

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 will present an update on progress being made with the Vale's three sites which benefit from Enterprise Zone status. 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 Enterprise Zone status for three strategic sites in Aylesbury Vale came into effect on 1 April 2016 at Silverstone Park, 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.
- 3.2 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.
- 3.3 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. A founding principle of Enterprise Zones is that the Government allows Business Rates retention from new development so that the income generated is invested in infrastructure to facilitate future EZ development in accordance with agreed investment strategies. This process should be a virtuous circle with capital reinvested in the EZ generating additional development and business rates income. Each of the AVEZ sites has a Memorandum of Understanding (MOU) agreed with the landowner that sets out each site's investment strategy, including priorities for investment of retained business rates.
- 3.4 This process is already working as in November 2017, this council approved almost £5million capital grant to the AVEZ to help meet the cost of advanced infrastructure provision such as power supply, utilities, groundworks, site roads and broadband at Silverstone Park Enterprise Zone to facilitate the early delivery of infrastructure for future phases.
- 3.5 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.
- 3.6 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.

- 3.7 A dedicated AVEZ Director, Anthony Sowden, was appointed in May 2017 to support the AVEZ Board and to take on lead responsibilities. Members of this scrutiny committee last received an update on progress of the Aylesbury Vale Enterprise Zones at its meeting on 6th September 2017.
- 3.8 Anthony will attend the committee and provide an overview of the latest position and activity on each of the 3 sites and provide an update on progress to date against the 5 year projection and Implementation Plan.

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.

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