

# **ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE**

**17 March 2015**

**PRESENT:** Councillor Miss Lewis (Chairman); Councillors Mrs Bloom, Mrs Davies, Mrs Glover, Hawkett, Lambert and Poll.

**APOLOGIES:** Councillors Kennell, Strachan, Thompson and Yerby.

## **1. MINUTES**

RESOLVED –

That the Minutes of the meeting held on 21 October, 2014 be approved as a correct record.

## **2. UPDATE ON MAJOR EMPLOYMENT SITES**

The Committee received an update on the progress made with bringing forward the development of a number major employment sites that had planning permission or were allocated employment sites. Meetings had been held with a number of developers and agents and the Committee report summarised the outcome of those discussions. These meetings would continue both in respect of the sites mentioned in the report and others which had been identified for commercial development.

One of the Council's key priorities was to ensure that there was major growth in the local economy in parallel with housing growth to ensure the sustainable growth of the Vale. The Economic Development Team had been working with the Planning Team to address the factors relevant to achieving this objective and in particular the Housing and Economic Development Needs Assessment (HEDNA). This piece of work sought to establish the amount of housing and employment that needed to be provided to meet the Vale's needs over the next twenty years.

The Economic Development Strategy recognised that ensuring the right mix of premises and appropriate availability of employment land provided an opportunity to build a viable and sustainable model for future growth. This included ensuring the availability of a mixture of modern premises so that the Vale continued to have a relevant, vibrant and robust economy which offered a wide range of employment opportunities to assist businesses with their growth and expansion plans. It was recognised that without this level of intervention these businesses would not achieve their potential growth and might even relocate from the Vale to an alternative operational site that better met their needs.

It was one of the key aims of the Economic Development Team to assist with the identification and promotion of existing and new employment sites to ensure that sufficient land was allocated for employment and that sites were “unblocked” and then promoted and developed.

From 2013 to 2033, 12,900 future jobs had been forecast to be required for the District using the Cambridge Econometrics. The Employment Land Review recently prepared by G L Hearn had recommended that there should be an employment land supply of between 106 and 112 hectares. This made it even more important for AVDC to understand where this growth was coming from and to support jobs growth through its main key employment sites, working alongside developers and agents, to ensure that sites were developed in a manner that matched known commercial needs.

The G L Hearn Assessment of Key Employment Sites (in September, 2013), had noted that there were no significant obstacles or constraints that AVDC needed to unblock. However, there were some suggested interventions that might assist AVDC with ensuring that these development sites met their full commercial potential. These were listed in the Appendix attached to the Committee report. The information contained in the Committee report was supplemented by a power point presentation, after which Members had an opportunity to comment on specific issues.

G L Hearn had reported that Aylesbury Vale had a strong demand for industrial units in the Vale and that this had held up better through the national economic recession than in other areas. Local agents had also reported a good take up of premises in the last twelve months in some of the Vale’s key employment locations and there had been increasing interest from prospective purchasers who viewed the area as an attractive location in which to invest. Agents had reported interest in units from 500 sq. ft. to 50,000 sq. ft., with units from 1,500 sq. ft. to 25,000 sq. ft. being taken to accommodate small and medium size businesses. This represented a good match with Aylesbury Vale’s micro business economy, with the majority of businesses employing only five people.

Local agents had also reported that very little speculative build within the Vale had occurred until recently, with encouraging signs due to a number of factors where the land owner or developer had obtained funding and planning consent and where there was a demand from existing occupiers, thus ensuring the prospects of early lettings and rental growth.

During the last six months, the Economic Development Team had been working closely with developers/agents to ensure investment enquiries were managed appropriately and that opportunities were not lost to other areas. The Team had been liaising with developers to ascertain their marketing plans so that sites could then be promoted in the right channels to secure future investment. AVDC was currently waiting for marketing plans from Berryfields and Haddenham on how sites would be marketed after which the information would be posted on the website and forwarded to both LEPS.

AVDC was also working closely with UKTI and the LEPs, building on its key sector strengths including high performance technologies, with Silverstone at its core, and working to ensure investment was attracted to the Silverstone Park and other employment areas with existing supply chains within the Vale; Food and Drink, playing in key Aylesbury Vale businesses including Arla, Puratos, McCormick and NATCO into SEMLEP's food and drink proposition, linking in the key employment sites including the Arla site, Aston 41 and Haddenham as part of that offer; Information Technology Electronic Communications, playing McAfee, Esri, University Centre Aylesbury Vale and Bucks UTC to ensure that the Council received inward investment enquiries to support its key employment sites.

The Economic Development Team was working closely with Planning to ensure flexibility and allow the redevelopment of employment floor space where it was redundant or incapable of meeting the needs of modern businesses, and to allow schemes to evolve to meet specific business needs. This had been evidenced recently by supporting Land Improvement Holdings' planning application to reconfigure their employment land at Haddenham.

The Team had recently held a series of developer meetings to ensure that sites were properly marketed and promoted and to ensure that a flexible planning approach continued to be adopted by AVDC. The priority was to ensure that this engagement was maintained on a regular basis, so that there was regular communication on how sites were progressing to ascertain if assistance was required by the developer for the development to come forward and to ensure that there were no unintended consequences resulting from the Council's actions, as well as looking for practical ways in which the Council could facilitate or support the development.

Aston 41 was situated four miles south-east of Aylesbury offering direct access to the A41 dual carriageway via College Road North and was 15 minutes from junction 20 of the M25. The site was one of the four phases of the Arla development. It offered design and build opportunities on an 18 acre site with outline planning consent for up to 240,000 sq. ft., with industrial/warehouse units of between 18,784 sq. ft. and 150,000sq. ft. being available.

A meeting had taken place recently with Westhall Estates, the developers of Aston 41 to understand the present position of the site and its availability for development. They had advised that they had received interest from a number of investors but that the current configuration was hampering development prospects. The Economic Development Team had met with Planning colleagues to see whether an alternative solution could be provided to assist early development. Westhall Estates were now looking at a number of solutions with the Planning team and the situation would continue to be monitored.

The Arla site was one of four phases, including the main dairy and the north-west land which could deliver up to 41,806 sq. metres (449,996 sq. ft.) of B2/B8 distribution and manufacturing floor space. Arla's senior director had advised that the site would be entering phase two in April, 2015 and would be starting to process one billion litres

of milk by January 2016. The site currently provided 500 jobs and at full capacity this would rise to 748 jobs.

Arla would shortly be announcing a developer to develop the 48 acre north-west site, with units being available from a minimum of 100,000 sq. ft. and above to ensure that larger investors came into the Vale, bringing higher value jobs. Once the developer had been announced, the Economic Development and Planning Teams would then seek to work with the developer to ensure further investment was brought to the site.

Berryfields comprised a 187 hectare site, which when fully developed would provide up to 3,000 homes with two employment sites comprising 6.2 hectares (15.3 acres) of land at The Parkway Railway Station, and 2.8 hectares (6.9 acres) adjacent to the District Centre. Berryfields was a strategic greenfield development area with outline planning permission, located two miles north-west of Aylesbury on the A41. It had good connections to Bicester, Oxford and the M40 Motorway to London and the West Midlands, and was directly opposite The Aylesbury Parkway Railway Station (to London Marylebone). The scheme was being delivered by a consortium of developers including Kier, Taylor Wimpey, Martin Grant Homes and Banner Homes.

The Economic Development Team had recently met with the Consortium Project Manager and Savilles who had been commissioned to market the site. It was indicated that there had not been much interest shown in the site previously but that it would be made the subject of a hard marketing and soft marketing programme of activities. Savilles had stated that they were now looking for AVDC support to get the commercial aspect of the site underway, including a master plan for the site. A follow-up meeting was planned involving AVDC's senior team and the economic development portfolio holder to take the site forward for commercial use.

Haddenham Business Park provided 14.4 acres of employment space and was one of the most successful employment locations in the District. Accommodation was largely let, with steady demand as units became available. There were a number of high value businesses operating at the park, including McCormick, one of the Vale's largest employers. The site was strategically located off the A418, with good connections to the M40 corridor and had strong rail accessibility at Haddenham, with regular trains to London and Birmingham.

In 2006 planning consent had been given by AVDC for expansion of the Business park, but the site had remained undeveloped for a number of reasons, including the economic recession. Developers had reported that the current configuration did not meet the demands of business needs. AVDC had recently met with Land Improvement Holdings who had stated that an application to reconfigure the site was to be submitted to ensure flexibility of the employment land to better meet investor needs. The Economic Development Team had supported the planning application. Reconfiguration would provide expansion opportunities for existing businesses within the Vale and would enhance the Vale as an employment location for further investment, and would support future jobs growth. It would also create a number of temporary jobs over a period of time from construction of the employment units, retail, a care home and housing.

AVDC continued to work with MEPC to position the Silverstone site for inward investment and brand marketing. The Council was represented on the high performance technologies and motorsport showcase sector group together with six LEPs, including SEMLEP and BTVLEP and South Northants District Council to attract further investment into the area, including working as a collective on an inward investment event for the Grand Prix in 2015.

A meeting had taken place with the commercial director at MEPC, who had reported that from the 78,000 sq. ft. floor space available from the Aylesbury Vale employment area, only 28,000 sq. ft. remained, with recent inward investment from EDM Precision, a CNC milling company supplying the F1 supply chain and some other high end engineering businesses. Silverstone currently housed over 50 companies with over 500 employees. The Council had recently been informed that some existing clients were looking to extend their current premises and as a result an initial application to further develop the Park by the construction of other units in line with the master plan was imminent.

Westcott Venture Park was a secure business park, located off the A41 between Aylesbury and Bicester, and home to over 60 businesses and managed by Rocksprings. AVDC had previously granted planning consent for 10.5 hectares (26 acres) for further development, which had now lapsed. More recently the Park had experienced some examples of speculative build, including 22,000 sq. ft. of warehouse plus office space for FedEx, which had opened in January, 2014. Furthermore, AVDC had recently granted planning permission for the 45,000 sq. ft. speculative warehouse/distribution development at Westcott.

This was the Vale's first speculative scheme in more than five years and was set to include a first phase of 24,000 sq. ft. of accommodation, comprising seven units. Century Court would comprise two terraces of industrial units offering space from 2,000 sq. ft. to 6,000 sq. ft. Local agents had reported considerable interest in the first phase of the development at Century Court, currently under construction and which would be ready for completion in mid 2015, with the second phase following on immediately after. The Council had been informed that Rocksprings would then be commencing development of the detached industrial and office building of approximately 25,000 sq. ft.

The site contained a mixture of businesses, including precision engineering, rocket testing and logistic businesses. The main market for the site was Bicester/Buckingham/Aylesbury, along the M40 corridor. The Economic Development Team was aware that a number of existing businesses were looking to take on larger units at the site.

MOOG ISP was at the centre of testing rocket propulsion and was working closely with a consortium of rocket testing companies, the UK Space Agency, BTVLEP and academia to develop the Westcott Venture Park as a national test facility for space propulsion. This included an innovation centre with lab space, offices and meeting room space.

Long Crendon Business Park was located two miles north of Thame, with close links to the M40. It currently supplied 12.95 (32 acres) of employment space for both industrial and office use and accommodated over 100 businesses, with a number of high tech businesses operating from the site.

The Economic Development Team had not yet had the opportunity to visit the site, but local agents had reported that further speculative industrial development was planned in the future on Crendon Industrial park. This was the next business park to be included on the Team's liaison schedule.

The recent award to BTVLEP of £48m for road infrastructure improvements to the Eastern Link Road and the opening of the Western Link Road would together provide improved connectivity, linking the A418 and A41 and east/west around Aylesbury, connecting the major development areas with the town centre and main road network and also increasing the marketability of the employment parks in and around Aylesbury.

The construction of East/West rail (which was the subject of a separate report to this meeting) would help businesses in the Vale benefit from being located between the Oxford and Cambridge axis and from improved strategic rail connection to London. It would also improve the wider connectivity to the north of England and improve access to different markets, which should support the future economic development of the District.

Following on from the series of meetings referred to earlier in this Minute, a "Developers Forum" was planned for later in the Spring. Developers, commercial agents and other stakeholders would be invited to explore how joint working might be improved to ensure that the employment sites were marketed and promoted, and eventually developed, to deliver the inward investment which the Vale required to support housing growth.

Members were pleased to note the apparent increase in the level of speculative development taking place which reflected the upturn in the national economic position. A number of specific comments were made in discussing the report as follows:-

- There was a continuing need to ensure adequate infrastructure provision to support commercial development, particularly public utility provision.
- It was recognised that it was essential for continued flexibility in the application of planning rules to encourage inward commercial investment.
- It was recognised that future commercial and residential development planning required a delicate balancing exercise to ensure that employment provision reflected the increase in housing growth in order to avoid the Vale becoming a dormitory area.

- The continuing need to work collaboratively with developers, agents and other major stakeholders involved with the delivery of employment opportunities was essential to ensure successful sustainable inward investment to the Vale.

After general discussion of the issues outlined in the Committee report, it was,

**RESOLVED –**

That the latest position regarding major employment sites and the actions either already taken or proposed as outlined above, be noted.

### **3. EAST WEST RAIL UPDATE**

The Council's contribution to the delivery of this major piece of infrastructure was approximately £5.358m and Members received an update on progress with the scheme. Network Rail had revised the timescales for delivery of the scheme as follows:-

#### **Phase 1(currently under construction)**

- Oxford Parkway to Bicester due for completion in September, 2015.
- Oxford to Oxford Parkway due for completion in the Spring of 2016.

#### **Phase 2**

This was the western section covering the route from Bicester Town to Bedford and Milton Keynes to Aylesbury Vale and Princes Risborough and included:-

- Bedford to Bicester.
- Milton Keynes to Princes Risborough via Aylesbury.
- Electrification of the line from Oxford to Bletchley.
- Winslow Station.

The planned completion date was March, 2019.

#### **Phase 3**

This involved the electrification of the Bletchley to Bedford line and expected completion was 2020/2021.

Temporary site compounds had been or would be established at various locations – Verney Junction and Claydon and Swanbourne.

Ground surveys were currently taking place between Bletchley and Steeple Claydon. Vegetation management, general maintenance and upkeep of the railway corridor would be on-going from February, 2015 until the Spring.

Parsons Brinckerhoff was the principal contractor for vegetation management and BAM Richies was undertaking the drilling work for the geotechnical surveys. Murphys were undertaking the vegetation clearance work, with Thomson Habitats providing ecological work.

Bucks residents had had an opportunity to comment on how railway crossing safety might be improved between Aylesbury and Princes Risborough at two public consultation events held in January. These had involved the proposed crossings at Aylesbury, Stoke Mandeville, Great and Little Kimble, Monks Risborough and Princes Risborough.

AVDC was an active member of the East/West Rail Consortium, which included regular dialogue and engagement at Member and officer level. The Economic Development Teams from AVDC and the other local authorities and the LEPs within the Consortium had met with the East/West Rail contract team to provide input to the tender process, which had started on 19 February. The other objective of the meeting had been to establish an economic development group to exploit the opportunities for inward economic investment. The Economic Development Teams were also able to maximise the local supply chain, thereby maximising local employment opportunities during the construction phase. This was commonly referred to as the "social value" benefits arising from the contract.

The social element of the construction focussed on ensuring that the tender documentation set out a duty of responsibility to the main contractor to ensure the delivery of local benefits to the communities along the construction route and the wider area. To measure the social value impact a set of socio economic benchmarks had been established against which progress could be measured. This involved including within the tender documents a requirement for the contractor to set out the socio-economic benefits they would deliver which could then be used to assess the quality of tender and to inform the contract award selection process. An example had been attached to the Committee report.

The agreed socio-economic benchmarks focussed on three areas, namely, recruitment, local supply chain and skills development, training and apprenticeships. Other considerations included being aware of and communicating the potential impact on the road network, resulting from workers travelling to and from work and the movement of heavy goods vehicles during the construction stage.

There were clear economic development benefits to be drawn from this major infrastructure project in the longer term as the scheme neared completion. It would also become a helpful marketing asset within the context of the promotion of inward investment to the Vale.



RESOLVED –

That the latest position regarding the progress of the East/West Rail contract be noted and the proposed actions to maximise business and employment opportunities arising from the construction phase be supported.

**4. VOTE OF THANKS**

This was the last meeting of the Committee before the District elections in May, 2015 and it was

RESOLVED –

That the Committee's best thanks be extended to the Chairman and officers for the work undertaken on matters coming within the remit of the Committee.