



AYLESBURY VALE DISTRICT COUNCIL Democratic Services

Please ask for: Chris Ward, cward@aylesburyvaledc.gov.uk
Switchboard: 01296 585858
Text Relay Prefix your telephone number with 18001

29 November 2018

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

A meeting of the Economy and Business Development Scrutiny Committee will be held at **6.30 pm** on **Monday 10 December 2018** in **The Olympic Room - Aylesbury Vale District Council**, when your attendance is requested.

Membership: Councillor C Branston (Chairman); Councillors W Whyte (Vice-Chairman), B Adams, J Bloom, B Chapple OBE, B Foster, M Hawke, T Hunter-Watts, S Jenkins, C Poll and W Raja

Contact Officer for meeting arrangements: Chris Ward, cward@aylesburyvaledc.gov.uk

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 8)

To approve as a correct record the Minutes of the meeting held on 11 September 2018.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. AVE BUSINESS PLAN 2019/2022 (Pages 9 - 14)

For Members to consider the attached report.

Contact officer: Andrew Small 01296 585006

6. LOCAL INDUSTRIAL STRATEGIES (Pages 15 - 18)

For Members to consider the attached report.

Contact officer: Claire Britton 01296 585471



7. WORK PROGRAMME

To consider the future work programme. Meetings are scheduled as follows:-

15 January 2019: Car Parking Strategy for Buckingham, Winslow & Wendover

26 March 2019: Silverstone update

Members had expressed an interest in the following items coming to Committee:

- Enterprise Zones update
- How Market Towns are being supported across Aylesbury Vale
- Rupert Waters to speak at Committee regarding LEPs
- Industrial Strategy
- Member Tour of Westcott

8. EXCLUSION OF THE PUBLIC

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

RESOLVE –

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

Item No. 9 – AVE Business Plan 2019/2022

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

9. AVE BUSINESS PLAN 2019/2022 (Pages 19 - 66)

For Members to consider the attached confidential information in relation to the AVE Business Plan 2019/2022.

Economy and Business Development Scrutiny Committee

11 SEPTEMBER 2018

PRESENT: Councillor C Branston (Chairman); Councillors B Adams, J Bloom, B Foster, M Hawkett, S Jenkins, C Poll, W Raja and W Whyte (Vice-Chairman)

IN ATTENDANCE: Councillors P Irwin, A Macpherson and J Ward

APOLOGIES: Councillors B Chapple OBE and T Hunter-Watts

1. TEMPORARY AND PERMANENT CHANGES TO MEMBERSHIP

The Committee was informed that Councillors B Chapple and Foster would be permanent members on the Committee.

2. ELECTION OF CHAIRMAN

RESOLVED –

That Councillor Branston be elected Chairman of the Committee for the ensuing year.

3. APPOINTMENT OF VICE-CHAIRMAN

RESOLVED –

That Councillor Whyte be appointed Vice-Chairman of the Committee for the ensuing year.

4. MINUTES

RESOLVED –

That the minutes of the meeting held on 23 May 2018 be approved as a correct record.

5. DRAFT PARKING STRATEGY FOR AYLESBURY TOWN CENTRE

The council needed to review parking strategies for its town centres to take account of the planned growth within Aylesbury Vale, the challenges facing town centres and emerging new technologies. Investigations into carrying out parking studies began in 2017 in Aylesbury, Buckingham, Winslow and Wendover, and the outcomes would inform AVDC's investment management decisions relating to parking. The outcomes would also provide supporting information for the Vale of Aylesbury Local Plan.

The first study had been completed for Aylesbury. The brief for the work had been developed in consultation with Buckinghamshire County Council and Aylesbury Town Council to ensure all town centre related parking issues were within the scope. The study's objective was to investigate parking provision in the town centre and the surrounding area, and how to work with key stakeholders to deliver an integrated solution. Importantly, the focus was on parking in Aylesbury not just car parks that AVDC owned. The scope of the work included:

- understanding the current service and operational arrangements
- reviewing and appraising current parking provision, infrastructure and capacity identifying and evaluating constraints and issues
- providing advice on potential solutions to address the constraints and issues

- analysing future demand
- recommend the optimum parking provision for the town between 2018 –2033 taking into account emerging trends and technologies

ARUPS had been selected to deliver the Aylesbury brief following a robust procurement process. To produce the draft strategy, ARUPS had reviewed:

- related national, regional and local policy and guidance e.g. the National Planning Policy Framework, The Aylesbury Transport Plan, the draft Vale of Aylesbury Plan, the BTVLEP Strategic Economic Plan and the Aylesbury Town Centre Plan
- on-site visits
- best practice and emerging trends and technologies
- condition surveys
- customer feedback
- available data on usage

Based on these, six objectives were identified to form the strategy framework which were as follows:

1. Responsive to the needs of different groups and customers
2. Positively contributes to the local economy and regeneration
3. Commercially sustainable & efficient parking management model
4. Enhances the local environment
5. Integrates effectively with wider policy and plans
6. Resilience and anticipation of future change

The report contained a summary of recommendations that would be used to develop a delivery plan for the strategy. Recommendations were directly linked to the objectives and priorities in the strategy to ensure a clear link between activities and desired outcomes for Aylesbury. The recommendations had been categorised into two phases with phase one representing those which AVDC would like to deliver first. They were split into three themes: Strategic Management, Operational Management, and Initiatives and Innovation. The Committee were asked to consider the recommendations and also suggest which Phase recommendations SM11 – SM16 should fall into.

Members sought further information from officers and the Cabinet Member and were advised that:-

- i. Security concerns in car parks, such as lighting and access, were understandable and signage was available showing emergency contact details.
- ii. At present, around six or seven coaches arrived for pantomime performance at Aylesbury Waterside Theatre. A park and ride offer for the theatre would not be an attractive enough offer at present. Consideration of using The Gateway car park could be used to provide a park and ride site but the extra costs for security in keeping the car park open out of office hours would need to be covered.
- iii. There was merit in investigating the possible of offering park and ride for one off major events such as the Christmas Light Switch-on.
- iv. Space in the town centre for coach parks would be too costly, however the current collection and drop-off arrangement was effective
- v. Offering a variety of car park payment methods was important so that customers could select a choice that suited their preference
- vi. Discounted parking or free parking for electric vehicles could be considered under an innovation scheme
- vii. Encouraging use of bicycles through accessible bicycle parking would be considered as long as these were safe and did not affect the aesthetic of the town centre

- viii. Friarscroft car park was underutilised by commuters due to its 8.30pm closure. This closure time was due to anti-social behaviour. The possibility of adding in security measures to deal with this was recommended in the report.
- ix. The Waterside Festival had helped to promote the canalside area and show how accessible the theatre was to Waterside car park.
- x. Town centre flat developments did not always offer car parking as research by developers had shown this was not always necessary.

The Committee were supportive of the recommendations in the report, notably the review of car park names to be more logical for customers and the estimated £400k investment to upgrade payment equipment and options. Members felt that a stakeholder survey should be carried out in Phase 2 as the results would be more meaningful after improvements were carried out. This would have an impact on the proposed metrics in the report. Recommendations SM15 and SM16 were linked and Members agreed that these should be carried out in Phase 2.

RESOLVED –

That the Committee recommends SM12 – SM14 are delivered in Phase 1 and SM11, SM15 and SM16 are delivered in Phase 2.

Note:

Councillor Whyte declared a personal interest in the above item as one of the Council's representatives on the AVE Board.

6. LOCAL ENTERPRISE PARTNERSHIPS (LEPS) REVIEW

Local Enterprise Partnerships (LEPs) were set up as locally-derived business led partnerships between the private and public sector to drive forward economic growth across the country. Announced in 2010 and established in 2011 by the Department for Business, Innovation and Skills, LEPs replaced the former Regional Development Agencies as part of Government's ambition to shift power away from central government. Aylesbury Vale was within LEPs: Bucks Thames Valley LEP (BTVLEP) and South East Midlands LEP (SEMLEP). LEPs have responsibility for around £12bn of public funding up to 2021 and were the mechanism for channelling the Local Growth Fund to localities delivering their investment priorities. One of the great strengths of LEPs was their ability to bring together business and civic leaders across local administrative boundaries and provide strategic direction for a functional economic area.

On 24 July 2018, the government had published a document entitled [Strengthened Local Partnerships](#) which outlined a range of leadership, governance, accountability and geography reforms for LEPs. The publication asked LEP chairs and other local stakeholders to come forward with considered proposals by the end of September 2018 on geographies which best reflected real functional economic areas, removed overlaps and, where appropriate, proposed wider changes such as mergers. The publication asked for comments:

- on revised geographies which best reflected 'real' functional economic areas.
- on the most appropriate geographical levels to maximise the efficiency and effectiveness of decision-making and delivery going forward.
- to remove overlaps and where appropriate, proposing wider changes such as mergers.

Government now considered that retaining overlaps dilutes accountability and responsibility for setting strategies for place and allocating funding. Therefore it was

seeking transparent and consistent arrangements to ensure that all businesses and communities are represented by one Local Enterprise Partnership and were able to see a single vision and a compelling plan for their area. This would ensure that each LEP was in the best position to identify and align local interventions that maximise their economic impact and to meet the Government's increased ambition for the activity and responsibility of the LEPs which may include the allocation of money from the UK Shared Prosperity Fund (post-Brexit pot comprising of previous EU structural funds). A simple unwinding of the 2011/12 arrangement would place the AVDC singularly in SEMLEP according to objective economic geography criteria.

The Committee received a report which detailed a number of possible arrangements for Aylesbury Vale and for future LEP arrangements. These included:-

- Just be a member of BTVLEP.
- Just be a member of SEMLEP.
- Merger of BTVLEP and SEMLEP.
- Merger of BTVLEP and Oxfordshire Local Enterprise Partnership (OXLEP).
- Creation of a "Super LEP" – a merger of BTVLEP, SEMLEP and OXLEP.

'No change' was not an option due to the requirement of removing overlapping LEPs and any decision would require additional work. The report contained positives and negatives of each proposal as well as detailed information on the geographic, economic (including population and housing growth, house prices) and other factors (e.g. Cambridge – Milton Keynes – Oxford corridor, impacting on Buckinghamshire). The report asked Members for their views ahead of Cabinet considering the proposal on 12 September 2018.

This item was attended by Richard Harrington (BTVLEP) and Hilary Chipping (SEMLEP) who both addressed the Committee ahead of Member debate. Members then had the opportunity to ask the LEP representatives additional questions which included:

- The relationship between the LEP decision and the Modernising Local Government decision in Buckinghamshire
- Any feedback from businesses on their LEP preference
- How a 'Super LEP' (BTVLEP, SEMLEP and OXLEP) may work and whether it was a realistic prospect
- Whether overlapping LEPs had a negative impact on performance
- How local authorities were represented on LEP Boards

Following this, Members sought further information from officers and were advised that:-

- i. Approaching Milton Keynes to come out of SEMLEP and join BTVLEP had not been considered as it was understood there was no appetite for Milton Keynes to come out its current LEP.
- ii. No discussions had been had with regards to a merger of BTVLEP and OXLEP or BTVLEP, SEMLEP and OXLEP. It was expected that OXLEP would not be interested in merging.

Members felt that this was a difficult decision to make and discussed the rationale that had led to AVDC joining both LEPs. The Committee saw value in the work that had been carried out by both LEPs in Aylesbury Vale and the positive relationship the council had with them. Members appreciated that an overlap created a lack of accountability and that joining one LEP would resolve this. It was felt that a balance needed to be struck between being part of a LEP that was large enough to be relevant and exert influence yet not too large for AVDC to lose its voice and lose local influence and identity. When discussing the merits of surveying businesses for their perspective, it

was considered that responses would not necessarily represent smaller business in the Vale who may not have the time or interest to respond.

The Committee discounted the option of a 'Super LEP' but were unable to draw a firm conclusion on which option to recommend to Cabinet.

RESOLVED –

That the comments and views of the Scrutiny Committee be referred to Cabinet for their consideration. The Committee also thanked the LEP representatives for their attendance.

Note:

Councillor Branston declared a personal interest in the above item as a former employee of Bucks Business First until 2011.

7. WORK PROGRAMME

The upcoming work programme for the next two meetings were discussed as were items that Members had expressed an interest in coming to Committee in future. Members saw merit in the following being added to the programme:-

- Member Tour of Westcott
- Methods of attracting investment into Aylesbury Vale
- How the council can support small businesses
- Update on Silverstone

RESOLVED –

That the current work programme be noted.

This page is intentionally left blank

1 Purpose

- 1.1 To give the Committee the opportunity to consider a draft Business Plan prepared by Aylesbury Vale Estates LLP (AVE) for 2019 – 2022 and to pass their comments on to Cabinet for consideration.

2 For decision

- | |
|--|
| 2.1 To agree the comments the Committee wishes to make on the draft Business Plan (set out at Appendices 1 – 3 in the confidential pages of this report) for consideration by Cabinet. |
|--|

3 Supporting information

Context of the Partnership

- 3.1 As the Committee will be aware, AVDC and Akeman Partnership LLP (Akeman) set up AVE as a Limited Liability Partnership (LLP) in October 2009. The selection of the Council's private sector partner (who make up 50% of the Partnership) followed a competitive dialogue procurement process and upon completion of the agreement the Council sold the majority of its industrial and commercial estate to AVE LLP at market value.
- 3.2 The original objectives of AVE (which remain) were to:
1. To improve, repair (if applicable) and maintain the Property
 2. To enhance, maintain and improve AVDC's income stream generated from the Property:
 3. To positively influence and promote development and economic growth in the Area through the development, improvement and maintenance of the Property, together with pro-active asset management.
- 3.3 The Partnership is governed by a formal, detailed Members' Agreement and managed by a Partnership Board on which the Council has three representatives - currently Cllr Whyte, Cllr Julie Ward and Teresa Lane (Assistant Director Commercial Property and Regeneration). Akeman Asset Management LLP (the appointed Asset Managers) produced a draft Partnership Business Plan for AVE as part of their bid, which was approved by the Cabinet in June 2009. The final version of the Plan formed part of the completion documentation approved in October 2009. The Board meets on a regular basis to review progress against the original objectives and Business Plan and monitor performance of the appointed Asset Managers.
- 3.4 The Partnership Members' Agreement requires AVE to update the Business Plan on an annual basis for approval by the shareholders. In the case of AVDC this is through this Scrutiny Committee and Cabinet. The private sector partner have their own separate mechanism for reviewing and agreeing the business plan and this process is complete by the time the draft Plan is considered by the Scrutiny Committee. Any amendments to the Business Plan after consideration by AVDC's committees, have also to be agreed to by the private sector partners. To date this process has not presented any difficulties.

- 3.5 The updated Business Plan is a critical document. The Members' Agreement requires the Business Plan to set out AVE's objectives for the life of the Partnership (ie 20 years) and the annual overarching objectives for each accounting period. In particular the Plan must include a statement that AVE's business shall be operated with a view to producing the best risk adjusted profit obtainable and to maximise the risk adjusted rate of return to the Council and Akeman. Subject to agreement between AVE, Akeman and the Council, the Plan is also expected to include the following matters (based on a 3 year projection where appropriate):-
- Strategic business objectives and targets
 - Gross and net rental income projections, including assessment of operating costs, rental voids, rent arrears and any other losses and receipts
 - Annual portfolio valuation prepared to a standard acceptable for AVDC financial reporting purposes
 - Confirmation that the financial covenants regarding loan to value and interest cover are being maintained
 - Projections of estimated receivable rent and confirmation of compliance with maintaining portfolio income levels
 - Proposals for working capital budget, any new capital investments and reinvestments plus any distributions to partners
 - Performance against key indicators and targets indicate levels of achievement
- 3.6 Once approved, the Business Plan provides the framework within which the AVE Board works, similar in effect to the Budget and Policy Framework set by Council for the Cabinet. Accordingly if the Board wish to pursue any substantive action which is not provided for in the Business Plan they must obtain specific authority from the Council (either by a Cabinet or Cabinet member decision) and Akeman Partnership LLP – the private sector partner..
- 3.7 The draft Business Plan is contained within the confidential pages as Appendix 1. It covers the period 2019 – 2022 with the detail focus on the 2019/20 financial year. Members are asked to note that in order to reflect any consequences of the AVE Business Plan in the 2019/20 AVDC budget setting, the timing of this report means that the attached business plan can only review performance of the 18/19 Business Plan for the period 1 April – 30 September 2018. A full review of the 2018/19 performance, will, therefore, be reported to the June 2019 Scrutiny and Cabinet meetings.
- 3.8 The AVE cash flow is attached as Appendix 2 and the Hale Leys Business cash flow as Appendix 3.
- 3.9 Members are asked to note that the Business Plan necessarily includes a range of assumptions about the future plans of tenants and trends in the wider market. Some of these may come to pass, some may not. Members will see that in Section 3, a 'base case' Business Plan is presented on the assumption that certain scenarios are likely to occur and an 'enhanced case' is also presented but on the understanding that these scenarios whilst possible, are less likely to occur.

The 2018/19 Business Plan was presented on a 'base case' only.

4. Summary of key issues in the Plan

- 4.1 The Business Plan is introduced by a number of key headlines, some of which are worth summarising in this covering open report. The financial information relating to the asset management initiatives /developments are contained within the confidential pages.

Progress against the 2018/19 Business Plan

Distributions

- AVE is on track to make the planned £600k distribution to its Members ie £300k each. The timing of the distribution is likely to be in the last quarter of the 18/19 financial year following the capital receipt from the sale of one of its high value, low income generating assets for development.

Asset management initiatives/developments

- Sales of other low income generating assets have been completed or are underway- Aylesbury Town Hall Arches has been sold to Bucks County Council. The sale of the former Scout Hut site in Adams Close, Buckingham is pending subject to achieving planning permission. Both these sales were approved by AVDC Cabinet in line with the Members' Agreement and the governance procedures for the sale of either non-core assets or community assets.
- Lidl signed a contract with AVE to buy and build a store on the front part of the Stocklake site partly occupied by Askeys. The application was considered in August 2018 and was deferred with approval delegated to officers pending the resolution of some conditions, the key one relating to traffic management. The final sale price will be determined when approval is granted.
- Contracts have been exchanged with a residential developer for the area of land known as Gatehouse phase 2. A reserved matters application was submitted in August 2018 and is still being dealt with. As with the Stocklake site, the final sale price will be determined when the reserved matters which are the responsibility of AVE have been discharged.
- Whilst it is good news that a new lease is in place with Cinram Novum Ltd for the Sony site, progress has been made on the longer term plans for redevelopment of the site for commercial//residential. A planning application is expected to be submitted in early 2019.
- New signage has been erected on the Rabans Lane industrial estate and a new website has been designed with the launch imminent.

Occupancy levels

- The multi-let industrial estate has seen an unprecedented demand for units and as at end of September the vacancy level was 2.1%. Various asset management initiatives to improve the estate ranging from new signage (as referred to above), new quarterly tenants meetings, and completing works to refurbish the units, has contributed to the demand for the units.
- As a reflection of the demand, 2018/19, has seen a focus (as agreed) on reducing the non-commercial tenants occupying space on the estate. Several community organisations occupying space on a 'free basis' until demand increased were offered the opportunity to stay and pay the market rate discounted or move. Whilst the AVE Board appreciated the important work these community groups contributed, its overriding obligation was and is to meet the objectives set out in the Members' Agreement.
- Hale Leys, like all other shopping centres in sub-regional towns similar to Aylesbury's size, has continued to feel the pressure of the internet and during this financial year, a number of tenants have been persuaded to relocate to Friars Square Shopping Centre including Clarks and Vision Express. The Asset Managers are working hard to let the vacant units and reduce the vacancy from the 23% recorded at the end of September.

Key Performance Targets

The information below is a combination of 2017/18 year end performance information and part year information.

- The vacancy across the entire portfolio as at 30 September 2018 was 7.08% (23.2% Hale Leys and 2.1% AVE portfolio). The year end target vacancy is 3.8%. Letting Hale Leys will remain the focus but the challenge to enable this target to be met. .
- The total return of the portfolio over the 12 months to 31 March 2018 changed from positive from the previous year to a negative one. This was due to the difficult trading conditions in the retail market. The independent valuation of the whole portfolio takes place at each year end but since inception, investors have received an annual return of 12.7% (assuming set up costs are spread evenly over the period of the Partnership).
- The budgeted portfolio income for the financial year ending 31 March 2018 was exceeded by 1.4% and AVE is on target to meet its income target for 2018/2019.
- No bad debts have been written off to date in 2018/19 although it is noted that a number of payment plans are in place..
- The 3-month collection rate for the portfolio for the September 2018 quarter was 91.7%. This outperforms the 3 month KPI of 90% but falls short of the 3 month KPT of 97%. The 12 month collection rate was

99.9%, outperforming the 12 month KPI of 95% but falling slightly short of hitting the 12 month KPT of 100%.

- The Loan to Value as at 31 March 2018 was 72.2%, just below the maximum limit of 75%.

Looking forward – 1 April 2019 onwards

- 4.2 The core aims remain the same in line with the original objectives agreed in 2009:
- a. Increased investor revenue flows; and
 - b. Support for the Council's economic development programme
- 4.3 The key strategies identified in order to achieve these core aims for 2019/2022 are in summary:
- Sale of high value assets with low income, for reinvestment into higher income assets
 - Pay off expensive debt in order to reduce cost of finance and reduce amortisation
 - Target a distribution of £600,000 pa
 - Maintain current levels of occupancy within the industrial portfolio
 - Hale Leys - maintain current tenants, let vacant units and improve future income stream
 - Review all non-core and community assets and sell/develop where possible
- 4.4 It is encouraging to note that AVE has submitted both a base case and an enhanced case for the 20/19/2022 Business Plan period. The details of each of the strategies under the two scenarios are set out in the confidential pages of the report. However, it is reasonable to say that from shareholders' perspectives, the ability of the Partnership to sustain the target distribution may be a challenge unless the capital receipts relating to the Stocklake and Gateway sites can be secured and preferably close to the net sales forecasts set out in the 2018/19 Business Plan. These receipts will enable AVE to deliver on some of its other strategies ie in the first instance pay of expensive debt in 2019/20 and in 2020/21, invest in new income generating properties to increase the surplus revenue available to comfortably cover operating costs.
- 4.5 After the sale of the two sites mentioned in Section 3 above, AVE will have almost completed its review of the portfolio and the opportunity to sell the high value, low income generating sites within the portfolio. It's therefore important that AVE continues to explore the potential for developing the former Sony site but not only from the point of view of generating a capital receipt but also as an income generating opportunity by retaining some of the site to potentially build out new commercial space to let. This would capitalise on the increased market demand for space (providing it is of the right size and type) whilst helping to support the local economy and encourage employment growth in the area. New income would also give more certainty around the distribution payment.

LOCAL INDUSTRIAL STRATEGIES

1 Purpose

- 1.1 The government publication 'Strengthened Local Enterprise Partnerships' set out that reformed and stronger Local Enterprise Partnerships will adopt a single mission: to promote productivity by delivering Local Industrial Strategies (LIS). Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP) and South East Midlands Local Enterprise Partnership (SEMLEP) have been developing their Local Industrial Strategies (LIS) over recent months and which are in turn informing the development of a Local Industrial Strategy for the Oxford - Milton Keynes - Cambridge corridor which is one of three trailblazer strategies being developed with government and partners and due to be published in March 2019. Ian Barham, Partnership Manager at BTVLEP and Hilary Chipping, Chief Executive at SEMLEP will both be in attendance to provide members with an overview of the content and progress of their respective LISs and how these are informing the development of the wider corridor LIS.

2 Recommendations

- | | |
|-----|--|
| 2.1 | To note the report and overview presentations at the meeting and input any views or comments on the work to date |
|-----|--|

3 Supporting information

- 3.1 Local Industrial Strategies will be long-term, based on clear evidence and aligned to the national Industrial Strategy. The UK's Industrial Strategy was published in November 2017 and its aim is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK. It sets out how the government intends to build a Britain fit for the future – how they will help businesses create better, higher-paying jobs in every part of the UK with investment in the skills, industries and infrastructure of the future. The strategy is seen as pivotal to shaping the future direction of the UK economy, improving productivity across the country and accelerating growth. Government are doing this by:
- 3.2 1. Strengthening the foundations of productivity – the fundamentals that support a skilled, innovative, geographically based economy. The five foundations of productivity are:
- Ideas: encouraging the UK to be the world's most innovative economy
 - People: ensuring good jobs and greater earning power for all
 - Infrastructure: driving a major upgrade to the UK's infrastructure
 - Business environment: guaranteeing the best place to start and grow a business
 - Places: creating prosperous communities across the UK
- 3.3 2. Building long-term strategic partnerships with businesses through Sector Deals between government and industry, These present significant opportunities to tackle barriers to growth, boost productivity in specific sectors, further collaboration, and ensure high-quality jobs.

- 3.4 3. Taking on Grand Challenges – the society-opportunities and industries of the future, building on the UK’s emerging and established strengths to become a world leader. The first four Grand Challenges are focused on global trends to transform the future:
- AI and data: putting the UK at the forefront of the AI and data revolution
 - Ageing society: harnessing the power of innovation to meet the needs of an ageing society
 - Clean growth: maximising the advantages for UK industry from the global shift to clean growth,
 - Future of mobility: becoming a world leader in shaping the future of mobility
- 3.5 The Government will use this strategy to work with industry, academia and civil society over the years ahead to build on the UK’s strengths.
- 3.6 Local Industrial Strategies should set out clearly defined priorities for how cities, towns and rural areas will maximise their contribution to UK productivity and be aligned with the national Industrial Strategy. LISs will allow places to make the most of their distinctive strengths and better coordinate economic policy at the local level and ensure greater collaboration across boundaries.
- 3.7 They will also provide strategic overview which will inform Local Enterprise Partnerships’ approach to any future local growth funding deployed through them. In conjunction with the key reforms set out in the Strengthened Local Enterprise Partnerships, Local Industrial Strategies will help local areas in England decide on their approach to maximising the long term impact of the new UK Shared Prosperity Fund once details of its operation and priorities are announced following the Spending Review.
- 3.8 The Cambridge – Milton Keynes – Oxford Growth Corridor has been selected as one of three trailblazer areas with the goal of developing a Local Industrial Strategy by March 2019. The strengths and strategic assets which sit within the Ox-Cam corridor are seen as important economic drivers in this process but anchored within the context of ‘place’ and the strategy seeks to aggregate the potential of ‘place’ and maximise the corridors potential to drive economic growth for UK Plc. PwC has been appointed to develop the Corridor LIS.
- 3.9 All the LEPs across the Corridor (OxLEP, BTVLEP, SEMLEP and Greater Cambridge and Peterborough Combined Authority Business Board) have agreed to develop their own response to the Industrial Strategy at a ‘place’ level by December 2018 which will be used to inform the development of the corridor wide strategy by March 2019.
- 3.10 BTVLEP has appointed Shared Intelligence to support them in the preparation of their LIS and have worked with a range of local stakeholders to understand their views and ideas about the future of the Buckinghamshire economy.
- 3.11 SEMLEP has been doing the same exercise for the SEMLEP economy.
- 3.12 Hilary Chipping, Chief Executive of SEMLEP and Ian Barham, Partnership Manager at BTVLEP will attend the committee to provide to members an overview of the work to date on their respective LEP area LISs. They will also advise on how this work will inform the corridor wide LIS as well as providing an update on that document and setting out how these strategies will align with the national Industrial Strategy.

4 Resource implications

- 4.1 None arising from the report and the subscriptions to the LEPs are met from existing budgets.

Contact Officer Claire Britton 01296 585471

Background Documents [Strengthened Local Enterprise Partnerships](#)
[The UK's Industrial Strategy: building a Britain fit for the future](#)

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank