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AYLESBURY VALE DISTRICT COUNCIL Democratic Services

Please ask for: Alice Fisher; afisher@aylesburyvaledc.gov.uk;
Switchboard: 01296 585858
Text Relay Prefix your telephone number with 18001
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ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

A meeting of the Economy and Business Development Scrutiny Committee will be held at **6.30 pm** on **Wednesday 1 June 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, C Branston, A Christensen, M Hawkett, T Hunter-Watts, P Irwin, C Poll, J Ward and W Whyte

Contact Officer for meeting arrangements: Alice Fisher; afisher@aylesburyvaledc.gov.uk;

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 10)

To approve as a correct record the Minutes of the meeting held on 15 March 2016 copy attached as an Appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. STRATEGIC ECONOMIC DEVELOPMENT PRIORITIES (Pages 11 - 20)

To consider the report attached.

Contact: Mark Wathen 01296 585064

6. SKILLS UPDATE REPORT (Pages 21 - 26)

A summary of developments since the last meeting is attached.

Contact: Mena Caldbeck 01296 585657



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ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

15 MARCH 2016

PRESENT: Councillor P Strachan (Chairman); Councillors A Southam (Vice-Chairman), B Adams, J Bloom (in place of Hawkett), Branston, A Christensen, P Irwin, C Poll, J Ward and W Whyte.

IN ATTENDANCE: Councillors Mrs J Blake, N Blake and C Adams

APOLOGIES: Councillors M Hawkett and T Hunter-Watts

1. MINUTES

RESOLVED –

That the minutes of the meeting held on 20 January, 2016, be approved as a correct record.

2. BROADBAND PROVISION IN THE VALE

In December 2014 the Council had committed £1.536m of New Homes Bonus funding to support the rollout of broadband across the district. £200,000 of this had been used to run a pilot project and to create Aylesbury Vale Broadband (AVB) to provide a service to the North Marston and Granborough area.

AVB was 95% owned by AVDC and 5% owned by Ironic Thought. AVB was being funded by a commercial loan from AVDC, repayable by 2022 and with an interest rate of 7.5%. 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.

The Company had been incorporated in June 2015 and the physical works had then commenced in August 2015. An update had been provided in September 2015 to the Committee, with a further update provided to this meeting. In addition to the information reported to the meeting, latest news and information about the programme could be accessed from the AVB website at www.avbbroadband.co.uk.

Mr Andrew Mills (Aylesbury Vale Broadband) and Mr Navin Sankersingh (Connected Counties) attended the scrutiny meeting to present to the Committee and to answer queries from Members.

Since the last Committee report, the network had gone live in parts of the North Marston area in November 2015 and was currently being extended to Granborough. There had been a 40% take up for the areas currently served in North Marston, which was significantly higher than the take up for the Connected Counties programme for example, which was 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 was to increase this take up to the 60% set out in the business plan and increase the take up as the rollout continues.

The broadband service had been extended to the North Marston school which was allowing the school to utilise on-line resources that had previously been inaccessible. It was also reaching farming properties, some of which were up to 3kms from the centre of North Marston. A free public Wi-Fi spot was being offered around the church in North Marston and in the coming weeks free Wi-Fi access would also be provided to the

village hall and shop area. This would help to encourage the use of community facilities as well as addressing the issue of mobile black spots in the village.

The AVB network was classified as an ultra-fast broadband service (i.e. delivering at least 300Mb/s), with this speed of broadband currently only available to 2% of the UK population. The broadband pricing strategy was:-

- 30 MB/s up and down - £30 per month (cheapest package).
- 100 MB/s - £38 per month.
- 300 MB/s - £135 per month.

In addition to providing an ultra-fast fibre broadband service in rural Aylesbury Vale, AVB's presence had also driven an additional estimated £600,000 investment by other broadband providers (both fixed and wireless). As with all pilot projects, there had been a number of lessons learned, that would be considered as part of the overall project evaluation.

Members were informed that there had been significant interest and demand from many locations across the Vale for improved broadband provision and there were 55 locations in the Vale that had requested AVB consider extending the service to their area. The company was now focusing on completing the work in the pilot area before actively considering what next steps might be taken to further roll out the service.

Alongside the AVB Pilot project, work had 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. A number of preference areas had been included in this extension programme in order to help focus the responses. The LEP had also identified a number of preference areas across the country where there was a high business/homeworking incidence and this included a number of areas in the Vale.

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 had been identified as areas that had very poor or no broadband coverage and where a high level of demand had been expressed through the previous connected counties project or the AVB scheme. BT had been asked to prioritise a solution in these areas if possible as part of their response to the contract extension.

The Committee was also provided with information on the superfast broadband extension to Bucks, as part of Contract 2 with Herts CC, and the issues that were holding back the release of a full impact assessment that would allow the project to progress. Until it was resolved it would not be possible to confirm the areas that were in scope for contract 2 of the Connected Counties project and the resultant proposed rollout dates.

It was anticipated that AVDC would be in a position to confirm where the rest of £1.356m of the NHB funding set aside for broadband activity would be invested by the end April 2016 at the latest.

Members requested further information and were informed as follows:-

- (i) that getting AVB up and running had been extremely challenging, with AVB having to use 3 civil teams for the cable laying due to a number of issues. There had also been issues to overcome as the ducting for the cable crossed both public and private land.

- (ii) that AVB would be looking to improve communication with users by having village champions to disseminate information locally. Two videos had also been posted on Facebook.
- (iii) that the new broadband service had been taken up by 40% of the properties in North Marston that were reached by the service (which also equated to 14% of all available properties in that area). The average subscription cost was £36 per month, with projected income for March 2016 of £2,300.
- (iv) that the feedback from customers receiving the new service had been overwhelmingly positive.
- (v) that while there were far fewer problems and support requirements due to AVB providing the service over dedicated fibre, it was recognised that more robust customer support arrangements would need to be put in place, such as a support desk, as AVB grew.
- (vi) that it should be possible in the future for the fibre network to be extended to villages around large settlements.
- (vii) an explanation was provided on issues regarding the superfast broadband extension to Bucks, including that it was intended to expand the Dayrell exchange as a part of the Contract 2 with Herts CC which would improve broadband provided to the Lillingstone Lovell and Thornton areas of the District.

An undertaking was given to provide the local Member with more information in due course on this particular issue.

- (viii) that currently customers primarily found out about AVB through word of mouth. However, as the business grew it was the intention to appoint a dedicated Civils Manager and some engineering apprentices to assist in further rolling out the service.
- (ix) that Contract 1 of the Connected Counties project had connected 44,100 of the 45,000 households. It was hoped that Contract 2 would be signed off by April 2016, with work then undertaken from the end of 2016 for two to two and a half years.
- (x) That AVDC had pressed the HS2 Select Committee about the possibility of providing fast broadband alongside the HS2 line, although nothing had been confirmed.
- (xi) that BT had indicated as part of their response to the broadband programme specification that they were looking to provide a 94% response in the contract for broadband provision to the villages mentioned in paragraph 3.15 of the Committee report.

RESOLVED –

- (1) That Mr Mills and Mr Sankersingh be thanked for attending the meeting and providing an update position to Members.
- (2) That the latest position regarding the broadband programmes and the rollout of broadband in the District be noted.

3. ENTERPRISE ZONE UPDATE ON PROGRESS

The Committee received a report updating Members on the arrangements for the establishment and operation of the Aylesbury Vale Enterprise Zone (AVEZ). 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.

In the latter stages of 2015, working closely with public and private sector partners, BTVLEP had submitted an application for an Aylesbury Vale Enterprise Zone (AVEZ) with the support of AVDC, which had subsequently been accepted by central government. The award of the AVEX was a testament to the positive partnership working between AVDC, BCC, BTVLEP, Silverstone Park, Westcott Venture Park and Arla Dairies.

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. 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).

The LEP, landowners and Local Authority Partners in the Enterprise Zone would 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, would sit outside the standard LA rates retention arrangements that would exist outside Enterprise Zones. Business rate growth on an Enterprise Zone would not count towards an authority's business rate baseline income and, as a result, would not be used in the calculation for local authority top ups or tariff payments. Furthermore, EZ's business rate discounts and capital allowances that were fully funded by the Government would generate business rates income that would not otherwise have arisen.

Importantly, all of the Business Rates generated on the Enterprise Zone sites would be under the control of the Enterprise Zone's Governance Board. The District and County Councils would not automatically receive any proportion of the Business Rates generated on these sites (currently 40% to AVDC and 9% to BCC). However, it was possible to agree within the MoU and partnership agreement, that a proportion of the growth should still go to the local authorities, but this had to be negotiated and documented.

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 would therefore be vitally important.

The Aylesbury Vale Enterprise Zone comprised three elements which were further expanded on in the Committee report and in the Annexe 1. These elements were:-

- The Space Related element of the Westcott Venture Park site. The space propulsion element had not seen any major development since the 1940s but the allocated land could attract the higher value knowledge economy type business and investment. Investment in this Space Sector was currently heavily controlled by Government through the European and UK Space Agencies.

AVDC were working closely with Westcott and a major space engineering company to locate to Westcott with a view to them being established and up and running by March 2017

- The currently undeveloped site K of the Silverstone site. Being an EZ would support the acceleration of the development of the site and attract businesses. Site K had outline planning permission for employment uses and a recent detailed planning permission of a first phase of development totalling some 11,000m² of new floor space.
- On Arla/Woodlands, the site included a mix of consented land (Arla development) and unconsented (led by Buckinghamshire Advantage) land. This site was intended to have a focus on Food and Drink, Health and Care related activities.

The Committee report went on to explain the prospective governance framework for the Enterprise Zone which would include having formal approval of a Memorandum of Understanding for the AVEZ. The Government was now asking all parties to agree an MoU for each EZ. For them to be effective, the MoU would need to be agreed by all parties, i.e. AVDC Cabinet, BCC Cabinet, the LEP and the landowners in place by April 2016. The MoU would need to set out how monies would be allocated and the final governance arrangements. For example, this could cover arrangements for the wider business rates devolution.

The AVEZ Strategic Board would be responsible for maximising the potential of this location to benefit Buckinghamshire and for managing the delivery of the strategic vision.

Separately, BCC, AVDC and BTVLEP had discussed the idea of a Partnership Arrangement existing between BTVLEP and the Collection Authority (i.e. Accountable Body) setting out the services to be provided by Accountable Body and what kind of finance systems would sit around the arrangements.

In summary, the Committee was informed that the approval of Aylesbury Vale Enterprise Zone status was an enormous boost to help grow 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 was a global leader.

Members requested further information and were informed:-

- that the AVEZ would retain 100% of growth in business rates to re-invest in development of the EZ, although discussions and negotiations would be needed between partners to decide on how this happened.
- that local Members would be regularly kept abreast with what was happening in the EZ elements in their areas.
- that the AVEZ would be looking to attract new business and ventures, rather than poaching businesses from within the local area.
- that AVDC would be looking to play a big part in developing the Communications Strategy and Action plan for the AVEZ.

RESOLVED –

- (1) That the progress made with partners regarding the formal establishment of the Aylesbury Vale Enterprise Zone be noted.
- (2) That the Committee was supportive of AVDC's Cabinet moving forward and formally approving a Memorandum of Understanding and supporting Partnership Agreement for the establishment of the Aylesbury Vale Enterprise Zone.

4. AYLESBURY VALE ESTATES BUSINESS PLAN

A report, together with confidential appendices which detailed Aylesbury Vale Estates (AVE) Business Plan for 2016/2017 was presented to give the Committee an opportunity to consider it and pass any comments onto Cabinet. The Committee was reminded that, the Council and the Akeman Partnership LLP (Akeman) had set up AVE 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. The partnership was governed by a formal Members' Agreement and managed by a partnership board on which the Council had 3 representatives.

Akeman had produced a draft Partnership Business Plan for AVE as part of their bid, which had been 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 meet on a regular basis to review progress on the Business Plan and monitor performance of the Asset Manager, Akeman Asset Management LLP. The Members' Agreement provided for AVE to prepare a new Business Plan before the end of their accounting year and for this to be circulated to the Council and Akeman for approval. The Business Plan set out AVE's objectives for the life of the Partnership (20 years) and the annual overarching objectives for each accounting period. In particular, the Plan had to include a statement that AVE's business would 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.

The draft Business Plan identified the 'core assets' within the portfolio, i.e. those assets which had the greatest collective bearing on the portfolio in total, and were therefore the subject of greatest management attention, namely the estates at Rabans Lane North, Rabans Close, Edison Road, Bessemer Crescent, Stocklake, Gatehouse Way and Hale Leys Shopping Centre. These assets had their own dedicated Asset Management Strategy which was submitted to the Board for approval. During the 2012-13 financial year, AVE had purchased the Hale Leys Shopping Centre, creating a separate special purpose vehicle, Hale Leys LLP, to own and manage the centre. By value, the shopping centre made up about a quarter of the total portfolio value of AVE. A separate cashflow for the Centre was detailed at Appendix 2 to the confidential pages

The Business Plan included a range of assumptions about the future behaviour of tenants and the wider market. In order to provide Members with an improved understanding of the impact of future events on the performance of the business, two 'cases' were presented: a pessimistic 'base' case and an optimistic 'enhanced' case. The expectation was that reality would fall somewhere between these two extremes. The cashflows supporting the base and enhanced business plan were detailed at Appendices 3 and 4 to the confidential pages.

Looking back, the UK market had finally started to see more confidence in 2015 spread out from central London to other occupier markets which had benefited locations like Aylesbury. However, the retail market remained volatile. The core aims of the company remained the same to increase investor revenue flows and support the Council's

economic development ambitions. During 2015/16, the following progress had been made:-

- completing the sale of the Whitehill Surgery and Ardenham Lane car park to the medical practice who occupied the site on a long and unsatisfactory lease.
- the sale of the Pembroke Road estate to AVDC to allow expansion of the Council's depot, was due to be complete before the end of AVE's financial year.
- the Phase 1 Gateway affordable housing project was due to be completed later this year.
- lettings had 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 their leases.
- the overall vacancy level for the multi let estates had decreased and was now as low as 7.8% for some parts of the estate although it remained stubbornly high, over 25%, for other areas.
- despite market volatility, Hale Leys Shopping Centre was 100% occupied.
- a distribution to members of AVE had been deferred until 2016/17.
- a refurbishment of Bessemer Crescent units had been highly successful and resulted in an increase in lettings with an end year forecast of 7.8% vacancy.

Looking forward, the UK economy was doing well compared to many other countries although the market still needed to deal with uncertainties created by a possible exit from the EU, continued austerity and the slow down of the Chinese economy.

During the next 12 months, the Plan would focus on:-

- 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.
- making a distribution to members of the partnership.
- identifying investment opportunities to grow/diversify the portfolio and enhance its value. This would include consideration of any opportunities arising from the emerging Vale of Aylesbury Local Plan.
- bringing forward a number of developments including the completion of the affordable housing project on the Gateway site (Phase 1) and bringing forward Gateway Phase 2.
- 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.
- the transfer of 'community assets' where there was a demand to do so and it makes economic sense from AVE's perspective.

Members considered the information in the Committee report and confidential appendices, and in response to questions were informed:-

- (i) that AVE compared their performance against the Investment Property Databank (IPD) which was the standard benchmark for investors to analyse the performance of property in the UK market. AVE's performance was consistently better than comparable managed properties.
- (ii) on the work and measures that AVE were taking to mitigate market uncertainties.

- (iii) that broadband had been upgraded to properties in Rabans Close, with a view to attracting more higher end users.
- (iv) that while AVE had not externally benchmarked its performance there was no reason why this couldn't happen in the future, subject to shareholder agreement.
- (v) that AVE would be interested in investing/managing centres and general convenience facilities in Aylesbury, should the opportunity arise.
- (vi) that AVE would look to identify investment opportunities to grow/diversify the portfolio and enhance its value, in particular, opportunities that might arise from the emerging Vale of Aylesbury Local Plan.
- (vii) on a number of other issues relating to information covered in the confidential appendices.

RESOLVED –

- (1) That Cabinet be recommended to approve the AVE Business Plan for 2016/2017.
- (2) That a further report on AVE's performance be submitted to the Scrutiny Committee in 6 months.

NOTE: Councillor Whyte declared a personal interest in this agenda item as a Council representative on the Aylesbury Vale Estates Board.

STRATEGIC ECONOMIC DEVELOPMENT PRIORITIES

1. Purpose

- 1.1 To provide Members with an update on the proposed economic development priorities for AVDC, following a progress review and refresh of the AVDC Economic Development strategy 2011-2014 and an ongoing review of the BTVLEP Strategic Economic Plan priorities from 2016 onwards.
- 1.2 This takes into account the changing national and local landscape, whereby economic development activities are increasingly significant in the localism agenda, especially around Devolution and Combined Authorities and the future of local business rate retention (NDR) which is intended to take effect from 2020.

Economic Development is also important in terms of shaping bids with partners for future Government and other agency funding rounds including EU funding, Local Growth Fund calls & other bids.

Recommendations

That Scrutiny Committee is asked to:

- 2.1 Note that this paper summarises the key strategic economic development priorities and focus for action, which the previous papers since October 2015 on inward investment, business engagement and enterprise zones and skills have identified

3. Executive summary

- 3.1 In December 2015, an economic development stakeholder meeting was chaired by our Deputy Leader Cllr Steve Bowles, where it was agreed to progress and align the joint economic development strategies of AVDC, BTVLEP and BBF, helping to create a common action plan.
- 3.2 The scope of this was intended to cover all areas of economic development related activity around the main thematic issues of:
 - business investment, survival and growth
 - skills 'fit for purpose'
 - and underpinning infrastructure

The aim being to agree the common outcomes we wanted to achieve and to develop a joint action plan which will provide clarity around lead and supporting roles and responsibilities. Attached in **Annexe 1** is a diagram setting out the proposed focus for AVDC's economic development team going forward, which could be subject to change in light of the impending service review.

- 3.3 The immediate outcomes agreed to be progressed from the December 2015 stakeholder meeting were as follows:
- *Inward Investment/trade*: a seamless inward investment and aftercare service.
 - *Business engagement*: setting out a clear rationale for strategic business engagement & protocols.
 - *Business support*: to provide simplified access to business support through the Growth hub.
 - *Skills*: to continue to provide business insight & engagement in support of Bucks Skills Hub; strengthen sector skills & innovation programmes sub-regionally.
 - *Joint sub-regional infrastructure work*: to undertake joint work with the LEPs on East/West Rail, Strategic Alliance, Midlands Connect, the Vale of Aylesbury Local Plan and Aylesbury Town Centre Partnership Masterplan and Aylesbury Vale Estates (AVE).
- 3.4 We have made significant progress in this regard in terms of strategic priorities and in starting to develop action plans, as is evidenced by:
- the Skills discussion and actions from the September 2015 Committee meeting
 - the Inward Investment strategy paper which was shared at the January 2016 Committee meeting
 - the Enterprise Zone update paper brought to the 15th March Committee meeting and the Cabinet meeting on 10th May

The next section will identify the key priority areas for AVDC and how the Economic Development team will work together as part of Team Bucks.

4. Supporting information

4.1 Buckinghamshire Enterprise Zone (Silverstone Park, Westcott, Arla Woodlands)

A visit from Paul Spooner, the Government advisor on Enterprise Zones, was hosted at the three sites on Friday 15th April. He was very positive about the global 'niche' offers of the sites and encouraged partners to develop as much profile and momentum as possible during this first year of operation.

The outline Heads of Terms Agreement for the Memorandum of Understanding and Partnership Agreement between AVDC, BTVLEP and other stakeholders was agreed on Tuesday 10th May and delegated to the Finance Director to finalise.

To move towards active promotion and lead generation and conversion as soon as possible, it is proposed that AVDC's economic development team work closely with BTVLEP as an integral part of the Buckinghamshire Enterprise Zone operational team.

The ED team propose to work alongside the Enterprise Zone director with a focus on marketing and business development. The current remit proposed is around the joint creation of an Enterprise Zone business development, marketing & inward investment strategy and its implementation.

The key objectives being to:

- to accelerate investment into the Buckinghamshire Enterprise Zone and generate a strong pipeline of prospects
- continuously develop & promote the evolving sites
- packaging the wider business support, soft landing offer & incentives

This will have a specific focus on the following knowledge economy sectors and their supply chains including: Motorsports & High Performance Technologies, Space Propulsion/UAVs, Healthcare & the Food & Drink manufacturing sectors.

This would involve working closely with the BTVLEP Marketing Manager, Enterprise Zone partners (including site owners, agents & developers), Buckinghamshire Business First and Aylesbury Vale District Council & Government bodies including DCLG, BIS, Innovate UK, UK Space Agency & Space Catapult, the Automotive Investment Organisation, the MIA, UKTI, Universities & Research Councils and Buckinghamshire Business First.

4.2 Other Key employment sites

The ED team has been continuously engaged with major employment sites in the Vale in addition to those now granted Enterprise Zone status. AVDC needs to continue to work with agents and developers to promote existing and new sites to existing businesses and those relocating to the Vale, where the EZs might not be appropriate for their specific needs.

This is a key activity for the ED team in growing, attracting and retaining businesses in the Vale, as it comes under increasing competition from nearby locations, especially where all are competing to increase the level and sustainability of future business rates and the multiplier spend of the businesses in the economy. This is critical as we may be embarking upon an early stage of another recession, given the current uncertainty about the UK and its position in the global economy.

The team need to liaise closely with the Development Management planning team on major commercial applications to ensure that we work together to support existing businesses and encourage new development which will be of benefit to the area and not cause any adverse harm. The delivery of such development will be aided by the ED team to make it happen.

We are also forming closer relationships with agents in giving them the heads up of demand for premises not currently available and also where they are engaging with some of our key businesses, to retain them in the Vale.

We recently met with Aylesbury Vale Estates (AVE) and agreed to work together more closely with them and their agents for instance to review the status of lettings and available space. It also involved sharing market intelligence and enquiries we were getting but where there were no premises suitable to offer in the Vale, to consider where the Vale was losing opportunities.

We have been working with Forward Plans to help them with the key employment site information and will need to work with them during the VALP process and activity related to employment sites, once the new plan is

approved.

In summary, the Economic Development team need to work with agents and developers and forward plans and development management to:

- **Promote and market schemes** - engaging with the developer to make sure that investment enquiries are directed appropriately and not lost to other areas. Our work with the two LEPs, BBF and bodies such as UKTI is particularly important in this respect to make sure we are “on the radar” of those receiving inward investment enquiries.
- **Flexible planning approach** – to make sure that we are as flexible as possible in our planning requirements on significant commercial/business applications to respond positively and quickly to schemes that bring economic benefits to evolve to meet the needs of a specific occupier, or as the business plans of the developer are firmed up.
- **Series of developer meetings** – continue to engage with the key developers at senior manager level
- **Capturing up-to-date key site information** – AVDC needs to update its factsheets and vacancy information as it happens, including new premises build, to proactively promote this on its new investment website.

4.3 Inward Investment and sector development – see **Annexe B**

The refreshed approach to Inward Investment was shared at the January Committee meeting.

Since that time, AVDC has agreed with BTVLEP/BBF that the process for supporting ongoing aftercare of companies relocating to the Vale will be agreed on an individual case basis in line with our business engagement strategy & the evolving top 100 companies AVDC wishes to engage with.

The development of a marketing and business development strategy for the Enterprise Zones will help shape how we work together to provide a seamless inward investment service for Bucks and how we package the ‘offer’. As the EZ sites incorporate our key sectors, it will also allow AVDC to continue to work with One Team Bucks on sector development initiatives which will further enhance the inward investment offer in the future – e.g. AVDC are working on a Food & Drink sector event next year and are an active participant and sponsor of the Grand Prix week business event.

Following the work of Breeze consulting on the use of social media for intelligence, research and key messaging, the development of a refreshed investment website will include a whole approach to the use of social media in prospecting and targeting inward investors and promoting our successes, alongside case studies and key employment site information, working with other partners.

4.4 Business Engagement – see **Annexe C**

AVDC is committed to working in partnership with other business support providers to ensure that the business has a single key point of contact (Account Manager) supported by a ‘Virtual Team’ approach. This will ensure that the support received is comprehensive and that proper controls on the sharing and management of business intelligence is adhered to.

A list of an initial 100 companies has been compiled by employee size and growth potential. Working as an integral part of One Bucks team, we will need to adapt the method of engagement to best suit the particular circumstances and situation of each business. This will be reviewed monthly and information and insight shared as collected. There will be a proposed forward schedule of engagement, built into a work programme, including sharing intelligence and information.

An annual overview of the key issues and outcomes from this business engagement activity will be produced and the key messages will be used to help inform and influence future activity and policy and future strategic bidding opportunities.

As part of this, there will be a need to continue to engage with commercial intermediaries to attract investment in from elsewhere but also support them with their businesses in the Vale and Buckinghamshire which are looking to grow. Presentations by the team have already been made to Lloyd's bank, Handelsbank and Metro Bank, which will be increasingly important when the equity/loan funds from the LEPs come on stream, as another finance route for companies that wish to grow.

4.5 Skills and Innovation – see **Annexe D**

Although we do not lead on skills, there is a great deal of intelligence we gather from our strategic engagement with businesses and with the Enterprise Zones which help BTVLEP/BBF and its partners engage with businesses in the Vale, such as the Bucks Skills event being held in July and how we maximise the assets we have in the Vale such as University College Aylesbury Vale (UCAV) to ensure they meet evolving business led needs, especially important as and when the findings of the Area Review are completed and a new phase for the College development starts vis a vis its engagement with and responding to business need.

Another equally important strand of our ongoing work will be supporting the new and emerging centres of excellence and innovation centres and clustering, following the launch of the EU funded centres to collaborate with businesses, the research base and Government; this triple helix model as it is known will support the development of small businesses clustering and sharing knowledge, supply chain development and inward investment and higher level manufacturing and engineering apprenticeships in our 'core' sectors of healthcare, high performance technologies and space.

- BNU is actively involved in a rehabilitation and healthcare innovation hub which will link with Woodlands
- The national space catapult is involved in a Space innovation centre bid at Westcott
- Silverstone is already looking to develop further innovation centre space, which will be further stimulated by the launch of the Silverstone Cluster report

It is important that we also innovate around the skills agenda and we are currently exploring ideas around how we might develop a science, technology and engineering and maths facility in Buckinghamshire, of which RAF Halton may have a future role amongst others.

4.6 Infrastructure

AVDC is represented on the important cross SEMLEP/BTVLEP groups that are involved with determining the priority infrastructure requirements in terms of Transport, Town Centre, associated with the needs arising from the town centre transformation and the infrastructure which will underpin the effective execution of the final adopted Vale of Aylesbury Local Plan.

AVDC also has a key interest through Aylesbury Vale Broadband and the Connected Counties broadband programme.

Therefore the key groups such as the Connected Counties, the Strategic Alliance and the Economic Heartland, Bucks Advantage, Aylesbury Town Centre Partnership, and Midlands Connect/Midlands Engine all support the future infrastructure endeavour, in which AVDC has high level engagement and is well positioned to respond to future Local Growth Fund bids and the like.

5. **Resource Implications**

The team can undertake this activity as a focused part of the work programme going forward. The team has a key role in shaping and influencing how Government and LEP funds are shaped and implemented, given that the team and AVDC are best placed to represent the Vale and its interests.

However, it is important for consideration to be given as to how the teams budget and indeed the team's in-kind resources are best deployed for maximum effect and outcomes greater than the sum of its parts to achieve the overall objectives of the Council. .

Contact Officer Mark Wathen ext 5064
Background Documents None

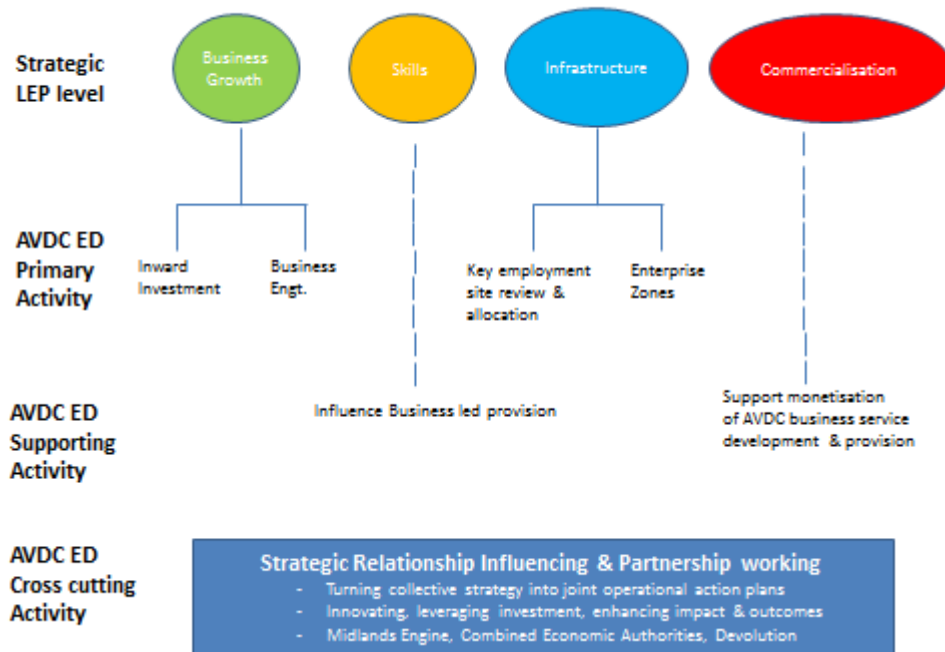
Attachments:

Annexe A – ED team focused priorities

Annexe B – Inward Investment roles

Annexe C – Strategic business engagement approach

ANNEXE A - STRATEGIC ECONOMIC DEVELOPMENT PRIORITIES FOR ED TEAM



ANNEXE B – INWARD INVESTMENT PRIORITIES

Focus	AVDC	Partners
Product Offer (Aylesbury Vale place brand)	Share	AVDC team to define and share AV “product offer” with partners
Product Development (sites, skills, supply-chain)	Support	AVDC team to actively support LEPs and other agencies to enhance AV product offer.
Investor Development (existing businesses)	Share	AVDC to share activity and information with LEPs, BBF and UKTI as necessary.
Intermediary Engagement (property agents, advisors)	Share	AVDC to have key role in local engagement with property agents in Aylesbury Vale and support LEPs/BBF on others
Investor Targeting (national) (esp London companies)	Support	AVDC to support future ‘Locate in Buckinghamshire’ activities by BTVLEP/BBF.
Investor Targeting (global)	Support	AVDC to support BTVLEP/BBF/UKTI/LEPs

As the matrix shows, based on our research, consultations and experience elsewhere, the optimal division of responsibility and focus should have AVDC as an active and supporting partner on all activities, but taking the lead enhancing the local product offer and engaging with local companies. All external inward investment activities should be driven at a wider geographic level.

ANNEXE C – STRATEGIC BUSINESS ENGAGEMENT APPROACH

here are certain events and issues which are more likely to increase the likelihood of businesses looking to expand or relocate. These ‘triggers’ can be useful when engaging with existing investors as well as identifying potential new inward investors.

Trigger	Example
Acquisition & Merger	HQ relocation, portfolio rationalisation
New Business Models	New location as a catalyst to instill desired change
Capacity Constraints	Manufacturing plant expansion vs. new site
Cost Reduction	Migrate operations to lower production cost areas
Enhance Supply Chain	Reconfigured distribution network
Lease Expirations	Renew current lease vs. evaluating new sites
Market Development	New operations to serve new markets
Knowledge Collaboration	R&D cluster proximity
Talent Development	Growth issues and opportunity to optimise sources of talent
Workforce Constraints	Enhance competitive workplace environment
Business Climate	Enhance external environment

SKILLS UPDATE

1 Purpose

- 1.1 To provide scrutiny members with an update on the progress made since the last Skills update in October 2015.

2 Recommendations

- | |
|---|
| 2.1 To note and comment upon the developments within the Skills agenda in Buckinghamshire to ensure we support a 'work ready' future workforce. |
|---|

3 Executive summary

- 3.1 Members will recall from the previous update on skills that one in three businesses had reported a skills gap, which included job specific skills relating to technical or practical skills and IT skills and that businesses across the Vale had reported experiencing difficulties recruiting skilled people.
- 3.2 This was then supported by testimonial evidence from David Handley, Director of Thame Workholding, a local engineering company who stated that from his experience educational centres did not talk to businesses with regard to the skills sets required by businesses, in order to match students according to the opportunities available to them. He also stated that there should be links between education providers and employers to support this opportunity. Members noted that the current provision of careers advice within schools could be improved and the difficulty experienced by businesses to communicate with schools and parents to inform them of the careers opportunities available to young people locally.
- 3.3 Members received presentations from Ian Harper, Managing Director at University Campus Aylesbury Vale (UCAV) highlighting the different degree level courses and professional development programmes on offer in support of higher level workforce skills development within Aylesbury Vale.
- 3.4 Members also heard from Ruth Farwell and Jackie Campbell from the Bucks Thames Valley Local Enterprise Partnership (BTVLEP) Skills Board on activities within the Bucks Skills & Employability Programme which aimed to support closer engagement between schools and employers to ensure a future work ready workforce including providing information, advice and guidance to young people as well as increasing the number of apprenticeship opportunities, including higher level apprenticeships in Bucks.
- 3.5 Following the Economy and Business Development Scrutiny Committee Meeting, the Chairman wrote to Jackie and Ruth at BTVLEP Skills and Employability Programme highlighting our support for the Board's ambitions and the Council's intention to work more closely with them and other local partners to ensure there was an improvement in the engagement between businesses, local schools and colleges so that young people were aware of the opportunities available to them.
- 3.6 The Chairman also wrote to Ian Harper at UCAV in support of the UCAV's aims and how we could work together. The Chairman also wrote to David Handley with the offer of support to provide engagement with the Bucks Employability Skills Board with regard to some of the initiatives on offer and

other training providers to support his business. The Economic Development team also drew up a list of recommendations to take to the BTVLEP Employability Skills Board to ensure we support our employers and young people for a prosperous and growing future economy, with agreement by the Chairman of the Business Development Scrutiny Committee . This is in alignment with aims from both SEMLEP and BTVLEP, local educational partners and stakeholders. **(See Annexe 1)** AVDC Skills Support for Employers and addressing of Skills for a 21st Century Economy.

3.7 Economic Development have subsequently met with the Ruth Farwell and Jackie Campbell to see how we can support them to ensure these recommendations secure:

- a closer engagement between schools and employers for 'work ready' employees;
- information, advice and guidance to young people by showcasing opportunities in Bucks
- increasing apprenticeship opportunities, including higher level apprenticeships

4. Activities underway

AVDC's team is actively engaged in several of the developments underway to deliver against the actions set out in Annexe 1.

4.1 Many of them have already been started and AVDC will continue to work with partners to progress those not currently initiated. The pressing one, AVDC would like to see, is to address the Science Technology Engineering Maths (STEM) skills at the higher apprenticeship level and also those currently in employment in their 20s and 30s in the manufacturing sector. This has been raised as a priority by AVDC for inclusion in the latest refresh of BTVLEP's Strategic Economic Plan (SEP) and will in part be carried forward as part of the sector development work linked to the Enterprise Zones (EZ) and the EZ offer and activity.

4.2 A key number of the recommendations from Annexe 1 are being carried forward by BTVLEP and actively supported by AVDC which include:

4.3 Skills hub

These include the promotion of the Skills Hub and its activities with employers, in particular the OppsinBucks web portal www.oppsinbucks.org

Awareness of the Skills Hub was raised at AVDC's Annual Business Consultation, as well as an article in the Aylesbury Vale Times and in the Business Rates annual bill.

4.4 Enterprise Advisers

"Promotion of a skills system that is more responsive to the needs of local employers" is also being supported through engaging with businesses for them to become "Enterprise Advisers". A representative from a business volunteers to work directly with the leadership of individual schools and colleges in order to develop effective employer engagement plans to improve careers and enterprise activities of schools and colleges.

This in turn should improve employer engagement with schools and colleges and ensure that programme and activities are delivered which provide young people with the best career choices and options locally. AVDC has ensured that there is co-ordination between the Enterprise Advisers programme in SEMLEP and BTVLEP, especially where we share common showcase sectors such as Advanced Manufacturing and High Performance Technologies.

4.5 The local Careers and Enterprise Company

The creation of the new Careers and Enterprise Company National Programme for schools was recently announced. The Careers Enterprise Company is meant to be employer-led and independent of government and will focus on young people aged 12 to 18, encouraging greater collaboration between schools and colleges and employers to ensure the best advice and inspiration about the world of work is provided to young people.

BTVLEP have invested in the Careers & Enterprise Company to address the poor 'work readiness' skills of young people which the current careers advice system doesn't do effectively enough.

4.7 The Bucks Skills show – July 2016 <https://oppsinbucks.org/1576-2/>

One of the recommendations as in Annexe 1, by BTVLEP Employability Skills Board Skills Board and AVDC, was to develop an event to promote key growth sectors and showcase the diverse careers opportunities for students in Bucks.

The Bucks Skills Show, which is being hosted by BTVLEP at University Centre Aylesbury Vale and actively supported by AVDC, will provide an excellent opportunity for Bucks employers to promote their company and the diverse careers opportunities they offer to young people in Bucks.

The event is aimed at young people and their parents and provides opportunities for exhibition space and includes keynote speakers from a range of industries including; Advanced Engineering, Food manufacturing, TV/Creative Industries, Medical Technologies, Lifesciences & Digital Technologies amongst others. The event will take place on Saturday 2nd July between 10am and 4pm at University Campus Aylesbury Vale.

4.8 University Centre Aylesbury Vale (UCAV)

As part of its support to UCAV, ED along with Buckinghamshire Business First and some of the members of the Business and Economic Development Scrutiny committee met with Ian Harper at UCAV to ascertain how we could support the aims of UCAV and businesses in the area, including the promotion of Higher Level Apprenticeships amongst businesses and the promotion and delivery of STEM Courses. It was agreed that a joint group of stakeholders in support of UCAV "Friends of UCAV" should be set up to take this forward.

4.9 Unilever/Arla University Technical Centre (UTC) bid

The Economic Development team recently supported Unilever's bid for the creation of a University Technical College (UTC) at Colworth to "*train the next generation of engineers, technicians, craftsmen and industrial innovators*" in support of the Food and Drink manufacturing and processing companies and SMEs in the area.

The UTC would help to support the ambitions of the Vale by:

- providing the availability of an appropriately skilled workforce to support the increasing demand for higher skilled occupations and new and emerging market opportunities.
- showcasing the number of opportunities within the food and drink sector amongst young people to support an ageing workforce in the sector.
- supporting the district's need to invest in research and innovation skills of it's young people to provide alternative career paths, including vocational and apprenticeship opportunities.
- providing young people with clear progression routes from learning into work, providing students with a combination of academic and practical learning, which would be strongly influenced by food and drink employers, ensuring they have the right skills and behaviours for the workplace and the specialist technical knowledge, practical skills and knowledge of modern equipment specialisms which would match the needs of the local economy.

4.10 Local Area Reviews

As part of the government's devolution plans, Area Reviews are being undertaken to establish whether local institutions are financially resilient, are able to offer high quality education and training based on the needs of learners and employers within the local area need and also support the need to move towards fewer, larger, more resilient and efficient colleges. This also includes the need for greater specialisation, with concentrated expertise to support progression through professional and technical routes. Aylesbury College is currently undergoing this process with the support of SEMLEP and BTVLEP to ensure its has the right balance of provision, including capacity to deliver some of the three million apprenticeships by 2020 as targeted by Central government.

5. **Resource Implications**

None – activity progressed from within the AVDC team alongside Bucks and SEMLEP colleagues.

Mena Caldbeck

Business Relationship Officer Ext. 5657

AVDC Skills Support for Employers and addressing of skills for a 21st Century Economy

Recommendations taken to BTVLEP Employability Skills Board by Economic Development to ensure we support our employers and young people for a prosperous and growing future economy.

1. Meet with BTVLEP Employability Skills Board to support their ambition with the Skills Hub for:
 - i. a closer engagement between Schools and employers to work ready employees;
 - ii. information, advice and guidance to young people by showcasing opportunities in Bucks
 - iii. increasing apprenticeship opportunities including higher level apprenticeships
2. To improve the current disconnect between schools/FE/HEIs and businesses, by introducing a Skills Forum which provides an ideal opportunity to link education providers with business to ensure they meet employers' needs or tapping into SEMLEP's existing scheme.
3. To improve the current disconnect between training providers and the offer for Vale in support of key growth sectors and those of basic skills. (Producing a publication to promote offer).
4. Organising an event to promote key growth sectors and careers opportunities for students.
5. Lobbying central government for funding support to ensure our businesses are supported with skills issues regarding access to engineers and technical skills.
6. Accessibility to schools for businesses through "Enterprise Advisers" similar to SEMLEP to work directly with the leadership of individual schools and colleges in order to develop effective employer engagement plans to improve careers and enterprise activities of schools and colleges, improve employer engagement with schools and colleges and ensure that programme and activities are delivered which provide young people with the best choices.
7. Support hard launch of Skills Hub (OppsinBucks) with employers and MP and members at AVDC with full publicity.
8. Promote a skills system that is more responsive to the needs of local needs of employers.

9. Targeting businesses to increase opportunities of apprenticeships in Bucks by true engagement of businesses. Bring in something similar to SEMLEPs' Apprenticeship Ambassador's Network" which provides not only promotion of Apprenticeships but shares best practice, encourages and mentors businesses that are keen to take on or introduce Apprenticeships to their workforce and is made up of large and small apprenticeship employers across Bucks.
10. Targeting business to increase the opportunities of work experience for students in a wide range of sectors again using the Apprenticeship Ambassadors Network or Employer Network through the Skills Hub.
11. Use different mediums to reach young people to highlight recruitment opportunities.
12. Promote the Skills Hub (OppsinBucks) to businesses HE/FEI/UTCs so all are aware of the opportunities available in Bucks.
13. Improve the level of career advice within Bucks using 'Enterprise Advisers'.
14. Assist businesses with access to young people by providing something similar to SEMLEPs "Inspiring The Future" a free brokerage service to link local businesses to schools and colleges to help create a workforce with the talent and aspirations that meets the needs of its growing economy. Add this to the Skills Hub as part of its offering.
15. Promotion of Higher Level Apprenticeships with businesses in a degree through partnership working with employers may be delivered through UCAV.
16. Promotion and deliver of STEM Courses within Bucks, delivery through UCAV.
17. Social Media campaigns to highlight opportunities for students and businesses.
18. Supporting the High Performance Technologies and Motorsport Big Bang STEM event at Silverstone in 2016.
19. Bring a UKTI Sector Skills specialist to provide support to Skills Board for access to further support and funding.