

AYLESBURY VALE ENTERPRISE ZONE PROGRESS

1 Purpose

- 1.1 To provide Members with an overview and update on the operation of the Aylesbury Vale Enterprise Zones (AVEZ). Anthony Sowden, the Aylesbury Vale Enterprise Zone Director (Bucks and Thames Valley Local Enterprise Partnerships (BTVLEP)) will present an update on progress being made with the Vale's three Enterprise Zones. This will also include information on the performance to date and plans for the future.

2 Recommendations

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| 2.1 | Note the report and update presented at the meeting. |
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3 Background information

- 3.1 Members of this scrutiny committee received an update on progress of the Aylesbury Vale Enterprise Zones (AVEZ) at its meeting on 15th March 2016 in advance of Cabinet considering a report at its meeting on 16th May 2016 which sought formal approval of the Enterprise Zone designation, Governance and operating procedures embodied in an MOU and supporting Partnership Agreement.
- 3.2 Enterprise Zone status for three strategic sites in Aylesbury Vale came into effect on 1 April 2016 at Silverstone, Westcott Venture Park and Arla/Woodlands. These three key strategic employment locations each has potential to add value to Buckinghamshire's knowledge economy and to accelerate investment in high growth and high added-value sectors.
- 3.3 Inside the designated area, any business that takes up occupation prior to April 2021 can claim up to £275,000 rates relief over the first five years occupation. This relief is granted by the local authority, which is then reimbursed by HM Treasury.
- 3.4 Local partners are also allowed to retain 100% of all the business rates from new development in the EZ over the first twenty-five years with 100% protection from any future reset or redistribution. The government expects most of the revenue from retained business rates to be reinvested in the EZ to fund infrastructure and to speed up the rate of development. This process should be a virtuous circle with capital reinvested in the EZ generating additional development and business rates income.
- 3.5 A MOU was agreed by AVDC, Bucks CC, BTVLEP and the government and permits a split of retained rates income from the EZ sites. The intention is to invest in AVEZ to deliver an integrated set of interventions across the 3 sites which will improve the attractiveness of the AVEZ as a business location. BTVLEP has also agreed individual MOUs with each site owner setting out the position relating to expected but indicative rates of development, marketing expenses and capital investment.
- 3.6 BTVLEP Board is responsible for the overall governance and strategic direction of AVEZ and delegates the day to day responsibility for the governance and management to an Enterprise Zone Strategic Board which is made up of local authority representatives, as well as BTVLEP Board Member and Chief Executive. Three AVEZ Operational Boards will review the landowner's progress and plans prior to passing to the AVEZ Strategic Board for sign-off. AVDC are the Accountable Body for AVEZ ensuring

appropriate arrangements for the proper use and administration of funding and monitoring of division of rates in line with the MOU.

- 3.7 A dedicated AVEZ Director, Anthony Sowden, was appointed in May 2017 to support the AVEZ Board and to take on lead responsibilities. Anthony will attend the committee and provide an overview of the latest position for each of the sites.
- 3.8 The MOU required submission of a Five Year Implementation Plan for the AVEZ by March 2017. The plan outlines the strategic aims for the AVEZ, sets out arrangements for delivering those aims and provides a high level summary of proposed activity for each of the three sites. The Director of AVEZ will also present a summary of the Five Year Plan and provide an update on progress to date against the 5 year projection.

4 Resource implications

- 4.1 The MOU permits a split of retained rates income from the AVEZ sites, with 30% available to the local authorities for spending within their area and at their determination. The other 70% is available to the BTVLEP for further investment across the area, after the AVEZ requirements have been met, including funding the operating costs of the EZ staffing costs. Although this arrangement allows cross-subsidy between sites, the intention is to keep site funding self-contained, at least for the first five years.

Contact Officer
Background Documents

Claire Britton – 01296 585471
AVEZ site designation maps
Public Sector MOU

Aylesbury Vale Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated 31st March 2016

PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**)
3. Buckinghamshire Thames Valley Local Enterprise Partnership, the Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (**BTVLEP**)

BACKGROUND

- A The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B 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. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- C A Local Enterprise Partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some Local Enterprise Partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.
- D In agreement with the Local Enterprise Partnership, Enterprise Zone Boards can use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.
- E Taking account of the Aylesbury Vale Enterprise Zone (AVEZ) application included within the attached schedule and other representations made by BTVLEP, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Local Authorities the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, in the first instance this Memorandum of Understanding extends to 2020.
- F BTVLEP and the Relevant Local Authorities will work with central government, developers, landowners, businesses, skills/research establishments and business support organisations to invest in AVEZ and deliver an integrated set of interventions across the 3 sites which will improve the attractiveness of the EZ as a business location,

facilitate additional innovation, inward investment and business collaboration to stimulate additional jobs growth and productivity improvement.

IT IS AGREED THAT:

1 DEFINITIONS

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

“Accountable Body” means a local authority organisation(s) responsible for one or more aspects of the operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

“Application” means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on 18th September 2015 (which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

“Aylesbury Vale Enterprise Zone” or “AVEZ” means the specific Enterprise Zone sites in Aylesbury Vale designated under the Regulations (as amended from time to time) that are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

“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.

“Enterprise Zone Board” means the group responsible for making strategic decisions on the Enterprise Zone.

“Regulations” means ‘Capital Allowances (Designated Assisted Areas) Order 2016’, ‘Non-Domestic Rating (Designated Areas) Regulations 2016’, and ‘Non-Domestic Rating (Rates Retention) Regulations 2013’.

“Relevant local authorities” means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site.

“Surplus” is defined as The EZ Business Rates Growth income remaining after the prior EZ Commitments listed in clause 3.3.4 (e) have been funded

“Term” means the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE

Having relied upon the representations made by BTVLEP in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up

and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

- Permitting BTVLEP to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being 1st of April 2016 of the Enterprise Zone, providing that such sums are directed towards the development of the Enterprise Zones and thereafter towards the other growth priorities identified in this MOU;
- Central government will reimburse BTVLEP with the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March 2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);
- BTVLEP and the Relevant Local Authorities can together agree to other local authorities benefitting from the benefits of the Enterprise Zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the regulations. In this situation, notice shall be given to the Secretary of State of the arrangement.

3. TERMS AND CONDITIONS

3.1 The Relevant Local Authorities and BTVLEP agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of BTVLEP and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the BTVLEP in delivering the Enterprise Zone in accordance with the Application or achieving the outputs.

3.2 The Relevant Local Authorities and BTVLEP confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and

all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and

- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

3.3 The Relevant Local Authorities and BTVLEP agree to:

3.3.1 **Establish a clear vision and modus operandi for working together to develop the Enterprise Zone:** To enter into a Memorandum of Understanding with each other, to set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding.

Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that BTVLEP uses all reasonable endeavours to enter into new Memorandum of Understandings under this clause. Copies of these Memorandum of Understandings should be sent to the Secretary of State within 50 days of execution.

As far as Aylesbury Vale Enterprise Zone is concerned;

- (a) The objective of the Aylesbury Vale Enterprise Zone is to establish three specialised 'Engine Rooms' of innovation and research, which can transform the current low growth micro-firm economy and boost inward investment and reverse leakage to adjoining regions.
- (b) The scale and specialised nature of the development, the mix of uses and the highly strategic position at the centre of the 'Oxford to Cambridge Arc' will enable AVEZ to challenge internationally as a major employment location during the full 25 year period.
- (c) The EZ sites will specialize in the knowledge economy sectors of high performance technology/motorsport, space propulsion/applications, and agri-food/human health to drive demand and inward investment. Infrastructure will include research and innovation facilities, tailored business support and skills programmes to nurture high value companies and create jobs.
- (d) The aim is to create c272,000m2 of floorspace across the 3 sites over the 25 year period creating around 7500 new jobs
- (e) Targeted interventions in site infrastructure will accelerate the pace and quantity of development on the sites generating an income stream from business rates

This MoU will be reviewed in 2020 at which point they can be renewed or their terms renegotiated based on the wishes of all signatories.

3.3.2 **Governance:** Organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions and which shall meet at least quarterly.

As far as the Aylesbury Vale Enterprise Zone is concerned;

- (a) The BTVLEP Board is responsible for the overall governance and strategic direction of the AVEZ
- (b) The BTVLEP Board will delegate the day-to-day responsibility for the governance and management of Aylesbury Vale Enterprise Zone to a Strategic Board comprised of representatives from each of the Relevant Local Authorities and BTVLEP. The intention is that the local authority representatives (AVDC and BCC) on the Aylesbury Vale Advantage Legacy Board together with a BTVLEP Board Member and the BTVLEP Chief Executive will form the EZ Strategic Board. Each Strategic Board member will have a single vote.
- (c) The role of the Strategic Board is to –
 - Manage the delivery of the strategic vision, objectives and priorities of AVEZ;
 - Guide the investment model for the EZ and make decisions on the use of income , financial incentives and interventions, and projects;
 - Supervise the Executive Team of AVEZ;
 - Monitor the performance of the EZ against key measures including financial targets and economic outputs;
 - Oversee 3 Operational Boards which will be established to manage the EZ operations on each site and which will include the landowner partners;
 - Alongside the Accountable Body monitor and account to government for the proper and responsible use of EZ funds;

3.3.3 Financial & Legal Responsibility: Appoint one of its Relevant Local Authorities as an Accountable Body for the Aylesbury Vale Enterprise Zone.

As far as the Aylesbury Vale Enterprise Zone is concerned;

- (a) The Accountable Body for the AVEZ will be Aylesbury Vale District Council.
- (b) The role of the Accountable Body will be to;
 - Act as the collecting authority for all business rates within the Aylesbury Vale Enterprise Zone area;
 - Establish suitable systems for monitoring and reporting on funds collected;
 - Ensure government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) are used for the objectives of the Enterprise Zone and in compliance with relevant laws; and
 - Distribute the funds according to the priorities agreed in this MOU and the Strategic Board;
- (c) AVDC, working with relevant BTVLEP officers, will need to put in place appropriate arrangements for the proper use and administration of funding, building on the existing local government systems, and which fall under the annual audit of the local authorities' accounts.

- (d) Government's expectation is that Accountable Bodies cannot use Business Rates Funding generated from within an Enterprise Zone for their own purposes, or without any clear mandate from the LEP.
- (e) **Dispute Resolution** – In the event that there is a dispute within the Strategic Board on a matter requiring a unanimous decision and in the event of any dispute arising between BTVLEP and the Accountable Body, the BTVLEP CEO and Relevant Local Authority Chief Executives or Section 151 Officer as the case may be will seek to resolve any such issue amicably. Should the dispute remain unresolved within 14 days of the matter first being referred to the CEO/Section 151 Officer, the parties may refer the matter to the BTVLEP Chair and local authority leaders with a request for them to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by both parties. Depending on the nature of the dispute, BTVLEP's Chair may ask for support from other Relevant Local Authority Officers, as appropriate. In the absence of agreement, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

3.3.4 The Use of Retained Business Rates: Establish clear provisions covering the use of retained business rates.

Business rates income will be used to fund interventions to create a sustainable income stream which is used support the EZ to reach its optimum financial and economic performance.

The funding model of the Aylesbury Vale Enterprise Zone is as follows -

- (a) The Government will reimburse the cost incurred by AVEZ in providing a 100% business rates discount for a period of up to five years from commencement, to any business which sets up operations within the Enterprise Zone site before 31 March 2022, and is able to receive the support within the State Aid De Minimis threshold. These reimbursed funds will be added to the general business rates income for AVEZ.
- (b) The Strategic Board will develop an Occupier Policy and work with the Operational Boards and the landowners/developers to ensure business rates discounts are targeted at businesses in the specialist EZ sectors who are creating new jobs in order to minimise displacement of existing companies who would normally locate outside the EZ.
- (c) **Business Rates Growth Income and distribution.** AVEZ will retain 100% of any business rates growth on its 3 sites for a 25 year period. This income is protected from any reset or redistribution as the EZ sits outside of the standard local authority rates retention system.
- (d) EZ business rates surplus income will be apportioned 70% under the direction of BTVLEP to address Strategic Economic Plan economic development priorities and 30% under the direction of the Relevant Local Authorities, to apportion across the two-tier system in accordance with operational priorities.

- (e) Notwithstanding the apportionment referred to in (d) above BTVLEP and the Relevant Local Authorities will take their share of income when and if it can be afforded and when approved EZ Implementation/Business Plan commitments have been funded (as these are needed for the successful establishment, operation and growth of the EZ). The priority order of investment for EZ retained business rate is;

1. To fund the priority infrastructure interventions identified within the AVEZ application, subject to due diligence and business case approval by the Strategic Board, and which will secure the funding commitments from the landowners including equity investments, loan repayments, indemnities and guarantees and or re-payments into a revolving fund;

2. To fund approved overheads and revenue costs;

3. To fund further priority interventions for AVEZ infrastructure subject to approval of the business cases by unanimous agreement of the Strategic Board. This can include physical infrastructure and research, skills and business support programmes;

4. To fund BTVLEP local economic development priorities and Relevant Local Authorities operational priorities.

The Financial Interventions in the EZ will include a range of investments and funding mechanisms to accelerate development of the sites, create a sustainable income stream from business rates, and to meet the EZs economic targets.

- 3.3.5 Supporting the delivery of Enterprise Zones:** Local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data.

As far as Aylesbury Vale Enterprise Zone is concerned BTVLEP and the Relevant Local Authorities will use their powers, influence and access to funding to;

- (a) Pump prime development on the Enterprise Zone in such a way which maximises the Tax Increment Financing (TIF) mechanism within the Enterprise Zone and enables any initial investments to be repaid;
- (b) Work with the landowners to explore the potential of introducing simplified planning regimes on the EZ sites;
- (c) Support the growth of businesses on the EZ, through the delivery of core business support and economic development services;

- 3.3.6 Supporting landowners to invest in their sites and accelerate investment:** Establish clear processes and arrangements for landowners to be able to accelerate development on their sites, so as to ensure EZ income is maximised.

As far as Aylesbury Vale Enterprise Zone is concerned;

- (a) AVEZ will ask the landowners to prepare a rolling business plan for the delivery of floorspace on each site. The landowners will be encouraged and supported to build a minimum amount of floorspace each year, if necessary on a speculative basis, to meet the EZ Implementation Plan floorspace targets. The EZ will make the priority interventions in the sites (see clause 3.3.4 (e)1) and make other funding incentives available to support the target being met. The financial incentives will be prioritised by the Strategic Board and subject to a standard business case appraisal.

3.4 Implementation Plan

BTVLEP in consultation with the Relevant Local Authorities shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone no later than 1st March 2017.

The priority interventions for the Aylesbury Vale Enterprise Zone will be set out in detail in the AVEZ Implementation Plan and will be subject to a standard business case appraisal process. They are likely to include –

- The initial site infrastructure interventions on the 3 sites
- Interventions which maximise match funding from the landowners/developers and external public funding eg LEP funding and ERDF
- Interventions using EZ funding which maximise returns and create the potential for a revolving investment fund(s)
- Funding for EZ marketing and communications
- Interventions in specialist infrastructure eg innovation centres, research facilities, high bandwidth broadband, and skills development and business support which will enhance the quality of the business growth and jobs in the EZ
- EZ funding will use a variety of funding mechanisms working with the landowners to maximise floorspace development and business rates income. For example equity and loan investments, guarantees, gap funding, joint venture schemes.

3.5 The Cities and Local Growth Unit shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is [] (E-mail: Telephone:) who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.
- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

This support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:

- (a) send the Cities and Local Growth Unit contact the details of the primary point of contact ("**Local Enterprise Zone Contact**", a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of entering into this Memorandum of Understanding. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.
- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

3.7 Marketing

The Relevant Local Authorities and BTVLEP agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Memorandum of Understanding; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

3.8 Monitoring

The Relevant Local Authorities and BTVLEP agree to use all reasonable endeavours to complete the management information at Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

4. CHANGES

All changes to the text of the application or this Memorandum of Understanding must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this

clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

5. TERMINATION

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.
- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

6. GOOD FAITH AND COOPERATION

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

7. MISCELLANEOUS

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

ACCEPTANCE

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

SECRETARY OF STATE FOR

COMMUNITIES

AND LOCAL GOVERNMENT

Authorised Signatory: _____

Print Name: _____

Signed for and in agreement with

Aylesbury Vale District Council (also acting as THE ACCOUNTABLE BODY)

The Gateway, Gatehouse Road, Aylesbury. HP18 8FF

Authorised Signatory: _____

Print Name: _____

ANDREW GRANT Chief Executive

.....

Signed for and in agreement with

Buckinghamshire County Council

County Hall, Walton Street, Aylesbury, Buckinghamshire HP20 1UA

Authorised Signatory: _____

Print Name: _____

Neil Gibson (Chairman Director, 200)

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Signed for and in agreement with

Buckinghamshire Thames Valley Local Enterprise Partnership

The Saunderton Estate, Wycombe Road, Saunderton, HP14 4BF

Authorised Signatory: _____

Print Name: _____

R HARRINGTON

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SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES

Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury. HP19 8FF

Buckinghamshire County Council, County Hall, Walton Street, Aylesbury, Buckinghamshire
HP20 1UA

SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP

Buckinghamshire Thames Valley Local Enterprise Partnership, The Saunderton Estate,
Wycombe Road, Saunderton, HP14 4BF

SCHEDULE 3 KEY INFORMATION ON AYLESBURY VALE ENTERPRISE ZONE FROM THE BTVLEP APPLICATION

General	
Name of Enterprise Zone	Aylesbury Vale Enterprise Zone
Name of Local Enterprise Partnership	Buckinghamshire Thames Valley Local Enterprise Partnership
Relevant local authorities	Aylesbury Vale District Council Buckinghamshire County Council

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

Given the rapid economic and population growth of our area in recent years, we are facing significant infrastructure constraints.

We recognise that the creation of locally-controlled revenue streams in the shape of business rate increments will allow us to put in place innovative funding mechanisms to better utilise loans or equity investments, to help overcome these barriers, drawing upon our strong track record within the LEP area in using funding imaginatively to deliver major projects.

Our broad approach to utilising funds to support development on the Aylesbury Vale Enterprise Zone will be;

- To establish a Memorandum of Understanding with all partners, setting out the governance arrangements; the local rates retention policy; the rates relief policy; sector and geographic investment priorities; processes for agreeing how funds will be deployed; and any appeals processes, should partners want to challenge any decisions made by the governing vehicle;
- To establish a 'light touch' governance structure that meets at least twice every year to review how the EZ is operating, review MOU's, discuss and agree investment priorities. In order to ensure the LEP Board is actively involved in shaping these discussions, we will consider making this group a sub-group of the LEP Board.
- To agree that 100% of EZ retained business rates will be ring-fenced to invest back in economic development related activities;
- To appoint external consultants to pull together an overarching investment strategy for the Aylesbury Vale Enterprise Zone, which will be established 'bottom up' from discussions with Local Authorities, landowners, specialist agencies and research organisations and property developers. This strategy will be refreshed regularly to provide a live list of

investment priorities, for the Enterprise Zone and the surrounding areas which can be used to inform investment decisions;

Recognising that our local authority partners have been significant investors in Economic Development in the past (for example in improving access to key industrial sites; resurfacing important access roads; delivering highway improvements; investing in broadband; and funding business support etc.) and under the Local Government Resource Review and the Non-Domestic Rating Regulations Local Authorities are able to retain 50% of business rates growth, we have sought to develop an EZ rates retention model that gives us the investment we need to kick start the EZ (but safeguards Local Authority and National Government funds).

As far as our investment plan is concerned, our central philosophy is that wherever possible, we should seek to utilise loan and equity finance to stimulate development within the Enterprise Zone area. That said, we need to be cognisant of the fact that two of our EZ partners are investment trusts that would be minded to invest their own funds if schemes and projects were viable on this basis. Given this scenario, there may also be an argument for utilising retained rates as GAP funding for co-investment with the private sector.

The final decisions on which investments will be prioritised will be made by the BTVLEP Board but will draw upon a strong existing evidence base across the area. We will look to favour projects that are shown to deliver the greatest economic benefits, leverage, value for money and underpin our broader plans to drive private sector job growth across our whole area.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

Name of Senior Responsible Owner: Richard Harrington

Job title: Chief Executive, BTVLEP

Our proposed Governance structure:

As stated previously;

- The final decisions on which investments will be prioritised will be made by the BTVLEP Board but will draw upon a strong existing evidence base across the area. We will look to favour projects that are shown to deliver the greatest economic benefits, leverage, value for money and underpin our broader plans to drive private sector job growth across our whole area.
- We will establish a 'light touch' governance structure (Enterprise Zone Board) that meets at least twice every year to review how the EZ is operating, review MOU's, discuss and agree investment priorities. In order to ensure the LEP Board is actively involved in shaping these discussions, we will consider making this group a sub-group of the LEP Board.
- We will establish a Memorandum of Understanding with all partners, setting out the governance arrangements; the local rates retention policy; the rates relief policy; sector and geographic investment priorities; processes for agreeing how funds will be deployed; and any appeals processes, should partners want to challenge any decisions made by the governing vehicle;
- We will appoint external consultants to pull together an overarching investment strategy for the Aylesbury Vale Enterprise Zone, which will be established 'bottom up' from

discussions with Local Authorities, landowners, specialist agencies and research organisations and property developers. This strategy will be refreshed regularly to provide a live list of investment priorities, for the Enterprise Zone and the surrounding areas which can be used to inform investment decisions;

- Operational staff responsible for overseeing the delivery of the EZ will meet with the various landowners, partners and stakeholder more regularly through their day to day work in the area;
- In order to create suitable accountability and assurance arrangements in the awarding of rates relief to prospective tenants of the EZ, we will put in place suitable separation arrangements to ensure the need for relief is suitably assessed;

How will the LEP Board own and drive progress:

We will appoint a LEP Board representative to sit on the Enterprise Zone Board, which will also have representation from BCC, AVDC, local landowners, specialist agencies, research institutions etc.

It is proposed that the LEP will retain a strategic oversight of the EZ development, supported by the LEP Executive. In addition, the LEP Board will set clear milestones for evaluating the delivery of our EZ and monitor the achievement of their goals at their regular meetings.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

As a LEP We have access to the following key staff and skills that can support the delivery of this proposal.

- **Richard Harrington.** A Chartered Town Planner and Chartered Surveyor specialising in public private delivery, prior to the LEP Richard led a successful public private local delivery vehicle that translated planned employment, infrastructure and housing growth from the Sustainable Communities Plan into tangible outcomes on the ground. Before that Richard was Area Director for English Partnerships with responsibility for the East of England. Richard will lead on the Arla/Woodlands element of our EZ.
- **Jim Sims.** Jim has a wealth of experience of designing and delivering a range of innovative business support and economic development projects and programmes. Jim has also had a stint as a General Manager of a private sector training company, prior to which he gained a degree in industrial design and a Chartered Institute of Marketing Diploma. Jim is also an Alumni of Cranfield School of Management and a qualified PRINCE2 practitioner. Jim will lead on the Westcott elements of our EZ.
- **Ian Barham.** As Leisure, Culture and Tourism Manager at Aylesbury Vale District Council Ian took on the challenge of managing Buckinghamshire's preparations for the 2012 Olympic and Paralympic Games, a challenge he relished helping make Dorney Lake the most popular of all of games venues, Stoke Mandeville the most successful of all international training camp destinations and helping Buckinghamshire businesses secure over £70 million in games related contracts. Since the games he has helped secure a permanent legacy for Buckinghamshire, with Stoke Mandeville's position as the Birthplace of the Paralympic Movement now being celebrated every two years as the only permanent

location in the lighting of the Paralympic Flame. Ian will lead on the Silverstone Park elements of our EZ.

- **Richard Burton.** With over 20 years' experience in reputation management, both internally and externally, as well as responsibilities for wider marketing activities, Richard translates the aims of the LEP into communications which deliver real results. Richard has a history balanced between the public and private sectors, with experience working with organisations large and small. This list includes Buckinghamshire County Council, the National Blood Authority, the National House-Building Council and most recently Buckinghamshire Healthcare NHS Trust. Richard will lead on Marketing and Communications

As far as our Local Authority partners are concerned, our core support team will also comprise a mix of members, senior officers, transport planners and town planners.

Should we be successful in securing Enterprise Zone status for the Aylesbury Vale Enterprise Zone, we will appoint a dedicated project manager to oversee the delivery of the programme, funded initially from LEP resources (with the potential of levying a small administration charge once we are fully up and running).

Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?

We will utilise the same processes we are operating for our core LGF and Local Growth Hub returns, which revolve around developing an evaluation and monitoring strategy; establishing the baselines; developing a standard monitoring return template and timetable and utilising computer based systems (such as Logasnet) to collate data on the project.

This returns will be used to inform the BTVLEP board, the Enterprise Company Board, partners, government and stakeholders.

Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

Our Marketing proposals will be fully formalised once we know whether our proposal has been successful or not. That said, the following summary captures our high level thinking;

- Bottom up and top down – our marketing activities will operate both at the level of the site and top down via promotion of the EZ. The majority of the EZ activity will be below the line. The only major exception will be the establishment of an EZ website;
- Promotional Mix – Our promotional mix will include PR, Direct Marketing, E-mail and web activities;
- Partnership Marketing – we will be heavily reliant on partnership marketing, working with intermediaries and partners. Each of the sites in our EZ has strong natural links with other key partner organisations (Motorsport Valley, Harwell etc.) and these could become a strong source of leads;
- Events – We will attend various national events and conferences (UKMPIM, national Space Conference etc.) and run our own events, launches etc.

- National support – we will establish links to the national website, national business support programme etc.
- Sites will be marketed in clusters and or stages.

SCHEDULE 4 – SITES AND INCENTIVES

Proposed Sites	EZ	District / Local authority Ward	ECA	BRD	BRR
AYLESBURY VALE ENTERPRISE ZONE		AVDC/BCC	NO	YES	YES

SCHEDULE 5 – MANAGEMENT INFORMATION

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?

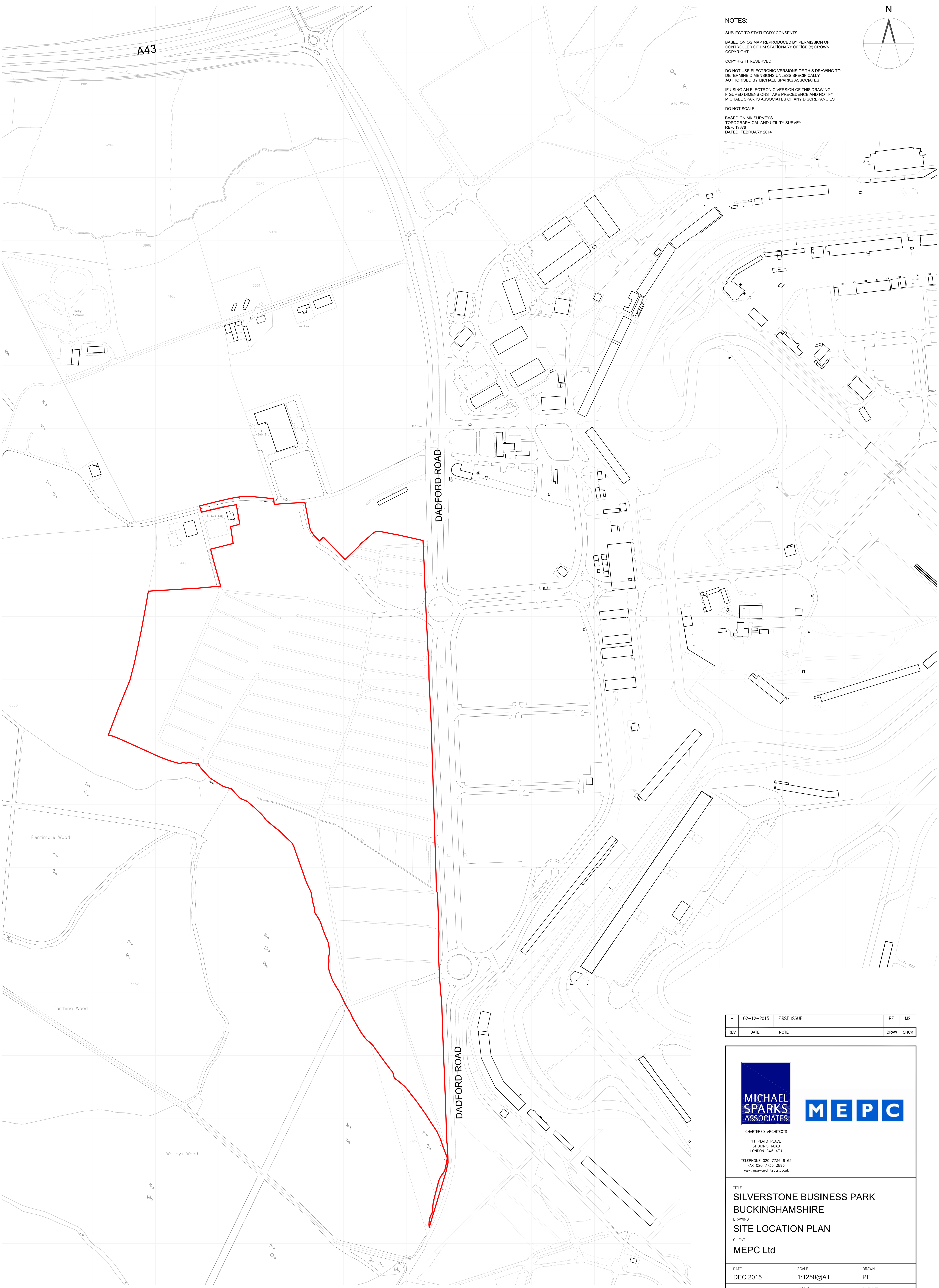
Q13 What area of land was reclaimed and made ready for development on the zone this quarter?

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?

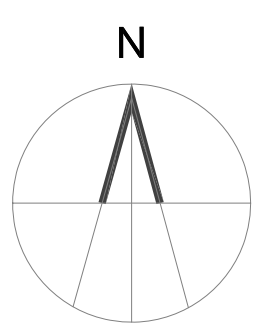


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TITLE
SILVERSTONE BUSINESS PARK
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DRAWING
SITE LOCATION PLAN
CLIENT
MEPC Ltd

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

DRAWING NUMBER
30804-FE-068

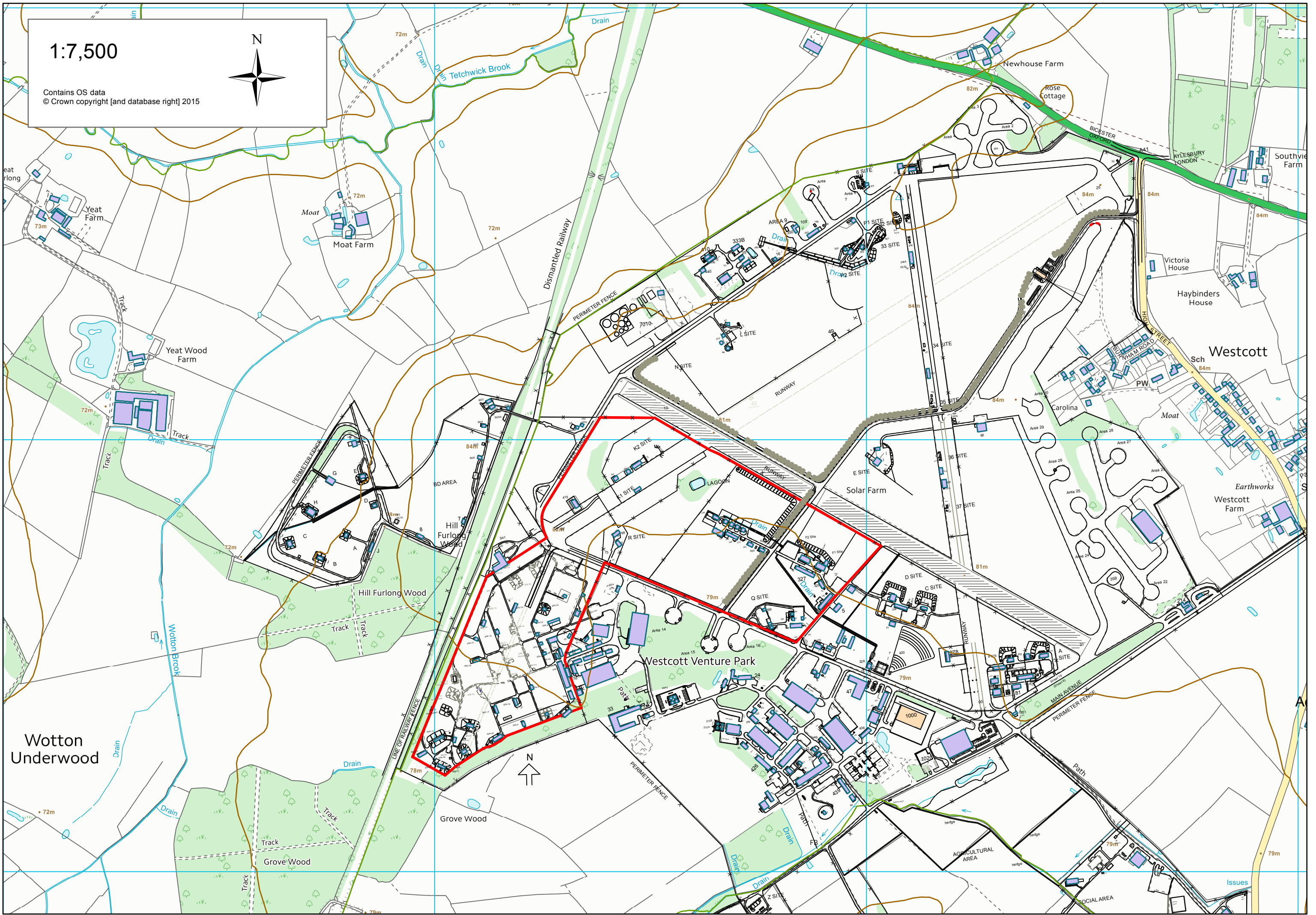
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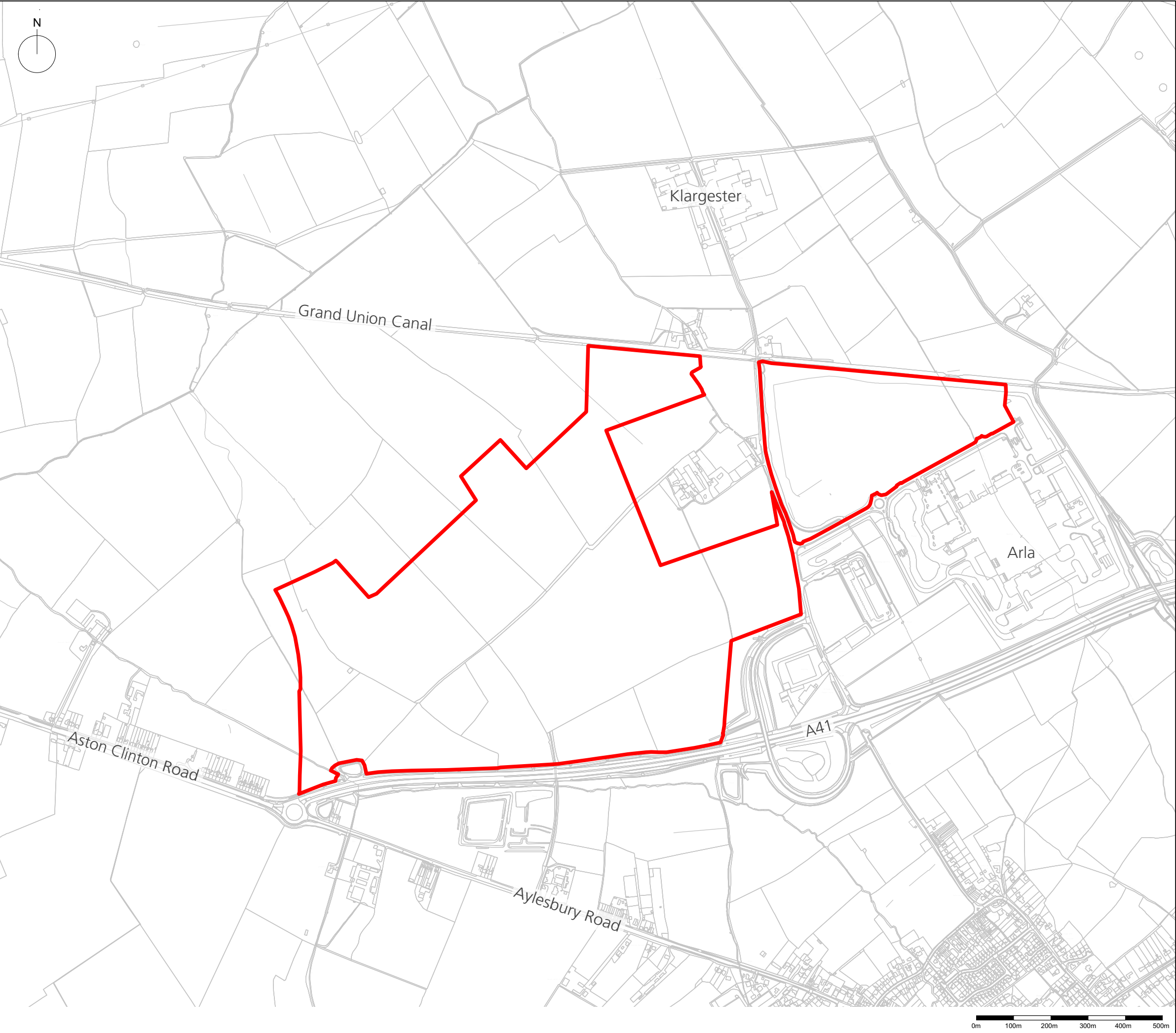
SITE LOCATION PLAN
1:1250




1:7,500

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 Business Rate Discount Area

Rev	Description	Date
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THE ENVIRONMENTAL DIMENSION PARTNERSHIP

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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		

