidence of viability. This had resulted in a lower number of applications and grants awarded, but it was expected that the survival rates of these businesses would improve considerably because of the grant support.

Inward investment work had resulted in positive connections with UKTI, SEMLEP and BTVLEP to increase the local offer to inward investors and encourage them to relocate to the area. 17 new investment enquiries had been received up to June 2014 sourced through UKTI and BBF. Additional work was being carried with ARLA to encourage food and drink supply chain businesses to invest and locate near to the ARLA site. In 2012-13, 28 leads had been received which had helped two organisations to relocate to the District and create 830 jobs. This had included the ARLA investment. During 2013-14, seven leads had led to three organisations relocating and creating 46 jobs.

Members commented on a number of general issues, including he following:-

- The business grants scheme funding had reduced, mainly as a consequence of having utilised most, if not all of the LABGI source funding. The Committee noted that officers were examining how AVDC might be able to increase the grants pot. It was interesting to note that over 90% of the businesses assisted via the grants scheme were still operational. Grants were of course also available from other sources. Members felt that it would be helpful if future reports could show the job creation numbers resulting from the business grants scheme.
- Members indicated that were generally happy with the information format but felt that some of the graphs could perhaps be simplified to enable better assimilation of the information.
- It was acknowledged that more work needed perhaps to be undertaken around the youth employment statistics having regard to changes in the school leaving age.
- Members were pleased to note that ALUTS payments were now discontinued, which it was felt would provide an additional incentive for inward investment.

RESOLVED –

That the latest position regarding the Economic Performance in Aylesbury Vale be noted and similar reports be brought to the Committee at six monthly intervals.

5. BROADBAND UPDATE

The Committee received a report on the progress made relating to the installation of broadband across Aylesbury Vale. The Bucks-Herts Broadband Project involved the local management of the Broadband Delivery UK (BDUK) procurement initiative, and was supported by central government, Buckinghamshire County Council, Buckinghamshire Thames Valley Local Enterprise Partnership and the private sector. The intention was to provide next generation access (24 Mbps or more) to at least 90% of premises, with the remainder achieving the best possible speeds (greater than 2Mbps, i.e. fast enough to watch BBC iPlayer).

The Connected Counties programme – made up of Hertfordshire and Buckinghamshire County Councils and BT – aimed to bring high-speed fibre-optic broadband, to more than 90 per cent of homes and businesses in the two counties by the Spring of 2016 (682,000 from BT's commercial deployments and 52,500 as a result of the Connected Counties programme).

A total of £18.06 million had been invested in the Connected Counties programme from the Government's Broadband Delivery UK (BDUK) team (£4.15m), the County Councils from Buckinghamshire (£3.7m) and Hertfordshire (£1.61m), which included funding from the two Local Enterprise Partnerships. BT had also contributed £8.6 million. Public funds could only be spent in areas where there was no existing or planned fibre service delivery by any commercial supplier.

The project encompassed a wide variety of broadband activity, all of which aimed to increase the reach of broadband, improve connectivity where existing speeds were poor, support the development of broadband pilots in strategic locations across the county where provision was substandard and identify good opportunities and demand for investment in new technology and an improved service. A large proportion of this was taking place across the Vale, and was benefitting both communities and businesses (business park/industrial park areas in Aylesbury and Buckingham) where commercial fibre coverage had proven to be limited.

Telephone exchange areas that had been enabled thus far for broadband fibre connectivity included Aston Clinton, Aylesbury, Stoke Mandeville, Stone, and Whitchurch. Phase 1 included 37 cabinets of which 25 were complete, including Aylesbury, Aston Clinton, Waddesdon, Stone, Wendover and Stoke Mandeville. Phase 2 included 38 cabinets of which 15 were complete, Phase 3 included 43 cabinets and Phase 4 included 12 cabinets.

The Phase 3 cabinets included the telephone exchange areas in the Vale at Brill, Buckingham, Finmere, Haddenham, Long Crendon, Steeple Claydon, Waddesdon

and Winslow. These works were underway with new services expected to go 'live' by March 2015.

Subject to successful survey and planning work, services to areas including Cheddington, Eaton Bray, Grendon Underwood, Mursley, Soulbury, Stewkley and Wing would be rolled out by March 2016. Collaborative efforts with community representatives had also secured additional funding to push fibre into the Lillingstone Dayrell telephone exchange area.

The County Council was currently pursuing the opportunity to extend the reach of fibre broadband yet further, following the allocation of additional Government funding. Funding received would need to be 'matched' locally. If successful it was anticipated that new areas to benefit would be announced in the middle part of 2015, and would have a significant impact on areas in the Vale that were currently not included in the Connected Counties rollout.

Work was continuing with broadband providers to attract further commercial investment into the County, particularly on new/planned residential and commercial sites where broadband infrastructure could be installed as developments were designed and built. This work was similarly being done with mobile operators to identify opportunities to support 4G rollout in areas that currently had poor provision.

Having commented on a number of general issues associated with the roll-out, the Committee

RESOLVED –

That the following comments be made to the Cabinet Member for Economic Development and Major Projects:-

- That the Planning Division be asked to consider how the provision of superfast broadband infrastructure for larger housing developments might be considered during the pre-application process through the introduction of a formal policy.
- That the Council should continue to provide whatever funding assistance it could towards the on-going roll-out of superfast broadband across the District.
- That the Council should continue to work closely with BBF and BDUK to ensure that all opportunities were taken to ensure that any work required to deliver superfast broadband infrastructure was carried out in conjunction with the construction of East-West Rail and HS2.
- That consideration should be given to the development of a business case for working with a wholesale provider to deliver superfast broadband within the Vale.

6. ECONOMY SCRUTINY COMMITTEE - WORK PROGRAMME 2014 - 2015

A Work Programme for the period to the end of March 2015 was presented for Members approval and having commented on the desirability of Council reports including an appropriate section relating to the economic impact of a particular proposal, it was,

RESOLVED –

That the Work Programme, as submitted, be noted and that Democratic Services be informed of any new items for inclusion.