

Public Document Pack



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

Please ask for: Charlotte Gordon; cgordon@aylesburyvaledc.gov.uk;
Switchboard: 01296 585858
Text Relay Prefix your telephone number with 18001
Date Not Specified

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

A meeting of the Economy and Business Development Scrutiny Committee will be held at **6.30 pm** on **Tuesday 15 March 2016** in **The Olympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

Membership: Councillor P Strachan (Chairman); Councillors A Southam (Vice-Chairman), B Adams, Branston, A Christensen, M Hawkett, T Hunter-Watts, P Irwin, C Poll, J Ward and W Whyte

Contact Officer for meeting arrangements: Charlotte Gordon; cgordon@aylesburyvaledc.gov.uk;

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 6)

To approve as a correct record the Minutes of the meeting held on 20 January 2016 attached as an appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. BROADBAND PROVISION IN THE VALE (Pages 7 - 10)

To consider the information attached.

Contact Officer: Tracey Aldworth 01296 585003

6. ENTERPRISE ZONE UPDATE ON PROGRESS (Pages 11 - 28)

To consider the information attached.

Contact Officer: Mark Wathen (01296) 585064



7. AYLESBURY VALE ESTATES BUSINESS PLAN (Pages 29 - 34)

To consider the information attached.

Contact Officer: Teresa Lane (01296) 585006

8. EXCLUSION OF THE PUBLIC

The following matter is for consideration by Members "In Committee". It will therefore be necessary to

RESOLVE –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the Paragraph indicated in Part 1 of Schedule 12A of the Act: -

Item 9: Aylesbury Vale Estates Business Plan (Paragraph 3)

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the report contains information relating to the financial or business affairs of organisations (including the Authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals or transactions.

Restricted reports

9. AYLESBURY VALE ESTATES BUSINESS PLAN (Pages 35 - 94)

To consider the information attached.

Contact Officer: Teresa Lane (01296) 585006

Agenda Item 3

Economy and Business Development Scrutiny Committee

20 JANUARY 2016

PRESENT: Councillor P Strachan (Chairman); Councillors A Southam (Vice-Chairman), B Adams, A Christensen, M Hawke, T Hunter-Watts, P Irwin, C Poll and W Whyte

IN ATTENDANCE: Councillors C Adams, C Branston and H Mordue.

1. MINUTES

The minutes of the meeting held on 26 October 2016 were agreed as a correct record.

2. DECLARATION OF INTEREST

There were no declarations of interest.

3. AYLESBURY TOWN CENTRE PARTNERSHIP UPDATE

The Economy and Business Development Scrutiny Committee received a presentation from the Aylesbury Town Centre Manager. The presentation, which is attached to these minutes, provided an update on the work of the Aylesbury Town Centre Partnership. After the presentation, members raised concerns about illegal car parking in Kingsbury, and asked whether this was caused by car parks in the area being at capacity. It was noted that planters had been placed in the area, which had stopped some parking. A Public Space Protection Order had been applied for and would hopefully be in place by the Summer. This would enable on the stop fines for cars parked illegally. Members were also informed that, while some of the car parks located in the centre of Aylesbury reached capacity, there was plenty of parking available within a short walk of the town centre.

The Council had previously received criticism of the level of subsidy provided to Waterside Theatre. It was asked what impact the theatre had had on the town centre. The Town Centre Manager stated that the theatre was a major pull for new tenants, especially restaurants. Updates were sent to restaurants weekly outlining the schedule for the theatre, and this impacted on the staffing arrangements for the restaurants, as there was a noticeable difference in the footfall in the town centre when performances were on.

There had been a small increase in parking charges in the town centre recently, but it was noted that there had been no negative impact on the use of the town centre, and that footfall had increased. Members were also advised that the town centre partnership did not advertise on railway hoardings as they were very expensive. They would work with them for advertising for events, such as the Roald Dahl festival.

It had been noticed that there was an increase of homeless people in the town centre. The Town Centre Partnership was working proactively with the police, and such individuals would be moved on.

Businesses could make financial contributions to the partnership. The contributions range from £30 to £3000 per year depending on the size of the business. Many businesses also provided in kind support to the partnership. Discussions had taken place with Buckinghamshire County Council regarding planning consent and a change of use for the Travel Information Centre by the bus station, but these talks had stalled. It was suggested that the partnership work with the County Council on their review of signage in the area.

Members of the Committee extended their thanks to the Aylesbury Town Centre Manager for her attendance, and

RESOLVED

That the Aylesbury Town Centre Partnership Update be noted.

4. QUARTERLY ECONOMIC UPDATE

The Business Relationship Officer provided the Economy and Business Development Scrutiny Committee with a quarterly economic update. Members were informed that, as part of the Nov 2015 Autumn Statement and Spending Review, three areas in Aylesbury Vale had been designated as Enterprise Zones. These were Westcott, Woodlands and Silverstone. Only 18 Enterprise Zones had been designated nationally. The Chancellor's Autumn Statement and Spending Review also confirmed that the Local Growth Fund would remain at £12bn between 2015-16 and 2020-21, which meant that indicative Growth Deal allocations and core funding by Government for Local Enterprise Partnerships were confirmed, subject to being matched locally.

Members were advised that the last quarter had been generally strong for the Vale. Deprivation was low across Buckinghamshire, and Aylesbury was ranked 44th least deprived of the 326 local authorities in England. Gross median full-time earnings in Aylesbury Vale were below the national level for a second consecutive year. Total employment in Aylesbury Vale rose to 79,400 in 2014, which was an increase of 5.2% over the year, and it was noted that this was the fastest rate of growth in Buckinghamshire. 1,060 homes were completed in the year to Q3 2015, representing 1.4% of existing stock, which was the 9th highest rate among England's 326 local authority districts. The unemployment rate in Aylesbury vale stood at 3.8% for the year ending June 2015, and the claimant count fell to 0.6% of working age residents. Councillors were also informed that business 'births' rose and business 'deaths' fell, which led to Aylesbury Vale reaching its highest ever business population.

It was noted that work was being undertaken into the implications of the three Enterprise Zones, and this would be reported at a future meeting.

RESOLVED:

That the Quarterly Economic Update be noted.

5. RESPONDING TO BUSINESS NEEDS

The Economic Growth Manager gave a presentation outlining how the Council would respond to business needs. It was noted that the work included attracting and supporting increased levels of business investment and growth, improving business productivity and supporting the development of a more attractive commercial business environment. This was achieved by working through and with a range of national, regional and local stakeholders and business intermediaries and across the Council to provide insight into business needs and how to effectively support them. Responding to business needs would help to increase business confidence in Aylesbury Vale.

RESOLVED:

That the presentation be noted.

6. INWARD INVESTMENT STRATEGY

Councillors received a report outlining the Council's proposed future approach to Inward Investment. It was noted that Aylesbury Vale District Council would with one 'joined up' strategy and action plan with other strategic stakeholders across Buckinghamshire, and would maximise the resources available through UKTI and SEMLEP, BTVLEP, BBF and other commercial intermediaries. Following a meeting with economic development stakeholders in December 2015, it was agreed that the strategies should be aligned and a joint action plan across all areas of economic development related activity around the issues of business survival and growth, skills 'fit for purpose' and infrastructure.

In the Autumn Statement 2015, the Chancellor announced the approval of BTVLEP and the three sites in Aylesbury Vale which made up Buckinghamshire's Enterprise Zone bid. Enterprise Zones were noted to be an important part of the Government's programme to devolve responsibility for leadership of local growth and would provide a powerful tool for Local Enterprise Partnerships to develop their local economy. The three designated Enterprise Zones were at Silverstone Park, Westcott Venture Park and at the Woodlands site. Work had been undertaken with MEPC and the Westcott site regarding attracting businesses to the site. There was also growth in existing companies at the site, and it was noted that there was business confidence both in the area and in the Council.

It was questioned what work was taking place to ensure that business needs were met in terms of education and the provision of desirable skill sets. It was, in particular, suggested that Officers engage with the University of Buckingham. Arla was known to bring staff from other Arla locations, and Members were advised that the skills provider for Arla globally was in talks with University College Aylesbury Vale. UCAV may be able to provide support in specialist training, such as for food technologists. It was also suggested that UCAV and local careers advisors engage with BTVLEP and SEMLEPs Skills Hub regarding local needs.

It was important to ensure that the correct types of property for employment use were available, and Members were advised that the Vale of Aylesbury Local Plan would look at types of employment sites. Developers would also be made aware of what type of property or site had a higher level of demand.

RESOLVED:

That the report be noted.

This page is intentionally left blank

BROADBAND PROVISION IN THE VALE

1 Purpose

- 1.1 To update the committee with the latest position regarding the rollout of broadband in the district through the Connected Counties programme and also the progress being made with the Aylesbury Vale Broadband pilot project.

2 Recommendations

- | |
|---|
| 2.1 That Members note the latest position regarding the broadband programmes and identify any matters it wishes the Chief Executive and Leader to take into consideration in finalising the next stages of the programme. |
|---|

3 Supporting information

- 3.1 In September 2015, the Committee received an update on the progress being made by Aylesbury Vale Broadband, where it was agreed that an update would be provided to this committee.
- 3.2 Members will recall that the Council has committed £1.536m of the New Homes Bonus funding to support the rollout of broadband across the district. £200k of this was to a run pilot project and create Aylesbury Vale Broadband to provide a service to the North Marston and Granborough area.
- 3.3 The funding for AVB has been provided by way of a commercial loan, which is due to be repaid by 2022, with an interest rate of 7.5%. AVB is 95% owned by AVDC and 5% is owned by Ironic Thought. The ambition set out in the original business plan was to start to make an operating profit by the end of the second year of the whole pilot network going live. The company is on track to achieve this.
- 3.4 The Company was incorporated in June 2015 and the physical works commenced in August 2015. The network went live in parts of the North Marston area in November 2015 and this is currently in the process of being extended to Granborough. Of the areas currently served in North Marston, the take up is at 40%, which is significantly higher than the take up for the Connected Counties programme for example, which is just under 20% (“take up” is the industry standard measurement for the percentage of properties using the service out of the households the network reaches). The aim is to increase this take up to the 60% set out in the business plan and increase the take up as the rollout continues.
- 3.5 In addition the school in North Marston now receives the service, which performs significantly better than their previous supplier. This service allows the school to utilise on-line resources that were previously not possible. AVB has also spent time discussing with BCC the issue of broadband services for schools generally and agreed that it will rollout its network to schools in any other areas that it expands the network to.
- 3.6 The original AVB business plan envisaged delivering most of the service via fibre to the cabinet, with some fibre to the home and wireless deployment for other areas. However early on in the programme it was identified that

delivering fibre directly to the home would be a much better future proofed product and it was possible for this to be done, but there would be a delay in the programme as a result. This is a much better service for the customer in terms of the speeds being achieved.

- 3.7 In December 2015, OFCOM determined that ultra-fast broadband would now be classified as delivering at least 300Mb/s (previously it was defined as 100 Mb/s.) The AVB network complies with this classification and is delivering an ultra-fast network that currently only 2% of the UK population is capable of receiving. The residents that have signed up so far are using AVB's ultra-fast network.
- 3.8 In addition to the level of speed being significantly better than most of the other providers, the AVB offering also compares favourably from a price perspective. The cheapest package is £30 per month for 30Mb/s up and down, £38 per month for 100Mb/s and £135 a month for 300Mb/s. AVB has also partnered with one of the world leading landline via fibre providers, Vonage. Whilst no landline is required with AVB's network, if customers want to retain a landline then they can port their landline number to Vonage for £8 per month (including unlimited UK landline calls). AVB customers can use their fibre connection for both traditional telephony as well as their broadband access.
- 3.9 The AVB network is also reaching farming properties, some of which are up to 3km from the centre of North Marston and delivering broadband speeds that these farmers previously thought were impossible. AVB has also delivered a free public Wi-Fi spot around the church in North Marston and in the coming weeks will also be providing free Wi-Fi access to the village hall and shop area. This will help to encourage the use of community facilities as well as addressing the issue of mobile black spots in the village.
- 3.10 In addition to providing an ultra-fast fibre broadband service in rural Aylesbury Vale, AVB's presence has also driven an additional estimated £600k investment by other broadband providers (both fixed and wireless). This investment is unlikely to have happened without AVB's presence in the district. In other words, the £200k loan to AVB has already helped generate at least £600k in additional investment in broadband provision in the Vale. The AVB website contains the latest news and information about the programme. See this for more information and the latest progress www.avbroadband.co.uk.
- 3.11 As is the case with all pilot projects, there have been a number of lessons learned, which will be considered as part of the overall project evaluation. The key lessons relate to:
- the challenges of ensuring that the teams deployed to carry out the civils work are delivering the standard expected and managing this process has been more time consuming and challenging than originally envisaged
 - the importance of pro-actively managing the relationship with BCC's Street works team
 - the need to ensure that there are more effective ways to communicate and manage local expectations particularly when resources are limited due to the tight budget constraints
- 3.12 As Members will be aware there is significant interest and demand from many locations across the Vale for improved broadband provision and there are 55

locations in the Vale that have requested AVB considers extending their service to their area. The company is now focusing on completing the work in the pilot area before actively considering what next as far as other areas to potentially roll out the service to.

- 3.13 As Members are aware alongside the AVB Pilot project, work has also been progressing with the next stage of the Connected Counties scheme. As part of this programme BT have been asked to model over £4m of district council, Local Enterprise Partnership and Government funding.
- 3.14 In order to help focus the responses from BT, a number of preference areas have been included in the extension programme specification. The LEP identified a number of preference areas across the country where there is a high business/homeworking incidence. This includes a number of areas in the Vale.
- 3.15 In addition, the villages of Ashendon, Aston Abbots, Bishopstone, Calvert Green, Charndon, Drayton Parslow, Hardwick, Great Brickhill, Lillingstone Lovell, Newton Longville, Stewkley, Thornton and Wingrave and Rowsham have been specified as preference areas. These have been identified as areas that have very poor or no broadband coverage and where a high level of demand has been expressed through the previous connected counties project or the AVB scheme. BT has been asked to prioritise a solution in these areas if possible as part of their response to the contract extension.
- 3.16 The superfast broadband extension to Bucks, as part of Contract 2 with Herts CC, was a change request and was initially due to be returned by BT to the project team in October 2015 and subsequently rescheduled to December 2015. This was again postponed to February 2016 and BT have now responded to the project with a quotation but not a full impact assessment. Again this is due to ongoing issues between BT and BDUK.
- 3.17 Without the full impact assessment the project cannot formally assess and evaluate the proposals in order to accept the proposals to make it contractually binding for delivery. The quotation from BT includes a proposal which details the areas and timeline that would be part of the superfast extension. This is currently being looked-at but would not be able to be signed-off until completion of the evaluation.
- 3.18 The project understands there are two ongoing issues between BT and BDUK which are holding-off the release of the full impact assessment. One is that BDUK and BT have agreed a new requirement, according to EU state aid regulations, that infrastructure has to demonstrate 'step change' to provide at least 30Mbps to at least one premise being covered by a structure (decision pending). This will have impacts on the contract documents and reporting which are currently being worked on.
- 3.19 The other issue is about new technologies being developed and proposed by BT for the Bucks area which are now undergoing tests by BDUK to ensure that the structures can provide superfast broadband (decision pending). The project is working with BDUK, and BT, to bring speedy resolution to these issues.
- 3.20 Unfortunately, at the time of writing this report we cannot confirm the areas that are in scope for contract 2 of the Connected Counties project and the proposed rollout dates until the contract change request is signed off by all parties, including AVDC. It is not known at this stage when this will be but needless to say all of those involved in the project are keen for the details to

be known and shared as soon as possible to help inform communities what their solution might be and when it might be delivered.

- 3.21 It is expected that AVDC will be in a position to confirm where the rest of £1.356m of the NHB funding it has set aside for broadband activity will be invested by the end April 2016 at the latest.

4 Resource implications

- 4.1 None that cannot be contained within the budget already committed to broadband provision.

Contact Officer	Tracey Aldworth, 01296 585003 taldworth@aylesburyvaledc.gov.uk
Background Documents	None

ENTERPRISE ZONE UPDATE ON PROGRESS

1. Purpose

- 1.1 To provide Members with an update on the arrangements for the establishment and operation of the Aylesbury Vale Enterprise Zone (AVEZ).

2. Recommendations/for decision

That Scrutiny Committee is asked to:

- 2.1 Note the progress with partners regarding the formal establishment of the Aylesbury Vale Enterprise Zone.
- 2.2 Provide any comments to inform the preparation of April's AVDC Cabinet paper and supporting documents, which will be seeking formal approval of the Enterprise Zone designation and proposed Governance and operating procedures, to be embodied in a Memorandum of Understanding (MOU) and supporting Partnership Agreement.

3. Executive summary

- 3.1 In the latter stages of 2015, working closely with public and private sector partners, BTVLEP submitted an application for an Aylesbury Vale Enterprise Zone (AVEZ) with the support of AVDC, which was subsequently accepted by central government.
- 3.2 Enterprise Zones are an important part of the Government's programme to devolve responsibility for leadership of local growth and provide a powerful tool for areas to develop their local economy.
- 3.3 The award of the Aylesbury Vale Enterprise Zone stands as testament to positive partnership working between AVDC, BCC, BTVLEP, Silverstone Park, Westcott Venture Park and Arla Dairies.
- 3.4 Whilst the award of funding for the Enterprise Zone follows closely on the heels of the announcement of the Local Authority funding model also shifting to a rates retention model, the partners involved in developing our proposals have sought to develop a proposition which provides a win-win for all parties.
- 3.5 Businesses basing themselves on Enterprise Zones can access up to 100% business rate discount worth up to £275,000 per annum over a 5 year period. This benefit can only be offered up until March 2022, from which point the benefit will taper until the offer expires in March 2027.
- 3.6 In addition, Enterprise Zones benefit from 100% retention of business rate growth for LEPs to reinvest in development on the Enterprise Zones (through discussion and negotiation with partners)
- 3.7 For the LEP, Landowners and Local Authority Partners, Enterprise Zones will also continue to benefit from 100% growth of business rates retention for 25 years with 100% protection from any future reset or redistribution and as such, will sit outside the standard LA rates retention arrangements that will exist outside Enterprise Zones.

- 3.8 Business rate growth on an Enterprise Zone will not count towards an authority's business rate baseline income and, as a result, will not be used in the calculation for local authority top ups or tariff payments. Furthermore EZ's business rate discounts and capital allowances that are fully funded by the Government will generate business rates income that would not otherwise have arisen.
- 3.9 Importantly, all of the Business Rates generated on the Enterprise Zone sites will be under the control of the Enterprise Zone's Governance Board. The District and County Councils will not automatically receive any proportion of the Business Rates generated on these sites (currently 40% to AVDC and 9% to BCC). However, it is possible to agree within the MoU and partnership agreement, that a proportion of the growth should still go to the local authorities, but this has to be negotiated and documented.
- 3.10 Because of this fact, the outline submission to the Government (referred to below) included the prerequisite that neither authority should financially be any worse off from the creation of these Enterprise Zones. This is particularly important when it is considered that a significant proportion of the Vale's business rates growth over the next 2 decades might have been located within these areas. It is estimated that AVDC might have benefited by anything up to £30 million in revenue terms over that timeframe from these sites (using existing calculation methodology). Agreement of the detailed terms of the MoU and inter party agreement will therefore be vitally important.

4. The Aylesbury Vale Enterprise Zone comprises: (see Annexe 1)

- 4.1 The Space Related element of the **Westcott Venture Park** site. Only the Space Propulsion element of the site is covered by EZ status. This element of the site has not really seen any major development since the 1940s. It only concerns the Space Propulsion land, in recognition of the fact that this allocated land would attract the higher value knowledge economy type business and investment. Investment in the Space sector is currently heavily controlled by Government through the European and UK Space Agencies.
- 4.2 This leaves the rates from the remainder of the site with the Council, through the new arrangements government has established for LA rates retention.
- 4.3 Westcott has both the recognition and support of these agencies and BTVLEP has been working actively with the agency about some plans they have for investing in this site, ultimately re-positioning this site for the increasing opportunities arising from space exploration and travel, ensuring that this strategic site is more than just an historic WW2 Heritage site. On a positive note, AVDC are working closely with Westcott and a major space engineering company to locate to Westcott and hopefully will be established and up and running by March 2017. We are working with them currently on pre-application planning advice.
- 4.4 For the **Silverstone site**, it is only the currently **undeveloped site K** that is part of the Enterprise Zone which will help accelerate and bring forward the investment in the enabling infrastructure, where there is currently a gap. It will support the acceleration of the development of the site and attract businesses in earlier than would have been the case without the Enterprise Zone designation. Site K has outline planning permission for employment uses and a recent detailed planning permission on a first phase of development totalling some 11,000m² of new floor space.

- 4.5 On **Arla/Woodlands** the site includes a mix of consented and unconsented land something that was necessary to make the proposal viable. The consented element of the Enterprise Zone covers the Arla development and the unconsented element is being led by Buckinghamshire Advantage. This site is intended to have a focus on Food and Drink, Health and Care related activities.

5. Governance of the Enterprise Zone

- 5.1 As far as the prospective governance framework for Enterprise Zones are concerned:
- 5.2 the guidance published ahead of the bid submission clearly stated that LEPs were the primary body responsible for overseeing the development of Enterprise Zones, but that they were expected to work 'closely with the local authorities in which the EZs were based';
- 5.3 In February 2016, the government provided a draft **Memorandum of Understanding** to move towards formal approval and operation.
- 5.4 Each MoU will be a flexible document, with the initial proposals suggesting the first version should last until 2020. It will need to be signed by BTVLEP, the landowners and the local authorities (one of which will act as an accountable body for Enterprise Zones of the Local Enterprise Partnership). Discussion regarding who will perform this role is still subject to ongoing discussions but would ultimately be reflected in the MOU.
- 5.5 BTVLEP aspires to have formal approval of the MOU for the Enterprise Zone by AVDC Cabinet, Bucks CC Cabinet, the LEP and the landowners in place by April 2016.
- 5.6 Under this MOU, the LEP Board will be responsible for guiding the overall investment model for the Aylesbury Vale Enterprise Zone, although (for operational purposes) this is something they may be persuaded to delegate to another body.
- 5.7 In a number of other Enterprise Zones, this is something LEPs have delegated to a Strategic Board, comprising local authorities in which the EZs were based, landowners and a private sector LEP Board member (to provide an independent chair and an effective reporting line back to the LEP Board).

6. This EZ Strategic Board will be responsible for:

- 6.1 Ensuring that the Aylesbury Vale Enterprise Zone is able to maximise the potential of this location to benefit Buckinghamshire
- 6.2 Managing the delivery of the strategic vision
- 6.3 Overseeing the marketing and co-ordination of development across the Enterprise Zone sites and monitoring the performance of the Enterprise Zone against key measures, including the fiscal and employment outcomes to be secured across the Zone.
- 6.4 Recognising that landowners may not want to get into open discussions with each other about their development pipelines and their financial models, a number of EZs have also established Operational Boards, centred on the individual sites.
- 6.5 The MOU will need to set out how monies will be allocated and the final governance arrangements. These arrangements can be kept under review and altered or renegotiated as the local situation changes. An agreement reached now could, for example, therefore be revised in full or part in 2020

when the arrangements for wider business rates devolution are expected to come into force.

- 6.6 Separately, BCC, AVDC and BTVLEP have discussed the idea of a **Partnership Agreement** existing between BTVLEP and the Collecting Authority (hereinafter referred to as the Accountable Body) setting out the services to be provided by the Accountable Body and what kind of finance systems would sit around the arrangements. BTVLEP already has an Accountability and Assurance Framework that exists for all its investment decisions and a separate SLA with BCC for the provision of financial support.

7. Resource Implications

- 7.1 Evidence from past EZs suggests that one of the critical success factors is to resource it with a suitably qualified EZ member of staff. It is proposed to move quickly to appoint a suitably qualified EZ Manager with property and development related qualifications, which would be funded from the 'unallocated' rates income.

8. Next steps

- 8.1 The Government is now asking all partners to agree a Memorandum of Understanding for each Enterprise Zone.
- 8.2 In order for an MOU to be effective it needs to be agreed by all parties.
- 8.3 This will be accompanied by a **Partnership Agreement** between stakeholders
- 8.3 The National Enterprise Zone team led by Paul Spooner will be visiting Aylesbury in April 2016. With that in mind we should aim to have approval to the AVEZ MOU in place at both the LEP and Local Authority level by early April. Similarly, we should aim to reach early agreement with landowners to encourage early commencement in 2016/17.

9. Supporting information

- 9.1 This is fantastic news for Aylesbury Vale. The approval of Enterprise Zone status provides an enormous boost to help us grow our existing businesses and attract and accelerate new investment in 3 strategically key sites and in key knowledge based manufacturing and technology sectors for the Vale in which the UK is a global leader.
- 9.2 Our application is one of only 4 new sites in the South East of England that has been approved and has helped to buck the trend of national investment into the "Northern Powerhouse."
- 9.3 Further inward investment benefits will be realised beyond the 3 EZ sites, helping increase the total business rate revenue for the Vale and benefit the Council's overall financial position.
- 9.4 Our ED strategy and BTVLEP's Strategic Economic Plan (SEP) is to move away from a reliance on the service economy and replace the loss of former industry by the next generation of globally recognized high technology companies and engineering supply chains across the Midlands Engine and South East.
- 9.5 The proposal sets out our plans to establish Aylesbury Vale Enterprise Zone (AVEZ), covering three key strategic employment sites (**Silverstone, Westcott Venture Park and Arla/Woodlands**) but not Aston 41, all of which

are co-located with nationally significant research/test facilities that could stimulate the development of a number of emergent 'Plan for Growth' sectors – High performance Technologies and motorsports, Space Propulsion and Environmental technologies and Food and Drink manufacturing and Human Health

- 9.6 The Enterprise Zone status will help unlock further significant private and national investment in the 3 sites including agencies such as the UK Space Agency who have already shown considerable interest in the Westcott Site and there are currently innovation hub European bids underway to support cluster and innovation activity on these sites.
- 9.7 In total, Enterprise Zone designation is being sought over the 96 hectares identified as being the most suitable for creating higher value uses at the three locations in question. In total there is potential for the creation of 8665 new direct jobs - the strength of our application is the quality of jobs being created.
- 9.8 Whilst Buckinghamshire is the highest ranking 'significant rural' innovative region in the whole of the our economy has also historically been characterised by the largest micro firm economy in the country; the highest proportion of firms with low levels of employment growth; the highest proportion of out-commuting; and the third lowest level of new commercial office floor-space development
- 9.9 The scale and specialised nature of the development, the mix of uses and the highly strategic position, at the heart of the 'Golden Triangle' and at the centre of the 'Oxford to Cambridge Arc' will enable Aylesbury Vale Enterprise Zone to challenge internationally as a new major employment location during the full 25 year period.

Contact Officer Mark Wathen ext 5064
Background Documents None

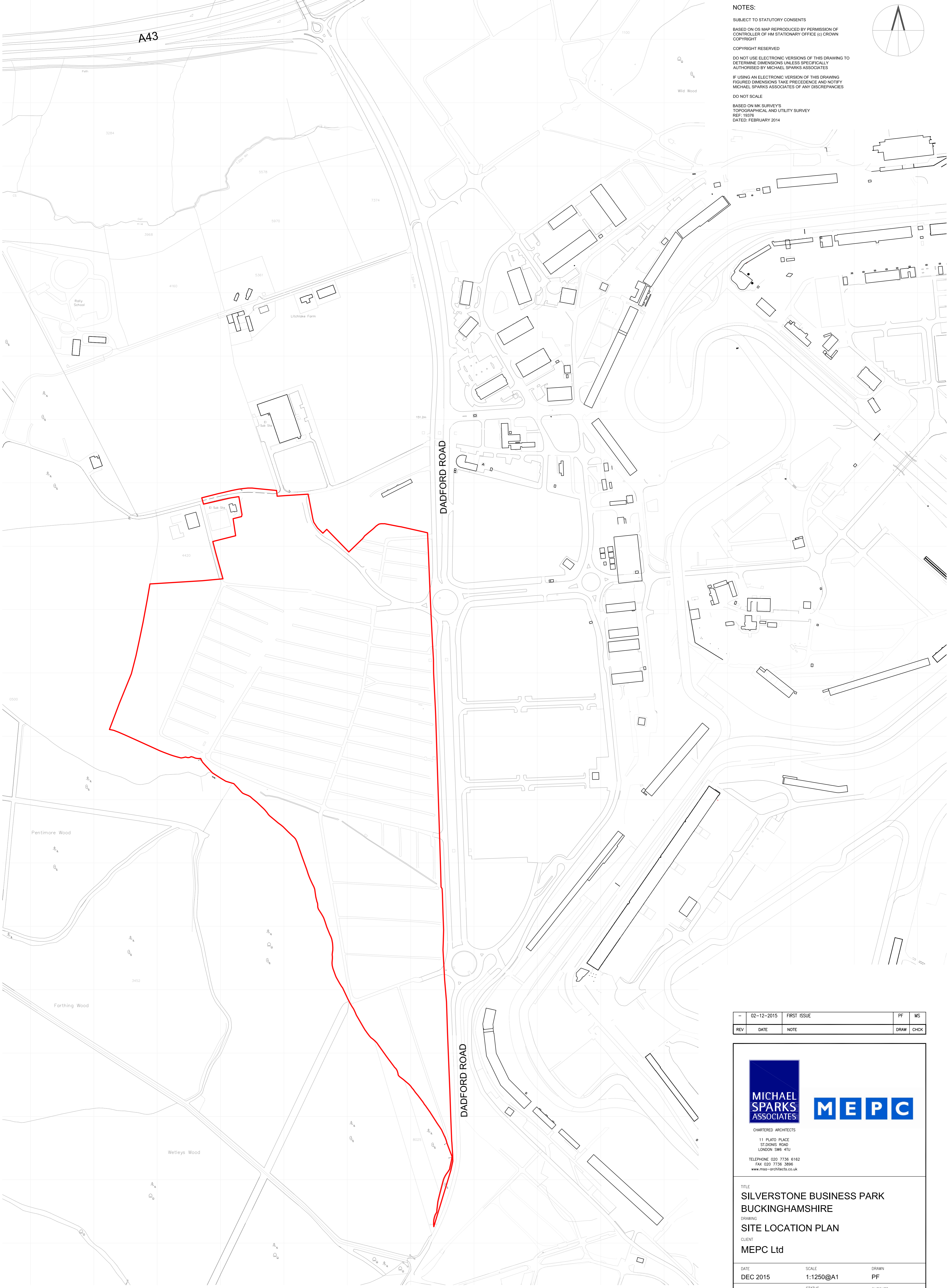
Attachments:

- Annex 1** - Enterprise Zones Site Designations (three separate site plans)
- Annex 2** - Frequently Asked Questions
- Annex 3** - Quarterly Management Information Reporting Requirements

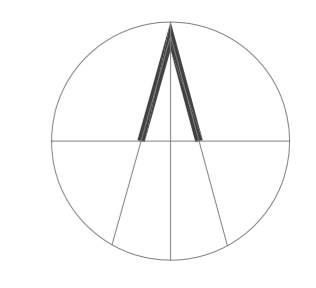
ANNEXE 1

ENTERPRISE ZONE SITE DESIGNATIONS

SEE DOCUMENTS SEPARATELY ATTACHED FOR THE THREE SEPARATE SITE
PLANS FORMING THE ENTERPRISE ZONES



NOTES:
 SUBJECT TO STATUTORY CONSENTS
 BASED ON OS MAP REPRODUCED BY PERMISSION OF CONTROLLER OF HM STATIONARY OFFICE (c) CROWN COPYRIGHT
 COPYRIGHT RESERVED
 DO NOT USE ELECTRONIC VERSIONS OF THIS DRAWING TO DETERMINE DIMENSIONS UNLESS SPECIFICALLY AUTHORISED BY MICHAEL SPARKS ASSOCIATES
 IF USING AN ELECTRONIC VERSION OF THIS DRAWING FIGURED DIMENSIONS TAKE PRECEDENCE AND NOTIFY MICHAEL SPARKS ASSOCIATES OF ANY DISCREPANCIES
 DO NOT SCALE
 BASED ON MK SURVEYS TOPOGRAPHICAL AND UTILITY SURVEY
 REF: 19378
 DATED: FEBRUARY 2014



REV	DATE	NOTE	PF	MS
-	02-12-2015	FIRST ISSUE		

MICHAEL SPARKS ASSOCIATES
MEPC
 CHARTERED ARCHITECTS
 11 PLATO PLACE
 STATIONS ROAD
 LONDON SW6 4TU
 TELEPHONE 020 7736 6162
 FAX 020 7736 3996
 www.msp-architects.co.uk

TITLE
SILVERSTONE BUSINESS PARK
 BUCKINGHAMSHIRE
 DRAWING
SITE LOCATION PLAN
 CLIENT
MEPC Ltd

DATE	SCALE	DRAWN
DEC 2015	1:1250@A1	PF
	STATUS	CHECKED
	INFORMATION	MS/GZ

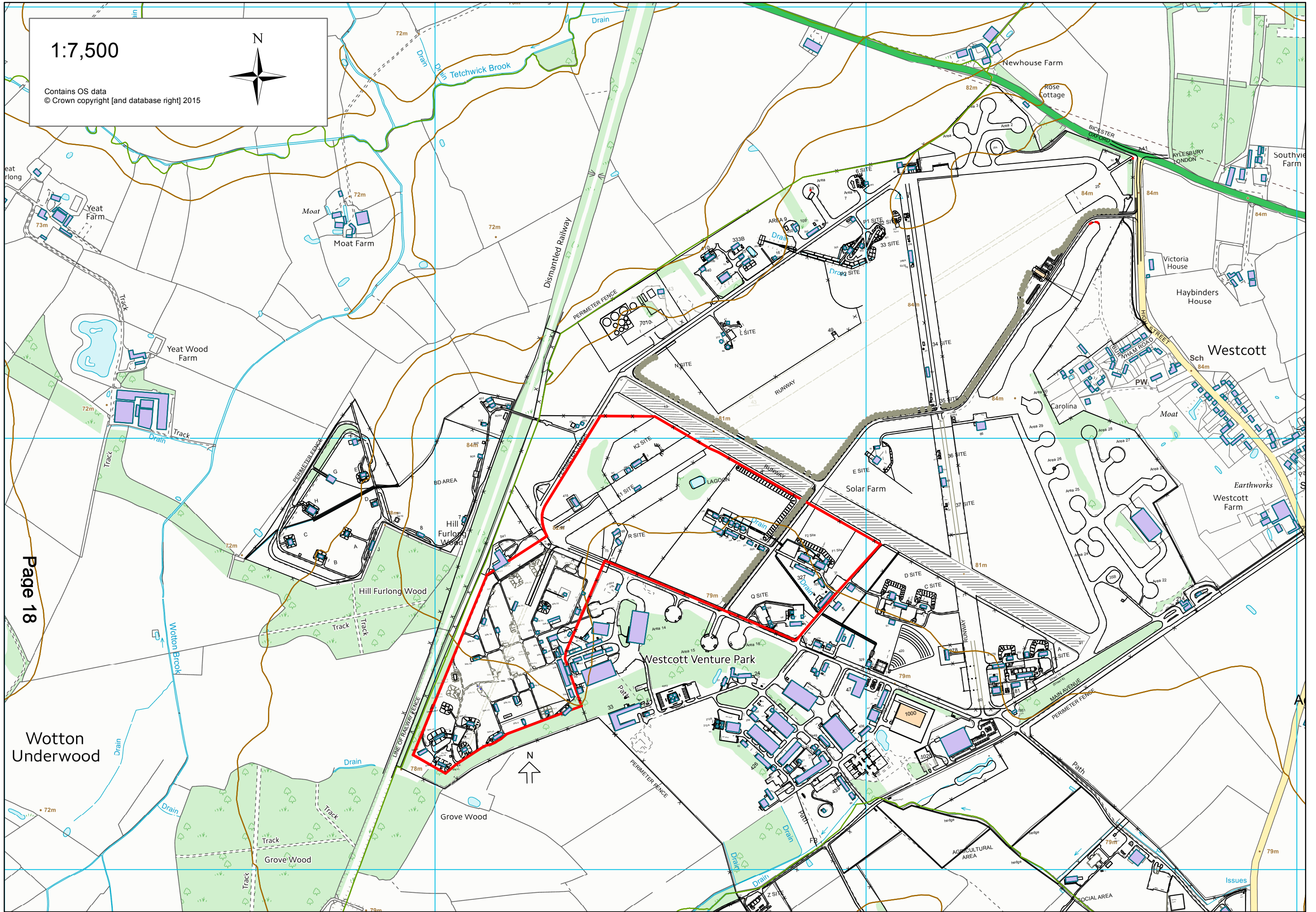
DRAWING NUMBER
30804-FE-068

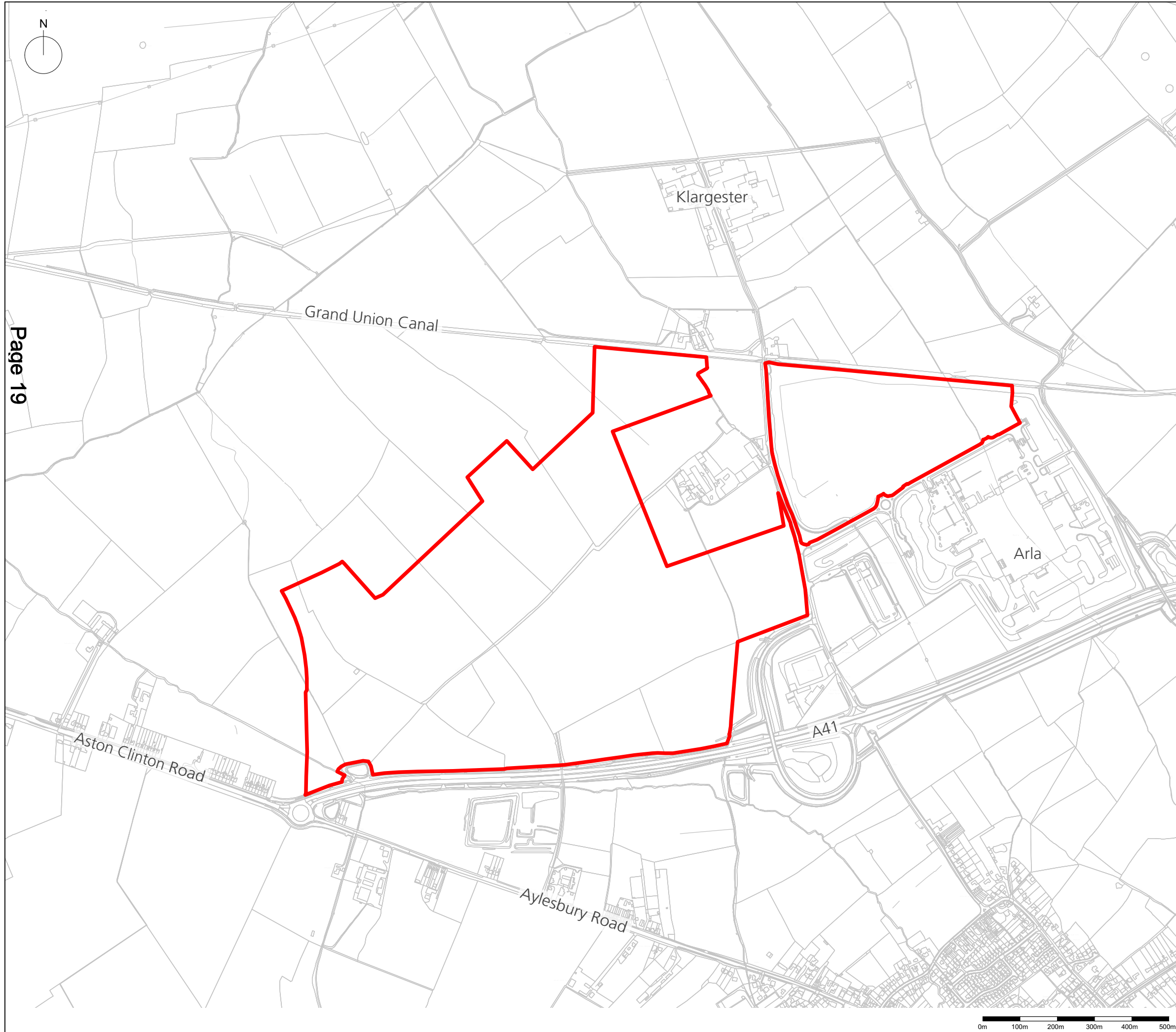
01
068



1:7,500

Contains OS data
© Crown copyright [and database right] 2015





 Business Rate Discount Area

Rev	Description	Date
-----	-------------	------



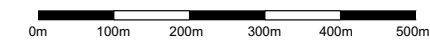
THE ENVIRONMENTAL DIMENSION PARTNERSHIP
 Tithe Barn, Barnsley Park Estate, Barnsley, Cirencester,
 Gloucestershire, GL7 5EG t 01285 740427 f 01285 740848
 e info@edp-uk.co.uk w www.edp-uk.co.uk

client
Buckinghamshire Advantage Ltd

project title
Aylesbury Woodlands

drawing title
Business Rate Discount Area

date	09 DECEMBER 2015	drawn by	TS
drawing number	EDP2524/62	checked	TJ
scale	1:10,000 @ A3		



Frequently Asked Questions

1. What is an Enterprise Zone?

- 1.1 Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites.
- 1.2 *“Enterprise Zone” means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.*

2. When was the application submitted to Government?

- 2.1 The application was submitted by BTVLEP by 18th September 2015, following discussion with the stakeholders and developers involved in the designated sites, and received notification of approval on the date of the Autumn Statement in November 2015.
- 2.2 *“Application” means the application for Enterprise Zone status submitted to the Secretary of State by the Local Enterprise Partnership by 18th September 2015 (as may be amended from time to time after the date of this agreement).”*

3. What is required to get them formally established legally and approved by our Council?

- 3.1 Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an Accountable Body in agreement with the Local Enterprise Partnership.
- 3.2 It is intended that AVDC and Bucks CC will be taking a Partnership Agreement and MOU paper to their Cabinets in April for formal approval and adoption.

4. What are the Governance arrangements and what is AVDC’s role?

- 4.1 This is something that needs to be agreed in the MOU, in line with the information set out in the body of the paper.
- 4.2 In order to finalise and agree the governance arrangements BCC, AVDC, and BTVLEP have agreed that a working group needs to be established which will draw in the landowners and other stakeholders as the proposal progresses. To pre-empt the outcome of these discussions would be highly risky and not allow partners to fully consider a range of potential options.
- 4.3 There will need to be Governance arrangements in place which will oversee strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly (**“Governance Group”**).

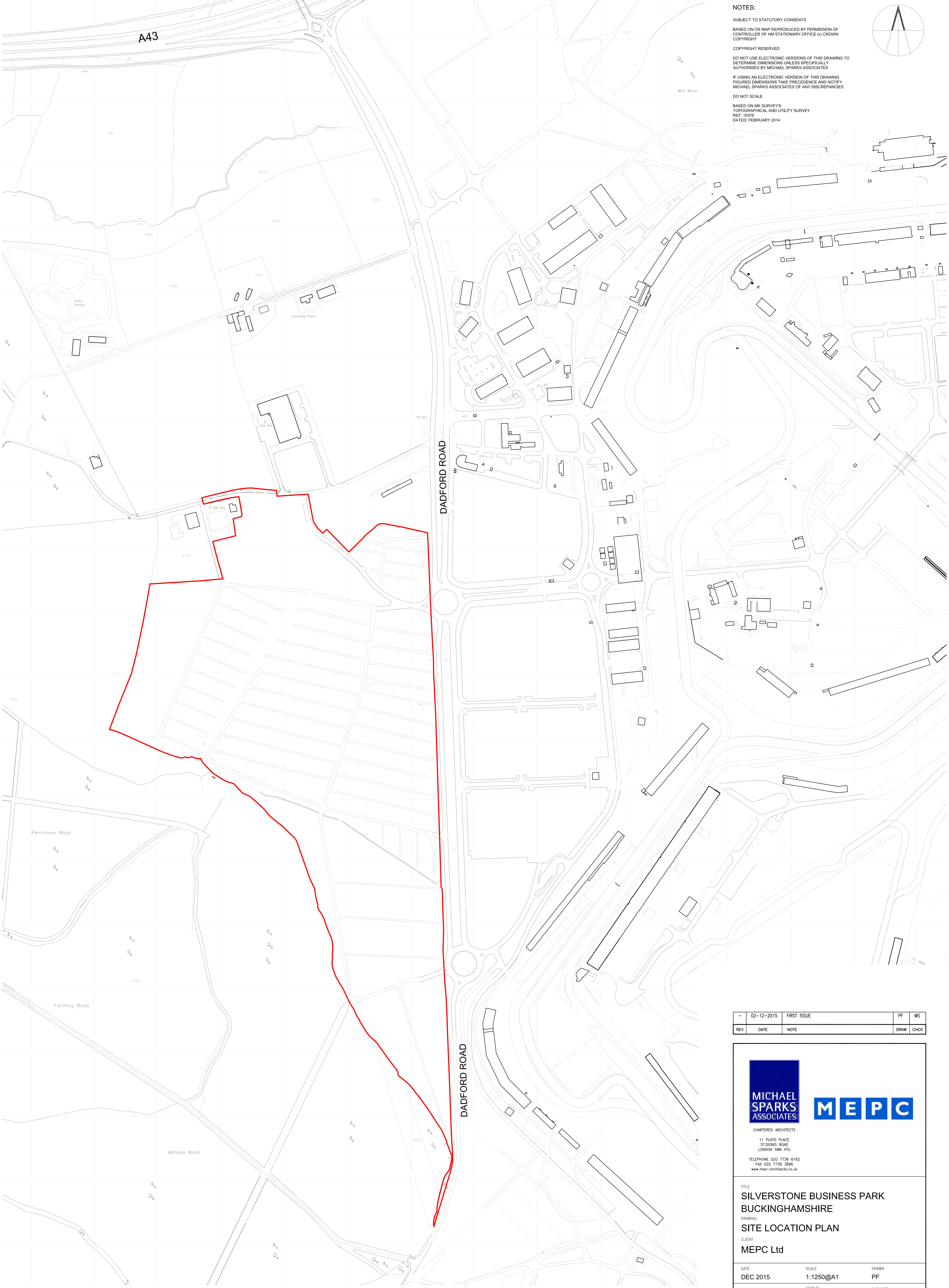
5. What are the arrangements for the allocation and retention of business rate revenue and uplift?

- 5.1 The Enterprise Zone Strategic Board is generally responsible for deciding how business rates they collect from each Enterprise Zone might be used to support the further development of the Enterprise Zone although some elements of this may be delegated to third parties (like the Enterprise Zone Operational Boards) for expediency.

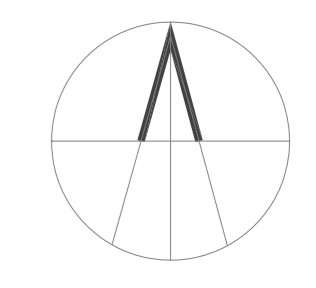
- 6. How does the operation of the Enterprise Zone and Business rates operate in practice and over what period?**
- 6.1 Central government will reimburse to the relevant local authorities the cost of providing each business occupying an Enterprise Zone site a 100% discount on business rates for five years up to the maximum state aid de minimis threshold.
- 6.2 For businesses that enter the zone before 31 March 2022 e.g. if a business enters the zone on 31 March 2022, it can receive the discount (subject to de minimis) until 30 March 2027.

QUARTERLY REPORTING MANAGEMENT INFORMATION REQUIREMENTS

- Q1 What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?
- Q2 What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?
- Q3 What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?
- Q4 What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?
- Q5 What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?
- Q6 What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?
- Q7 Was a Local Development Order introduced on the zone or a part of the zone this quarter?
- Q8 What was the change in the number of businesses that started trading on the zone this quarter?
- Q9 What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.
- Q10 What was the value of any new public sector revenue investment on the zone this quarter?
- Q11 What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?
- Q12 What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?
- Q13 What area of land was reclaimed and made ready for development on the zone this quarter?
- Q14 What commercial floorspace was constructed on the zone in this quarter?
- Q15 What commercial floorspace was refurbished on the zone this quarter?
- Q16 What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?
- Q17 What land sales were there on the zone this quarter?



NOTES:
 SUBJECT TO STATUTORY CONSENTS
 BASED ON OS MAP REPRODUCED BY PERMISSION OF CONTROLLER OF HM STATIONARY OFFICE (c) CROWN COPYRIGHT
 COPYRIGHT RESERVED
 DO NOT USE ELECTRONIC VERSIONS OF THIS DRAWING TO DETERMINE DIMENSIONS UNLESS SPECIFICALLY AUTHORISED BY MICHAEL SPARKS ASSOCIATES
 IF USING AN ELECTRONIC VERSION OF THIS DRAWING FIGURED DIMENSIONS TAKE PRECEDENCE AND NOTIFY MICHAEL SPARKS ASSOCIATES OF ANY DISCREPANCIES
 DO NOT SCALE
 BASED ON MK SURVEY'S TOPOGRAPHICAL AND UTILITY SURVEY REF: 19378 DATED: FEBRUARY 2014

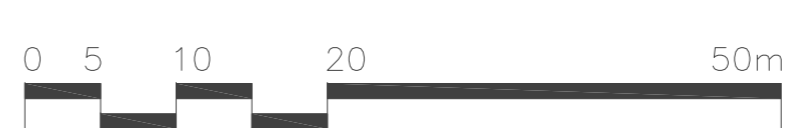


02-12-2015	FIRST ISSUE	PF	MS
REV	DATE	NOTE	DRAW CHCK

MICHAEL SPARKS ASSOCIATES **MEPC**

CHARTERED ARCHITECTS
 11 PLATO PLACE
 ST DIONIS ROAD
 LONDON SW6 4TU
 TELEPHONE 020 7736 6162
 FAX 020 7736 3996
 www.msp-architects.co.uk

TITLE SILVERSTONE BUSINESS PARK BUCKINGHAMSHIRE		
DRAWING SITE LOCATION PLAN		
CLIENT MEPC Ltd		
DATE DEC 2015	SCALE 1:1250@A1	DRAWN PF
STATUS INFORMATION		CHECKED MS/GZ
DRAWING NUMBER 30804-FE-068		



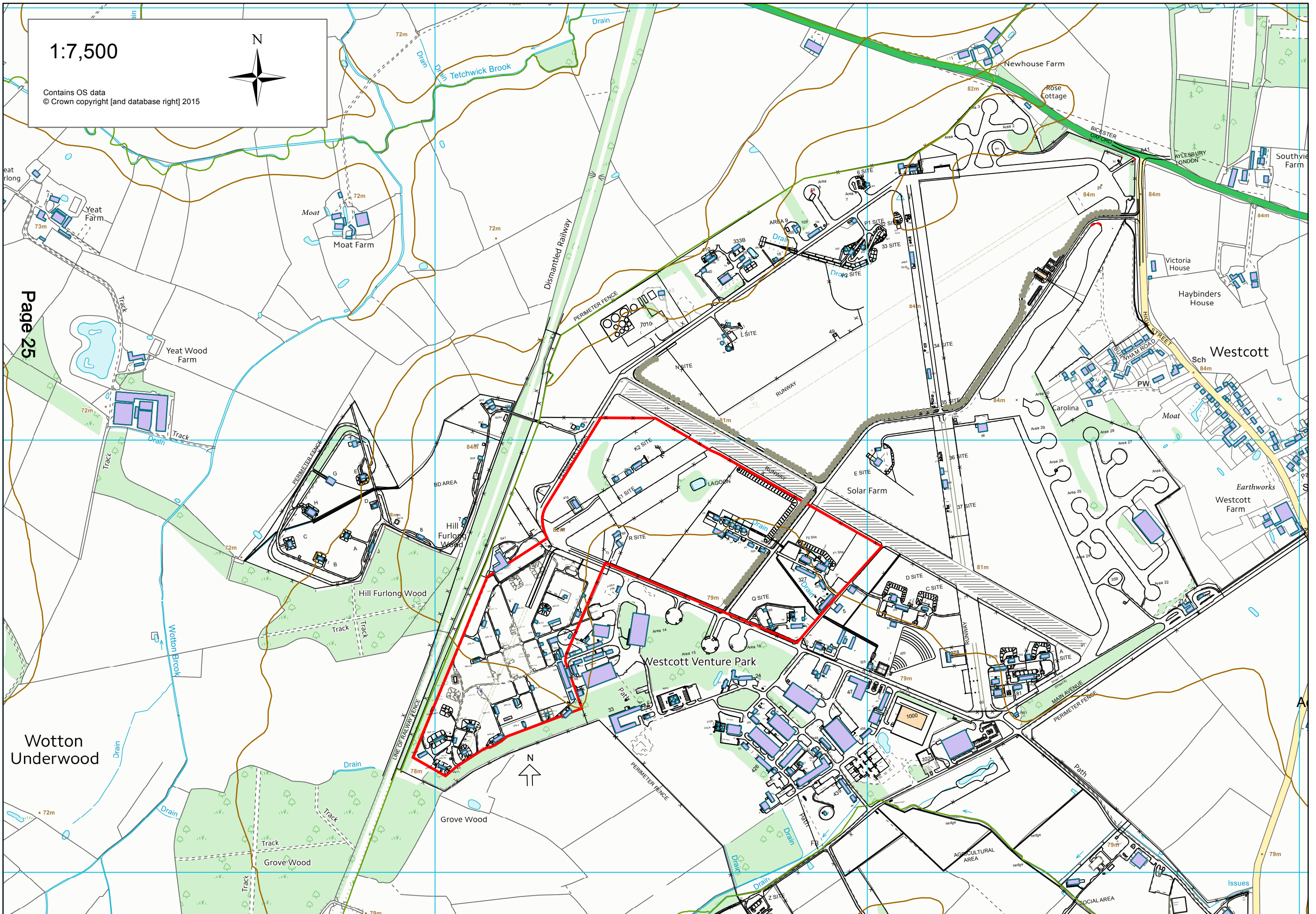
This page is intentionally left blank

1:7,500

Contains OS data
© Crown copyright [and database right] 2015



Page 25



Wotton Underwood

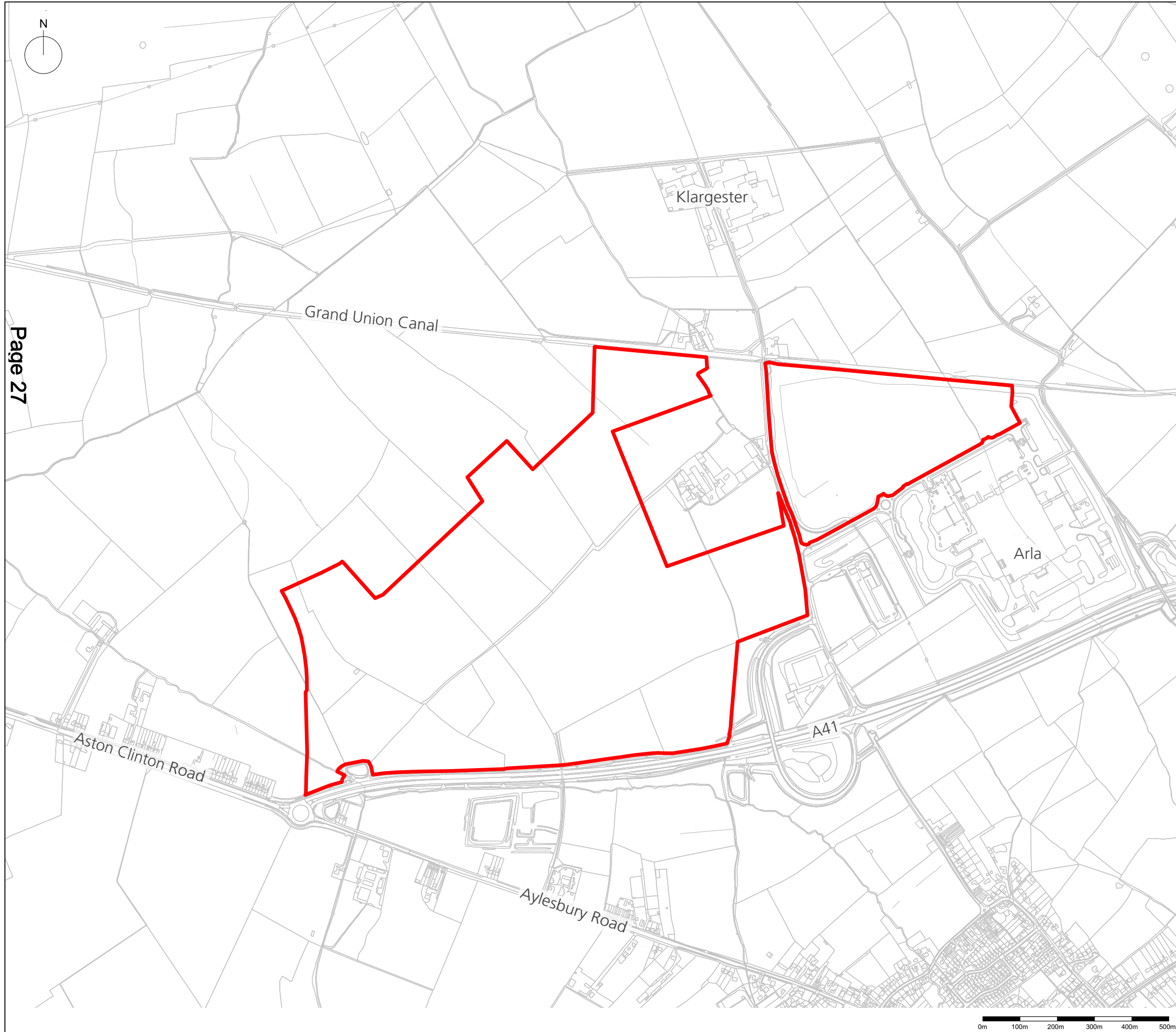


Westcott

Earthworks
Westcott Farm

Issues

This page is intentionally left blank



 Business Rate Discount Area

Rev	Description	Date
-----	-------------	------

edp
 THE ENVIRONMENTAL DIMENSION PARTNERSHIP
 Tithe Barn, Barnsley Park Estate, Barnsley, Cirencester,
 Gloucestershire, GL7 5EG t 01285 740427 f 01285 740848
 e info@edp-uk.co.uk w www.edp-uk.co.uk

client
Buckinghamshire Advantage Ltd

project title
Aylesbury Woodlands

drawing title
Business Rate Discount Area

date	09 DECEMBER 2015	drawn by	TS
drawing number	EDP2524/62	checked	TJ
scale	1:10,000 @ A3		

This page is intentionally left blank

AYLESBURY VALE ESTATES BUSINESS PLAN 2016

Teresa Lane

1 Purpose

- 1.1 To give the Committee the opportunity to consider a draft Business Plan prepared by Aylesbury Vale Estates LLP (AVE) for the 2016/2017 financial year and pass their comments on to Cabinet.

2 For decision

- | |
|--|
| 2.1 Whether the Committee wishes to make any comments on the draft Business Plans (set out at Appendices 1 – 4 in the confidential pages of this report) for consideration by Cabinet. |
|--|

3 Supporting information

Context of the Partnership

- 3.1 As the Committee will be aware, the Council and the Akeman Partnership LLP (Akeman) set up AVE as a Limited Liability Partnership (LLP) in October 2009, following a competitive dialogue procurement, to manage, improve and develop the Council's commercial property portfolio and provide an income stream to the Council. Upon completion of the agreement the Council sold the majority of its industrial and commercial estate to AVE LLP at market value.
- 3.2 The partnership is governed by a formal Members' Agreement and managed by a partnership board on which the Council has 3 representatives (Cllr Whyte, Cllr Rand and Teresa Lane) but this does not affect voting rights as the respective partners vote collectively. Akeman produced a draft Partnership Business Plan for AVE as part of their bid, which was approved by the Cabinet in June 2009. The final version of the Plan formed part of the completion documentation approved in October 2009. The Board meets on a regular basis to review progress on the Business Plan and monitor performance of the Asset Manager, Akeman Asset Management LLP.
- 3.3 The Members' Agreement requires AVE to prepare a new Business Plan before the end of their accounting year (which now mirrors the Council's financial year) and circulate this to the Council and Akeman for approval. The Agreement also provides that the Council and Akeman will use all reasonable endeavours to agree the Business Plan within 90 working days. A draft plan was first presented to the Partnership Board at their meeting in October but it was decided by AVDC, and also the private sector partners, to refine it at subsequent Board meetings and delay submitting it to Akeman and AVDC. A number of iterations followed, and the Board agreed to recommend the attached draft plan for approval at its meeting on 3 March. Following consideration by this Committee the draft Plan, together with the Committee's comments, will be reported to Cabinet on 12 April.
- 3.4 The timetable of the last few years for preparing the draft Plan and subsequent consideration by the Scrutiny Committee and Cabinet, means that approval is retrospective and does not enable any financial implications for AVDC eg the distribution (ie dividend) by AVE, to be reflected in the Council's annual budget setting process. With the agreement of the private investor, the timetable for future draft Business Plans will be changed to an earlier Committee and Cabinet cycle ie January, to achieve this alignment.

- 3.5 The Members' Agreement requires the Business Plan to set out AVE's objectives for the life of the Partnership (ie 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 is 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
- 3.6 Once approved, the Partnership Business Plan provides the framework within which the Partnership Board works, similar in effect to the Budget and Policy Framework set by Full Council for the Cabinet. Accordingly if the Board wish to pursue any substantive action which is 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. The Committee are, therefore, invited to consider and comment on the Plan as drafted to date.

Index to the Business Plan and Supporting Documentation

- 3.7 The draft Business Plan is attached in the confidential pages as Appendix 1.
- 3.8 The draft Business Plan identifies that the 'core assets' within the portfolio - those assets which have the greatest collective bearing on the portfolio in total, and are therefore the subject of greatest management attention - are the estates at Rabans Lane North, Rabans Close, Edison Road, Bessemer Crescent, Stocklake, Gatehouse Way and Hale Leys Shopping Centre. For this reason, these assets will have their own dedicated Asset Management Strategy which will be submitted to the Board for approval.
- 3.9 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 makes up about a quarter of the total portfolio value of AVE. A separate cashflow for the Centre is in the confidential pages as Appendix 2.

- 3.10 The Business Plan necessarily includes a range of assumptions about the future behaviour of tenants and the wider market. Some of these may come to pass, some may not. In order to provide Members with an improved understanding of the impact which these events may have on the performance of the business, two 'cases' are presented: a pessimistic 'base' case and an optimistic 'enhanced' case. (The expectation is that reality will fall somewhere between these two extremes). The cashflows supporting the base and enhanced business plan are included in the confidential pages as Appendix 3 and 4.

Analysis and summary of key issues in the Plan

- 3.11 The Business Plan is introduced by a number of key headlines, some of which are worth repeating in the covering open report:

Looking back

- During 2015, the UK market finally started to see more confidence from the occupier market spread outside central London which has benefited locations like Aylesbury. However, the retail market remained volatile.
- The core aims of the company remained the same ie:
 - increased investor revenue flows and
 - support for the Council's economic development ambitions
- After the last few years of rationalisation and stabilisation of the portfolio, through the recession, the focus has been on redevelopment, investment and portfolio growth.
- During the 2015/16 financial year, the following progress has been made:
 1. Sale completed of the Whitehill Surgery and Ardenham Lane car park to the medical practice who occupied on a long and unsatisfactory lease.
 2. Sale of the Pembroke Road estate to AVDC to allow expansion of their depot, is due to complete before the AVE year end.
 3. The Phase 1 Gateway affordable housing should complete later this year.
 4. To date, lettings have occurred across the portfolio in line with expectations with 23 new leases completed, 10 vacating (4 of which relocated to AVE premises elsewhere), and 8 renewing.
 5. The AVE portfolio has started to see the ripple of confidence and property. The overall vacancy level for the multi let estates has decreased and is now as low as 7.8% for some parts of the estate although it remains stubbornly high, over 25%, for

other areas. (See comment under Looking forward section).

6. Despite the volatility of the market, Hale Leys Shopping Centre is 100% occupied.
7. A distribution to members of AVE was deferred until 2016/17. (See comment under Looking forward section).
8. A refurbishment of Bessemer Crescent units has been highly successful and resulted in an increase in lettings with an end year forecast of 7.8% vacancy.

Looking forward

- With the delay in the rating revaluation, occupiers are still paying rates based on historic inflated valuations which holds down rents achievable.
- Although the UK economy is generally doing well compared to many other countries, there are still many uncertainties it needs to cope with including the impact of an exit from the EU, continued austerity and the Chinese slow down.
- During the next 12 months, the focus will be on:
 1. Continuing and extending the refurbishment programme to improve the multi let estates to reduce vacancies, increase rent and help generate employment through the increased lettings.
 2. Making a distribution to members of the partnership.
 3. Identifying investment opportunities to grow/diversify the portfolio and enhance its value. This will include consideration of any opportunities arising from the emerging Vale of Aylesbury Local Plan.
 4. Bringing forward a number of developments including:
 - Completion of the office building on the Gateway site (Phase 1)
 - Bringing forward Gateway Phase 2
 5. Securing the renewal leases of key tenants of the Hale Leys Shopping Centre and engagement in the process to develop the next phases of the Waterside North development.
 6. The transfer of 'community assets' where there is a demand to do so and it makes economic sense from AVE's perspective.

Commentary on 1- 6

- 3.12 The proposals in this Business Plan reflect the growing confidence in the market and AVE is in a good position to capitalise on the district's increasing attractiveness as an investment location.
- 3.13 The void rates on some areas of the multi let industrial estate are still significantly higher than desired (up to 26%) but the first phase of refurbishment, alongside a more proactive marketing campaign, has been rewarding, with void rates falling for those particular units.
- 3.14 One of the Vale's economic strengths has been its small/medium sized business base, and so the AVE portfolio, and the plans to continue and expand the refurbishment programme, will make an important contribution to the district's growing economic success and AVDC's own economic development strategy. Stronger links are being formed with the Council's Economic Development team to help facilitate this.
- 3.15 Retaining tenants on the multi let sites by improving customer satisfaction is an objective of the AVE asset management strategy, particularly given the potential competition from other employment sites. The investment by AVE to upgrade the broadband to superfast has been welcomed by the tenants (see page 29 of Appendix 1) and in 2016/17, plans are in place to provide an estate wide CCTV system.
- 3.16 The first planned distribution to partners, is a significant milestone in the life of AVE. The challenges of the market in the last few years has prevented a distribution being made but the base and enhanced case shown on pages 4 and 5 of Appendix 1 show a distribution in this year and 2017/18 and 2018/19. The distribution sum in 2016/2017 is still to be agreed by the Board but a generally cautious approach will be taken to ensure that money is available to meet amortisation obligations and deliver the asset management plans set out in Appendix 1, pages 31 – 37.
- 3.17 As with all forecasts, there is less certainty about the later years and the ability to sustain a distribution at the forecasted level, will depend on the wider market position and the outcome of a number of other planned activities including for, example, the progression of Gateway phase 2.
- 3.18 The sale of the Pembroke Road site to AVDC for redevelopment will enable the council to meet its expanding waste and recycling service requirements, and progress a compatible commercial business). The receipt from the sale alongside other receipts, will be used to reinvest in new income generating assets. A proactive approach will be taken by the Asset Management Company, Akeman Partnership LLP, to identify and procure the best market offers. Although the current portfolio is dominated by industrial units, it does also include retail and land and an open minded an approach will be taken to future investments.
- 3.19 In addition to managing its own assets, AVE also has the ability to either enable new developments or act as a developer in its own right. Gateway In 2014, AVE received outline planning consent for a mixed use development of land at the Gateway for housing and commercial use. Phase 1 was packaged in a deal with VAHT to enable an affordable housing scheme to be built. For Phase 2, AVE will be looking for the land to be used for a private residential

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank