

Buckinghamshire Enterprise Zone Memorandum of Understanding

THIS MEMORANDUM OF UNDERSTANDING is made on / / 2022

PARTIES

1. **BUCKINGHAMSHIRE COUNCIL** of The Gateway, Gatehouse Road, Aylesbury, Buckinghamshire HP19 8FF (**the Relevant Local Authority**);
2. **BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP LIMITED** (company registered number 11912208) whose registered office is at: Claydon House, 1 Edison Road, Rabans Lane Industrial Area, Aylesbury, Buckinghamshire HP19 8TE (**BLEP**)

BACKGROUND

- A This memorandum of understanding (MoU) sets out the arrangements between the Relevant Local Authority and BLEP for the retention and distribution of business rates growth income from the Buckinghamshire Enterprise Zone (BEZ).
- B This MoU replaces the MoU dated 31 March 2016 between (1) The Secretary of State (2) Aylesbury Vale District Council and Buckinghamshire County Council (the Relevant Local Authorities) and (3) Buckinghamshire Local Enterprise Partnership. A new MoU is required to take account of changes to the parties (the Secretary of State no longer requires to be a party) and to reflect operational and working arrangements following the implementation of BEZ.
- C This MoU is for the period of the Term (between 1st April 2021 and 31st March 2026).
- D BLEP is a voluntary partnership between the Relevant Local Authority and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the operation of the BEZ
- E BEZ comprises 3 Enterprise Zone sites as more specifically set out in Schedule 4.
- F Enterprise Zone status means that additional business rates income earned within each zone over a 25-year period will be retained locally and will be spent on local economic priorities. For BEZ this retention period runs from 1st April 2016 to 31st March 2041.
- G The BLEP Board is responsible for delivery of BEZ and delegates responsibility for the management and delivery of the BEZ programme to the BEZ Board in accordance with the Terms of Reference.
- H The governance and working arrangements (Terms of Reference) of the BEZ as part of BLEP are attached at Schedule 3
- I The role of “Accountable Body” for management of retained business rates requires a body which must be a legal entity, nominated to act on behalf of BLEP for the receipt of business rates income growth within the BEZ and correct usage of that growth in line with economic priorities as supported by the BLEP. The Relevant Local Authority has accepted the role of Accountable Body for retained business rates within BEZ.

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 an Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

“Business Rates Growth Income” means the business rates income generated from the Enterprise Zone that accrues to the Enterprise Zone in accordance with the Regulations

“BEZ Implementation Plan(s)” means the Implementation Plan 2016-21; Implementation Plan 2021-26 (Schedule 1) and any subsequent Implementation Plan as agreed by the EZ Board.

“Buckinghamshire Enterprise Zone” or “BEZ” 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 as more specifically set out in Schedule 4.

“Enterprise Zone” means one or more sites which under the Regulations (as amended from time to time) can 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 and operational decisions on the BEZ in accordance with the BLEP governance arrangements and Terms of Reference as attached at Schedule 3

“Law” means any Act of Parliament, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, regulation, order, regulatory policy, mandatory guidance or code of practice or judgment of a relevant court of law.

“Original Application” means (the Application for Enterprise Zone status submitted to the Secretary of State for Communities and Local Government dated September 2015 (Schedule 2)

“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 Authority” 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 Income” 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 period until 31 March 2026 unless terminated earlier in accordance with clause 3.7 or clause 5 of this MoU.

“Terms of Reference” means the governance and working arrangements of the BEZ as agreed by BLEP and as updated or amended. The current version is as attached at Schedule 3

2 OPERATING AN ENTERPRISE ZONE

The following applies to BEZ:

- BLEP 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 Zone and thereafter towards the other growth priorities identified in this MoU;
- BLEP must have a robust and transparent application and award process for all support provided in relation to the BEZ. BLEP must ensure that any support provided pursuant to this MoU is compliant with State Aid/Subsidy Control Law (as applicable) and is within any permitted De Minimis threshold. BLEP must ensure that agreements with businesses include provisions requiring the repayment (together with any interest and penalty) to the Relevant Local Authority of such sums found to be Unlawful State Aid/Subsidy Control (as applicable).
- Central government will reimburse BLEP with the cost incurred by the Relevant Local Authority 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 by 31 March 2021, and is able to receive the support within the State Aid/Subsidy Control Legislation (as applicable) De Minimis threshold (or other limitation applicable by law);
- Only businesses occupying the Enterprise Zone by 31 March 2021 will be eligible to submit new or repeat applications for a business rate discount.
- BLEP shall comply with all applicable Law in relation to this MoU.

3. TERMS AND CONDITIONS

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

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

3.2 The Relevant Local Authority and BLEP 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 permissions) or registrations necessary to deliver the BEZ in accordance with the Original Application;

- (b) they have or will secure the expertise and capacity to set up and operate the BEZ in accordance with the Original Application;
- (c) they will undertake all the steps to set up and operate the BEZ Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid or subsidy control (as applicable), 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 Original Application and this Memorandum of Understanding.

3.3 The Relevant Local Authority and BLEP agree to:

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

Where during the Term, new local authorities become involved in the BEZ or the legal status of Local Enterprise Partnerships and local authorities involved in the BEZ changes, the Secretary of State requires that BLEP 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 BEZ is concerned;

- (a) The objective of BEZ 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 location of the BEZ sites will enable BEZ to challenge internationally as a major employment location during the full 25-year period.
- (c) The BEZ sites will specialize in the knowledge economy sectors of high-performance technology/motorsport, space propulsion/applications, creative industries and agri-food/human health to drive demand and inward investment.
- (d) Infrastructure will include research and innovation facilities, tailored business support and skills programmes to nurture high value companies and create jobs.
- (e) The aim is to create c272,000m2 of floorspace across the 3 BEZ sites over a 25-year period creating around 7500 new jobs.
- (f) Targeted interventions in site infrastructure will accelerate the pace and quantity of development on the BEZ sites generating an income stream from business rates.

3.3.2 **Governance**

As far as BEZ is concerned;

- (a) The BLEP Board is responsible for the overall governance and strategic direction of the BEZ. The BLEP Board has delegated the day-to-day responsibility for the governance and

management of BEZ to an Enterprise Zone Board comprised of representatives from the Relevant Local Authority and BLEP.

- (b) The membership of the Enterprise Zone Board shall be Two (2) Relevant Local Authority representatives and Four (4) BLEP Board Members. Each Enterprise Zone Board member will have a single vote and the quorum for any meetings of the Enterprise Zone Board shall be one (1) BLEP Board Member and one (1) Relevant Local Authority representative.
- (c) The role of the Enterprise Zone Board is set out in the Terms of Reference and includes to:-
 - Manage the delivery of the strategic vision, objectives and priorities of BEZ;
 - Guide the investment model for BEZ and make decisions on the use of income, financial incentives and interventions, and projects;
 - Supervise the BEZ executive team;
 - Monitor the performance of BEZ against key measures including financial targets and economic outputs;
 - Alongside the Accountable Body monitor and account to government for the proper and responsible use of BEZ funds;

3.3.3 Financial & Legal Responsibility:

- (a) The Accountable Body for BEZ will be Buckinghamshire Council.
- (b) The role of the Accountable Body will be to: -
 - Act as the collecting authority for all business rates within the BEZ area;
 - Establish suitable systems for monitoring and reporting on funds collected;
 - Ensure government subsidies provided for the BEZ (including the subsidy provided under this Memorandum of Understanding and the Regulations) are used for the objectives of the BEZ and in compliance with relevant laws;
 - Distribute the funds according to the priorities agreed in this MoU and by the EZ Board; and
 - Ensure appropriate arrangements are in place 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.
- (c) Accountable Bodies cannot use business rates funding generated from within BEZ for their own purposes, or without any clear mandate from BLEP.
- (d) Dispute Resolution – In the event that there is a dispute within the Enterprise Zone Board on a matter requiring a unanimous decision and in the event of any dispute arising between BLEP and the Accountable Body, the BLEP CEO and Relevant Local Authority Chief Executive or Section 151 Officer as the case may 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 BLEP Chair and Relevant Local Authority leader 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. 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

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

The BEZ funding model is as follows -

- (a) The Government will reimburse the cost incurred by BEZ in providing a 100% business rates discount for a period of up to five years from BEZ commencement on 1st April 2016 to any eligible business which sets up operations within the Enterprise Zone site by 31 March 2021 and is able to receive the support within the State Aid or Subsidy Control requirements (as applicable) De Minimis threshold. These reimbursed funds will be added to the general business rates income for BEZ.
- (b) The EZ Board developed an occupier policy (as set out in Schedule 6) working with the landowners/developers to ensure business rates discounts available to businesses locating to BEZ before 1st April 2021 are targeted at businesses in the specialist BEZ sectors who are creating new jobs, in order to minimise displacement of existing companies who would normally locate outside the BEZ.
- (c) Business Rates Growth Income and distribution. BEZ will retain 100% of any Business Rates Growth Income from its 3 sites for a 25-year period from 1st April 2016 to 31st March 2041. This income is protected from any reset or redistribution as the BEZ sits outside of the standard local authority rates retention system.
- (d) BEZ business rates Surplus Income will be apportioned 50% under the direction of BLEP to address Strategic Economic Plan economic development priorities and 50% under the direction of the Relevant Local Authority.
- (e) Notwithstanding the apportionment referred to in (d) above BLEP and the Relevant Local Authority will take their share of Surplus Income when and if it can be afforded and when approved EZ Implementation Plan commitments have been funded (as these are needed for the successful establishment, operation and growth of the EZ).
- (f) BLEP and the Relevant Local Authority will not take their share of any Surplus Income during the Term.
- (g) The investment of EZ retained business rates in no priority order is:
 1. To fund the priority infrastructure interventions identified within the BEZ Original Application and BEZ Implementation Plan(s), subject to due diligence and business case approval for such infrastructure interventions by the EZ 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 BEZ overheads and revenue costs;
 3. To fund further priority interventions for BEZ infrastructure subject to approval of the business cases by unanimous agreement of the EZ Board. Further priority interventions can include physical infrastructure and research, skills and business support programmes;

4. To fund BLEP local economic development priorities and Relevant Local Authority 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:

The Relevant Local Authority will use its 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 BEZ is concerned BLEP and the Relevant Local Authority 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, to ensure EZ income is maximised.

As far as BEZ is concerned: -

- (a) BEZ 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 BEZ 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 EZ Board and will be subject to a business case appraisal.

3.4 Implementation Plan

The priority interventions for the BEZ will be set out in detail in the BEZ Implementation Plan(s) (as set out in Schedule 1 (implementation Plan) and will be subject to a business case appraisal. Priority interventions are likely to include:

- The initial site infrastructure interventions on the 3 EZ sites
- Interventions which maximise match funding from the landowners/developers and from external public funding (e.g. BLEP funding and other government funding initiatives)
- Interventions using BEZ funding which maximise returns and create the potential for a revolving investment fund(s)
- Funding for BEZ 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 Relevant Local Authority and BLEP 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 Zone Contact.
- (b) authorise the Local Enterprise Zone 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 EZ Board meetings and will provide information on the date and location of meetings and send 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 EZ Board meeting.

3.6 Marketing

The Relevant Local Authority and BLEP agree to use all reasonable endeavours to

- (a) promote BEZ;
- (b) use Department for Levelling Up, Housing and Communities (DLUHC) and Enterprise Zone logos within marketing communications and signage.

3.7 Monitoring and Review

- (a) The Relevant Local Authority and BLEP shall regularly review the management information at Schedule 5 and complete quarterly returns to DLUHC at the end of January, April, July and October or as required.

This MoU will be reviewed annually or in event no later than December 2026, at which point it can be renewed or its terms renegotiated based on the wishes of the parties.

4. CHANGES

All changes to this Memorandum of Understanding must be agreed by the parties 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 Authority 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 Authority and BLEP 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 BEZ 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 in agreement with

Buckinghamshire Council

Authorised Signatory: _____

Print Name: _____

Position: _____

Signed for and in agreement with

Buckinghamshire Local Enterprise Partnership Limited

Authorised Signatory: _____

Print Name: _____

Position: _____

SCHEDULE 1 – BEZ IMPLEMENTATION PLAN (2021 -26)

SCHEDULE 2 – ORIGINAL APPLICATION

SCHEDULE 3 – GOVERNANCE AND WORKING ARRANGEMENTS (BEZ TERMS OF REFERENCE)

SCHEDULE 4 – BEZ SITES AND INCENTIVES

SCHEDULE 5- MANAGEMENT INFORMATION

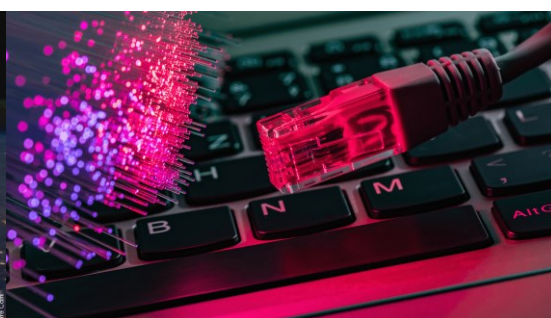
SCHEDULE 6 – OCCUPIER POLICY

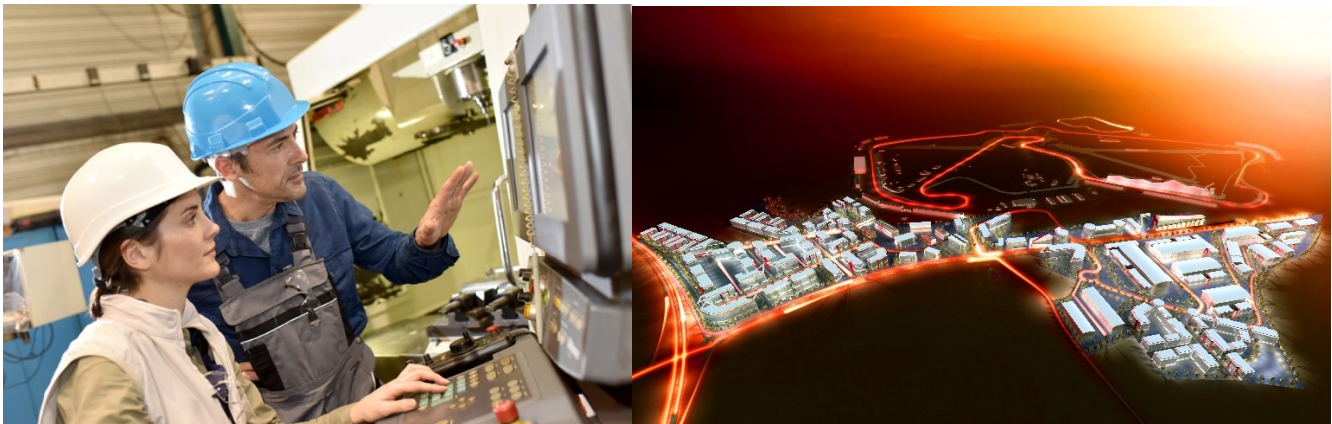
SCHEDULE 1: BEZ IMPLEMENTATION PLAN (2021-26)



FIVE YEAR BUSINESS PLAN

April 2021





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Executive Summary

Introduction

Aylesbury Vale Enterprise Zone (AVEZ) was designated by the government in 2016 and an Implementation Plan was drawn up for the first five years of operation. That Implementation Plan expired in March 2021 and this Business Plan is intended to replace it for Years 6-10 (2021-26) of the AVEZ lifespan.

There have been significant changes in the first five years of the EZ:

Five Year Plan 2016-21	Forecast	Actual
Floorspace	68,900m ²	70,005m ²
Jobs	1,258	456
Businesses	64	48

- Performance has been good in terms of floorspace and revenue. It has been less good in terms of jobs and businesses created, but these targets are less directly relevant for our ambitions for the EZ. In future we will use Gross Value Added as a key metric. **Our target for this five-year period is an additional 183,000m² floorspace, generating GVA of £584m.**
- From 1 April 2021, businesses moving into the EZ will not qualify for rates relief as an incentive, so we need to develop a replacement offer, including business support, inward investment, and skills.
- Much of the strategic context for the EZ has changed. In particular, the creation of the new unitary Buckinghamshire Council gives an opportunity to tie EZ objectives to the countywide economy rather than just the development of the EZ sites themselves.
- The three individual EZ sites have developed in different ways at different paces and now require different strategic approaches to maximise their potential.
- As the EZ gathers pace, its capacity to generate income for AVEZ, which can be reinvested to promote further job creation and growth, is increasing rapidly.

Because of these changes, we have decided to review our strategic ambitions, as well as updating the Implementation Plan.

The business plan contains:

- Introduction
- Performance against Plan
- Strategic Context
- A section for each EZ site, describing its progress and identifying its future needs:
 - Silverstone Park
 - Westcott Venture Park
 - Arla/Woodlands
- Economic Case for future investment
- Commercial Case
- Management Case
- The Financial Case is provided in a separate restricted document.

In preparing this Plan, we commissioned an independent review of performance against targets and of our financial model. We consulted the site owners and our principal partners, Buckinghamshire Council and Buckinghamshire Business First. While this Plan is a public document in accordance with our principles of openness and transparency, it is intended primarily as a management tool to assist the AVEZ board and staff in planning for the next five years of the EZ.

The role of the AVEZ 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.
- Alongside the Accountable Body (Buckinghamshire Council), monitor and account to government for the proper and responsible use of EZ funds.

Key Assumption

We assume that under any likely scenario AVEZ will generate an increasing revenue stream from retained rates during the plan period that will be sufficient to fund its programme of activities. Any surplus will be relatively small but can be used to fund individual capital projects that meet our investment / economic development priorities at the time. This plan includes provision for substantial capital contributions to two major projects, at Westcott and Woodlands, required for the EZ sites to reach their full capacity. If those projects do not progress as hoped (or do not require capital support), the EZ may not maximise its long-term potential, but it will create a short-to-medium term revenue surplus. This Plan may need an early review to address this issue. Full detail is provided in the Financial Case.

Performance against Plan

Overall progress, in terms of floorspace achieved and income generated, has been good in the first five years and close to the original targets. Despite the impact of COVID, we expect new development at Silverstone and Westcott to come on stream in 2021, proving that the EZ continues to be a success.

In this Plan period we will:

- Develop a new methodology for capturing jobs created by businesses on EZ sites.
- Conduct more research into the relationship between floorspace and jobs.
- Change our key metric from gross direct jobs created to GVA to better reflect the economic impact of the EZ on the Buckinghamshire economy.
- Continue to record gross jobs and numbers of businesses new to the EZ to meet government monitoring requirements.
- Keep the possibility of a small, targeted rates relief scheme under review but not introduce one for the present.

Strategic Context

The EZ Programme is now a legacy programme at national level and while it is expected to continue for the full 25 years, it is less likely to be a convincing rationale for government support in the future.

The direction of travel for central government policy is towards the levelling-up agenda which is more favourable to areas further north in England. In consequence, government funding will be harder to obtain unless it meets central government policy objectives.

AVEZ will therefore be reliant on retained rates income to finance its programmes and investments. A fuller review of business rates and prudential borrowing policy is included in the Financial Case.

The creation of the unitary Buckinghamshire Council, and the development of a countywide partnership to promote economic growth, provides the opportunity to reshape the AVEZ strategy to maximise its impact on the Buckinghamshire economy, as a whole. The existing countywide strategies, including the BLEP Local Industrial Strategy already endorse the EZ sites and set out the direction of travel.

At the moment, the strategic intent is clear, but the action plan needed to deliver it is not yet developed. Our immediate task is to develop that action plan.

Our approach in respect of each of the EZ sites will be sector-based because we believe that now that business rates relief is no longer available to incoming businesses, the attraction of the EZ sites owes as much to their status as high value / high growth clusters as it does to their physical characteristics:

- Silverstone - High tech engineering
- Westcott - Space Innovation
- Arla/Woodlands - MedTech and Creative and Digital

The sector-based approach will help tie Arla/Woodlands to the MedTech cluster growing around Stoke Mandeville Hospital and to the Creative and Digital cluster in the south of the county centred on Pinewood.

We will develop a compelling sector-based offer for businesses to replace the original rates relief incentive. For businesses we will develop:

- An inward investment offer.
- Business support programmes to improve growth and productivity.
- Capital investment where the opportunity matches our investment / economic development priorities.
- Supply chain opportunities for local businesses.

To improve local jobs up-take we will develop:

- Skills training, including apprenticeships.
- Improved accessibility to the EZ sites.
- Opportunities to engage with EZ businesses.

To achieve this strategy, we also need to maximise the development potential of each EZ site. The plan will recognise, in particular, the significant potential to contribute to Buckinghamshire's economic growth offered by the proposals for Westcott and Woodlands. Emerging proposals on these sites are likely to require public funding support in the next five years to accelerate delivery and maximise their potential. We will work to secure the necessary support required to deliver at Westcott and Woodlands.

Silverstone Park



Silverstone is located on the northern boundary of Buckinghamshire and fell in the Northampton Travel to Work Area in the 2011 Census. This means that most of the businesses in the EZ are relocating from outside Buckinghamshire – for example, from Brackley and Towcester - which is beneficial, but they create very few indirect jobs in the county because most of the local population and facilities are in Northamptonshire. Moreover, the area has a low density of population which can create problems of labour supply and accessibility.

Over the next five years, Silverstone Park will continue to grow organically and there is no need for us to intervene to speed up the pace of development itself. Indeed, MEPC has just announced its intention to build out Phase 3 of the EZ speculatively in 2021. However, it is apparent that many businesses have room to expand their workforce and the more we can help them to do that quicker, the better the impact on our economy. These jobs are typically much more productive than the UK average with a higher GVA per job.

Our priorities for the next five years are to:

- **Work with MEPC and the Silverstone Technology Cluster to maximise marketing for new businesses and business support for existing businesses.**
- **Provide capital investment where the opportunity matches our investment priorities.**
- **Develop supply chain opportunities for local businesses**
- **Improve accessibility to the site for local workers and students.**

Longer term, there are proposals to extend the business park to the south (without necessarily formal EZ status). We will support preparatory work on this proposal during this Business Plan period.

Silverstone Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment as set out in Economic Case Option 4) : -

- **50,823 m2 new Floorspace**
- **1,161 New Jobs**
- **£323m GVA (Cumulative from EZ inception in 2016 to 2026)**

Westcott Venture Park



The immediate challenge is to obtain funding for the next Satellite Applications Catapult project at Westcott, which is the Disruptive Innovation Space Centre (DISC), a £30m project comprising a building provided by Patrizia and fitted out with the latest equipment to assist prototype testing and manufacture, along with a Skills Academy providing hands on lifetime learning opportunities ranging from Apprenticeships to reskilling opportunities. DISC is intended to provide move-on space for the incubation and innovation centre tenants as well as to attract established international businesses. AVEZ has been assisting with business case development and with lobbying government departments, but progress has been slowed by the COVID crisis. We hope for more positive news during 2021.

Patrizia is providing a smaller building outside the EZ for an interim DISC so momentum can be maintained, but the full DISC is essential for Westcott to reach critical mass and be a self-

sustaining commercial proposition. Our assumption is that, without it, Westcott will not develop much further, although there is some scope for non-space related uses.

Westcott also suffers from many of the issues that affect Silverstone. It is in a relatively under-populated area with few facilities nearby and poor accessibility. It is also technically in the Oxfordshire Travel to Work area with some of its workforce still commuting from Harwell.

Our priorities for the next five years are to:

- **Support SAC in seeking government funding for DISC**
- **If necessary, be prepared to co-fund the DISC using prudential borrowing, repaid by retained rates.**
- **Work with Patrizia and SAC to**
 - **Develop the masterplan for the site.**
 - **Maximise marketing for new businesses and business support for existing businesses.**
 - **Develop supply chain opportunities for local businesses**
 - **Improve accessibility to the site for local workers and students.**
 - **Support proposals for the visitor centre.**

Westcott Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment as set out in Economic Case Option 4) : -

- **31,140 m2 new Floorspace (2021-26)**
- **553 New Jobs (2021-26)**
- **£83m GVA (Cumulative from EZ inception in 2016 to 2026)**

Woodlands/Arla



Woodlands presents a complex set of challenges because the land is currently in private ownership but BLEP and the Council, through their subsidiary Buckinghamshire Advantage, are the development promoters.

There are now embryonic plans to establish a healthcare or MedTech campus at the Woodlands site and while this is a long-term ambition, it may require some early revenue expenditure to explore the opportunity to enable Woodlands to be promoted as a MedTech campus.

It has also been recently confirmed that two units in the first phase of the Symmetry Park development will be occupied by Apple as a TV / film production centre for its streaming service. This is exciting news, and it also provides a chance to link Woodlands to the creative digital cluster in the south of the county.

Our priorities for the next five years, working with Buckinghamshire Advantage and the landowners, are:

- **The agreement of a major planning and investment package to deliver the Eastern Link Road South and the infrastructure needed to open up the Woodlands site, with revenue support for pre-development work where required.**
- **If necessary, be prepared to co-fund the infrastructure using prudential borrowing, repaid by retained rates.**
- **Marketing and business support through our revenue budget to develop the Woodlands offer for the MedTech and Creative and Digital sectors.**

Our default assumption is that AVEZ will only be involved as provider of revenue support programmes and can rely on BLEP and the Council to take the lead in commercial arrangements. Clearly, that would change if AVEZ were providing significant capital investment and AVEZ would need to work with BLEP and the Council to agree suitable commercial arrangements.

Woodlands Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment as set out in Economic Case Option 4): -

- **100,719 m2 new Floorspace (2021-26)**
- **2,036 New Jobs (2021-26)**
- **£178m GVA (Cumulative from EZ inception in 2016 to 2026)**

Economic Case

In the section on Performance against Plan, we identified a need to change our key metric, from gross direct jobs created to GVA, to better reflect the economic impact of the EZ on the Buckinghamshire economy.

In the Section on Strategic Context, we concluded that we would develop a revenue programme providing support for businesses and training for local people.

To achieve this strategy, we also need to maximise the development potential of each EZ site.

We looked at four different options or scenarios, using HMT Green Book methodology:

1. *Do nothing* – in which we made no further interventions in the EZ and simply collected the business rates to fund other activities.
2. *Programme and Project revenue support* – in which we spend £500,000 pa on revenue support for the strategy, but the EZ sites fail to develop fully.
3. *Optimistic outcome* – this option is the same as Option 2 except that the EZ sites develop fully, without needing capital investment from AVEZ.
4. *Capital support* - in which we are also required to make significant capital contributions to the development of Westcott and Woodlands to ensure that the sites develop fully.

There is a sound economic case for investing in a revenue support programme for businesses and training with a BCR of 2.6:1 which is very good, even if the EZ sites fail to develop fully.

Enabling the EZ sites to develop to their full potential improves the economic case so much that it is fully justified. Even if it requires significant capital contributions, on our assumptions the BCR would still be 33:1 which is exceptionally good.

Our ambition for this five-year period is an additional 183,000m² floorspace generating GVA of £584m.

Commercial Case

As previously, all capital investment will be appraised to ensure it meets the requirements of the relevant funding stream and BLEP's assurance framework. Capital projects funded from retained business rates will be expected to meet the strategic priorities of this business plan together with the government's own investment priorities at the time.

3 Currently most of the relevant business support and skills activities are provided in-house by BLEP or by existing arrangements with Buckinghamshire Business First which operates the LEP Growth Hub. Until now these have been mainly focussed on Aylesbury and the 4 south of the county, with Silverstone Technology Cluster and the SAC leading activities at Silverstone and Westcott respectively. There are several further and higher education bodies who also play a role and the new Buckinghamshire Council has an active economic development team. As part of the implementation plan for our revenue support programme, we will carry out a comprehensive review of who does what, to make sure that the programmes are arranged to minimise overlaps.

Management Case

As the EZ expands its activities and generates more income, we need to build its management capacity by:

- Enlarging the AVEZ board.
- Improving the interaction with our accountable body.
- Adding financial management capacity.
- Improving our data collection.
- Developing our revenue support programmes into a coherent offer.

We will continue our prudent approach to risk management by making allowance for voids and delays to projects in our income forecasts, and by only borrowing against income from completed and committed development.

1. Introduction



Purpose

Aylesbury Vale Enterprise Zone (AVEZ) was designated by the government in 2016 and an Implementation Plan was drawn up for the first five years of operation. That Implementation Plan expired in March 2021 and this Business Plan is intended to replace it for Years 6-10 (2021-26) of the AVEZ lifespan.

There have been significant changes in the first five years of the EZ:

- Performance has been good in terms of floorspace and revenue. It has been less good in terms of jobs and businesses created, but these targets are less relevant for our ambitions for the EZ.
- From 1 April 2021, businesses moving into the EZ will not qualify for rates relief as an incentive, so we need to develop a replacement offer, including business support, inward investment, and skills.
- Much of the strategic context for the EZ has changed. In particular, the creation of the new unitary Buckinghamshire Council gives an opportunity to tie EZ objectives to the countywide economy rather than just the development of the EZ sites themselves.
- The three individual EZ sites have developed in different ways at different paces and now require different strategic approaches to maximise their potential.
- As the EZ gathers pace, its capacity to generate income for AVEZ, which can be reinvested to promote further job creation and growth, is increasing rapidly.

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Because of these changes, we have decided to review our strategic ambitions, as well as updating the implementation plan.

The business plan contains:

- This introduction
- Performance against Plan
- Strategic Context
- A section for each EZ site, describing its progress and identifying its future needs:
 - Silverstone Park

- Westcott Venture Park
- Arla/Woodlands
- Economic Case for future investment
- Commercial Case
- Management Case
- The Financial Case is provided in a separate restricted document.

In preparing this Plan, we commissioned an independent review of performance against targets and of our financial model. We consulted the site owners and our principal partners, Buckinghamshire Council and Buckinghamshire Business First. While this Plan is a public document in accordance with our principles of openness and transparency, it is intended primarily as a management tool to assist the AVEZ board and staff in planning for the next five years of the EZ.

The role of the AVEZ 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.
- Alongside the Accountable Body (Buckinghamshire Council), monitor and account to government for the proper and responsible use of EZ funds.

Key Assumption

We assume that under any likely scenario AVEZ will generate an increasing revenue from retained rates during the plan period that will be sufficient to fund its programme of activities. Any surplus will be relatively small and can be used to fund individual capital projects that meet our investment / economic development priorities at the time. This plan includes provision for substantial capital contributions to two major projects at Westcott and Woodlands required for the EZ sites to reach their full capacity. If those projects do not progress as hoped (or do not require capital support), the EZ may not maximise its long-term potential, but it will create a short to medium term revenue surplus. This Plan may need an early review to address this issue. Full detail is provided in the Financial Case.

2. Performance Against Plan



The government's original objective for the EZ programme was to maximise activity on each EZ site, as measured by four key metrics:

- Floorspace developed.
- Gross jobs created.
- Number of businesses.
- Business rates relief granted.

The original forecasts for AVEZ were contained in the EZ bid, but the Implementation Plan said:

Since our original bid we have reviewed the projected development rates on each site and adopted a more conservative forecast. This is partly a response to the increased economic uncertainty over the next two years [on the assumption that Brexit would be done by 2018] but also to provide the additional assurance that AVDC or BCC will require to undertake prudential borrowing against future revenues.

AVEZ has monitored plan performance against these projections and on the face of it, the floorspace projections have been met although the jobs and businesses projections have not (Table 1). To that extent, performance has been very good and overall, the EZ has been a success, especially considering the impact of the COVID crisis.

Table 1 - Overall performance

Five Year Plan 2016-21	Forecast	Actual
Floorspace	68,900m ²	70,005m ²
Jobs	1,258	456
Businesses	64	48

Floorspace

There have been significant differences in floorspace created between the sites (Table 2).

Table 2 - Floorspace % by site

Site	Capacity (m2)	Delivered (m2)	% Delivered
Silverstone	99,582	35,664	36
Westcott	47,511	5,031	10
Arla/Woodlands	166,640	29,310	18
Total	313,733	70,005	22

In crude arithmetic, over the 25-year life of the EZ, the target should be to deliver 20% of the overall floorspace target every five years. However, floorspace delivery tends to be exponential and to increase as sites reach critical mass. Silverstone was already an established commercial location with good road connections before the EZ was built and there was already some development in the EZ area. The EZ area also had outline planning consent and MEPC, the site owner, was prepared to build speculatively, in advance of requirements. So, this was always the most likely site to hit its targets in terms of floorspace.

Westcott started from a low base and has developed at a correspondingly slow pace, partly also because it is more dependent on public sector intervention in the early years.

At Arla/Woodlands, part of the site already had planning consent for warehousing and has been developed quickly, but the bulk of the site within the Woodlands planning application is not yet ready for development. The original floorspace projections assumed it would receive planning consent in 2017 whereas outline planning consent is now expected during 2021.

Jobs

The original jobs assumptions were based on a report “The Evolution of the High-Performance Technology and Motorsport Cluster” produced by SQW for MEPC and cited in support of the Silverstone outline planning application. This used standard planning benchmarks for the number of jobs per m² in typical buildings occupied by mature businesses. There are three main reasons why the jobs achieved do not match these benchmarks – data collection issues, real-world employment practices and type of activity.

The source of data for jobs achieved is the application form completed annually by companies applying for rates relief. The first problem is that not all businesses are eligible for relief and not all eligible businesses apply. SMEs occupying units with a rateable value of less than £12,000 are exempt from rates anyway and those occupying shared space may not

be the rateable occupier, so their presence may not be recorded. At Westcott there are some non-space sector companies that are not eligible and at Silverstone there are businesses that have been eligible but have not applied.

Even when they do apply, there is a time lag of up to a year between the building being completed and the application with the jobs figure being recorded, so the latest developments are not recorded as having created jobs. This is exacerbated by the fact that the original targets are based on the maximum capacity of units whereas most firms moving to Silverstone deliberately leave room to expand and could take several years before they reach the theoretical capacity of their unit. Once the five-year period for claiming relief expires, companies will cease to fill in the application forms and an alternative source of jobs statistics will be required.

The second issue – employment practices – is common to the motorsports industry at Silverstone, the space industry at Westcott and the new media production units at Woodlands. All these industries tend to work on a project-by-project basis, so they employ a lot of freelancers and subcontractors for short periods who would not be recorded as permanent jobs. Moreover, at Silverstone, some permanent workers might spend time abroad on the Formula 1 racing circuit and at Westcott they might be counted as based at Harwell for statistical purposes.

The third issue is the type of activity. It is well understood that different types of activity and buildings have different job densities. We would therefore expect the Symmetry warehousing development at Arla/Woodlands to generate fewer jobs than the overall average elsewhere. It also seems, however that the research, development, prototype testing and one-off manufacturing activities at Silverstone and Westcott may have lower job densities than typical in a full production factory. Their units often contain a few highly qualified engineers with a lot of expensive equipment and not many typical lower-skilled assembly-line workers. Analysis of the latest applications for rates relief at Silverstone Park suggests that an allowance of 60 m² per job may be appropriate. We will undertake more research to capture and understand the relationship between floorspace and jobs on our EZ sites.

Although there may be fewer jobs generated, those jobs should have higher productivity in terms of Gross Value Added per worker. The benchmark at Silverstone is an average GVA per job of £75,000 pa compared to the Buckinghamshire average of £40,500. At Westcott, the figure is estimated at £60,000 pa. So, the current metrics fail to capture the economic impact of the EZ on the Buckinghamshire economy.

Moreover, as discussed in more detail in the Economic Case, new guidance from HM Treasury provides benchmarks for estimating the number of net new jobs created and for the number of indirect jobs generated by each direct job. Many of those indirect jobs will be outside the EZ site but inside Buckinghamshire, so again a simple target of gross direct jobs created in the EZ will fail to capture its true impact.

Businesses

Our initial projections noted that the “businesses created” target was arbitrary and based on the floorspace per business for the first units at Silverstone which were about 500m² each. The next phases contained much larger units – typically 2,500-3,000m² – so there were larger units with fewer business occupiers. The completed Symmetry Park development at Woodlands was larger still, further distorting the picture.

Additionally, there are now several incubation/innovation centres which house several businesses on a short-term basis but may be recorded as one business.

Conventionally, the number of businesses created or helped is a useful measure for business support programmes, like for example the ERDF-funded incubation centre at Westcott. It is less clear that it is a helpful metric for the EZ, although we will continue to collect data to meet MHCLG monitoring requirements.

Rates Relief

Rates relief for businesses in EZs is given by the local authority, which is then refunded by HM Treasury. Eligible businesses can claim up to £55,000 pa relief for five years from their first occupation, provided they are in occupation prior to April 2021. This means that businesses that claimed in the first year of the EZ will no longer be eligible. Equally, there was a rush of applications in March 2021 which will apply for the whole of this Plan period. Businesses moving in from April 2021 will not be able to claim anything.

We have considered whether, as originally intended, AVEZ should fund a further scheme from its own resources. The phased nature of take-up makes it hard to predict the cost of rates relief accurately but to date it has cost £1.25m which is 60% of the £2.1m rates revenue raised. In theory if every eligible business claimed, it would equal 100% of additional revenue raised.

In practice, there are several reasons why it would not reach 100%. The limit of £55,000 pa means that businesses in a building greater than about 1,800m² (20,000 sq. ft) cannot claim full relief. Our experience is that some businesses do not claim at all. Small businesses with a RV of under £10,000 can claim Small Business Rate relief anyway.

Importantly, AVEZ has restricted eligibility for relief in two ways. Applicants must fall into sectors:

- Silverstone Park: High Performance Technology & Motorsport and related supply chain activities.
- Westcott Venture Park: Space, Satellite Applications, Unmanned Airborne Vehicles, and related supply chain activities; and
- Aylesbury East/Aylesbury Woodlands: Agri-Food, Health, and related supply chain activities

Secondly, if a business moving into an AVEZ site after 1st April 2016 is an existing Aylesbury Vale based business, they will need to demonstrate that they cannot find any premises outside the EZ sites which are suitable for them and/or any developers that are willing to build them any suitable premises. This helps to safeguard against displacement.

Most businesses new to Silverstone Park and Westcott do meet these criteria. There are some doubts about whether the amount of relief available is enough to be a real incentive to businesses to relocate to the EZ and some evidence that it has led to rents rising faster than would otherwise be expected. While we have not completely ruled out a small, targeted incentive scheme in the future, we are not intending to introduce one now.

Conclusions

Overall progress in terms of floorspace achieved and income generated has been good in the first five years and close to the original targets. Despite the impact of

COVID, we expect new development at Silverstone and Westcott to come on stream in 2021, proving that the EZ continues to be a success.

In this Plan period we will:

- Develop a new methodology for capturing jobs created by businesses on EZ sites.
- Conduct more research into the relationship between floorspace and jobs.
- Change our key metric from gross direct jobs created to GVA from net direct and indirect jobs created to better reflect the economic impact of the EZ on the Buckinghamshire economy.
- Continue to record gross jobs and numbers of businesses new to the EZ to meet government monitoring requirements.
- Keep the possibility of a small, targeted rates relief scheme under review but not introduce one for the present.

3. Strategic Context



EZ Programme

The Coalition administration which introduced EZs was succeeded by the 2016 Cameron Conservative administration, then by the May government and finally by the current Johnson administration. The obvious consequence is that EZs are now a legacy programme without active strong government support (although we note that the government's new freeport programme may offer similar rates incentives to businesses). For instance, we have not been asked by Ministry of Housing Local Government and Communities (MHCLG) for an updated Implementation Plan. Our assumption is that the programme will be allowed to run its course, but we will have some freedom to shape our own strategy, provided we stay within the original aim of the EZ programme to use retained rates to drive economic growth. The financial implications of this are addressed in the Financial Case.

The most significant change in the next five years is that incoming businesses will no longer be able to claim rates relief on EZ properties. There is an urgent need to provide a more compelling replacement offer, based, we believe, on support for sector-based clusters.

COVID and BREXIT

The largest and most obvious change in context affecting the next five years of the EZ is the aftermath of the COVID crisis. It is, of course, quite hard to predict exactly how this will impact the EZ but we can make some informed guesses. We bear in mind that the main

effect of COVID has been to accelerate changes that were already in train, rather than to introduce new kinds of change.

The Buckinghamshire Economic Recovery Plan noted that the Buckinghamshire economy is much less exposed to the sectors hardest hit by COVID – retail, hospitality, and live performance. The main town centres are modest in size; there is no equivalent to Stratford on Avon as a tourist draw; there are no major sporting venues, apart from Silverstone. It is possible that there may be some disruption to the Olympic and Paralympic funding cycles, but this should have a relatively minor impact on the EZ. The main impact is expected to be at Silverstone where the 2021 Grand Prix is still expected to take place in July, but with a limited number of spectators. This will have a knock-on impact on the hospitality sector in the vicinity.

The business model for innovation centres and shared workspace is under pressure because they rely on people working near each other, something COVID has made more difficult. The Innovation Centre at Westcott is already being reconfigured to convert office space to lab space for this reason and we would be cautious about investing further in shared facilities immediately, but again this should have a marginal impact on the EZ sites offer.

We are not projecting any major impacts on the EZ sites from Brexit. HMT limited the amount of rates relief claimed by any one business to £55,000 pa to stay below the EU de minimis limit for state aid to businesses. This limit does not now have to be observed but we are not expecting HMT to increase the rates relief available for existing claimants and we are not intending to operate a similar scheme ourselves. The ability to be more generous with capital support for businesses in future may be useful but is dependent on the UK government's new regulatory approach. To date the government has only provide the bare outlines of its subsidy regime although full legislation has been promised in the May 2021 Queen's Speech.

Regional Policy

The joint impacts of COVID and Brexit have delayed the government's plans to articulate the detail of its strategy for sub national growth. However, both the Towns Fund and the new Levelling Up Fund have channelled resources towards less affluent areas further north in England. The UK Shared Prosperity Fund, to be launched in summer 2021 is expected to act as a replacement for European Regional Development Fund from which Buckinghamshire had the lowest allocation of any English county. Our assumption therefore is that central government funding allocations will be scarce unless the project meets a national (as opposed to regional) priority. For the EZ sites this might include:

- Space sector (Westcott)
- MedTech (Woodlands)
- Housing infrastructure (Woodlands – although Aylesbury Garden Town has already received a £170m HIF grant).

East West Rail

East West Rail, the project to connect Oxford to Cambridge via Bletchley, is underway. The first leg from Oxford to Bicester is complete and connects to the Chiltern Main Line. The second leg from Bicester to Bletchley is now under construction and will connect to the London to Aylesbury line which also has a station at Quainton Road, close to Westcott. There is a real chance to use EWR to improve connectivity for the EZ sites to make them

more accessible for more people in Buckinghamshire and to open up more employment opportunities.

Oxford to Cambridge Arc

During the five years of the Implementation Plan, the emphasis on the Oxford-Cambridge arc as a driver of growth has waxed and waned. Currently it exists as a grand concept with some embryonic governance in place, but the government has not progressed the Oxford Cambridge Expressway. Most recently it has announced plans for a sub-regional spatial framework and a new sub-regional governance structure. Our assumption is that this is a long-term ambition which is unlikely to impact directly on the EZ sites in the next five years.

Local Industrial Strategy

The Buckinghamshire Local Industrial Strategy (2019) was a response to the then government's own Industrial Strategy. It says:

Silverstone Technology Cluster is a significant part of the Arc's high technology capability, and there exists major opportunity to stimulate potential high technology crossovers between, and across, sectors. To stimulate growth, Buckinghamshire LEP and the Silverstone Technology Cluster aim to focus business investment and financial incentives on SME innovation, and attract interest from the finance community, large corporates and overseas investors. Action will also be taken to support emerging technologies through improving links between firms and the knowledge base, developing the ecosystem to improve connectivity between businesses and universities, and improving networking across the Arc's 'super-cluster'.

The Westcott space cluster: significant investment from government, Buckinghamshire LEP, and the private sector has nurtured local expertise in the space cluster. This is signified by the UK Space Agency's recent decision to invest £4.12m into Westcott Venture Park to develop the National Space Propulsion Test Facility. This Local Industrial Strategy sets out how partners will take the cluster to the next level, by working with businesses to address skills shortages for technicians and propulsion test specialists and developing a long-term investment plan for Westcott to develop new R&D infrastructure and an established base for manufacturing excellence in the fields of space propulsion and in-orbit maintenance, based on working across value chains. Working with the Department for International Trade, the LEP will also seek to develop a Buckinghamshire Export and Inward Investment Partnership as a chapter of the wider Arc Internationalisation Plan. This plan will be based on Westcott's space assets and linked to other key sectors and global locations, including working with government to consolidate a global capability in the area.

Ministers have recently announced informally that the government does not expect to continue with the Industrial Strategy which it describes as "branding" but the ambitions in our Local Industrial Strategy remain robust.

Buckinghamshire Economic Recovery Plan (2020)

This document was produced by BLEP and says:

Westcott

The priority remains the need to address skills shortages for technicians and propulsion test specialists. We have secured funding from the government's Getting Building Fund to deliver

phase one of the Disruptive Innovative Space Centre at Westcott, an important step in realising these longer ambitions.

Further actions include:

- Pursuing a 10-year plan with short-term action implementation to advance initial elements of the plan at pace including production capability at Westcott;*
- Developing and securing funding for the phased development of the Westcott 10-year action plan;*
- Securing expertise and capabilities from sectors which are suffering in the current climate such as aviation and automotive to develop networks and further cluster activity;*
- Using sustainable resource management to advance ambitions of green fuel technologies, particularly for sustainable aviation fuels;*
- Industry specific training and demonstration facilities integral to the long-term development plans for Westcott to enable inter-University collaboration in R&D and to inspire the workforce of the future and fill skills gaps.*

Silverstone

The successful development of the Enterprise Zone means that it will be fully developed within the next five to seven years. We are now pursuing the expansion of the zone to include a 24ha site to the south of the circuit where development is planned to include additional high-quality commercial premises and facilities to expand the innovation, R&D, and skills provision and to provide a greater focus on green growth linked to innovation through the advanced engineering sector. Plans for the expansion of the Silverstone Enterprise Zone include facilities for new education and training opportunities in green technologies.

The plan also references two other main assets – the MedTech cluster developing around Stoke Mandeville Hospital and the creative digital cluster centred on Pinewood Studios in the south of the county.

Growth Board Strategic Vision (2021)

The Growth Board is an alliance of public sector bodies including the LEP and the Council as well as the education and health sectors. The catalyst for its creation is the formation of the countywide unitary Buckinghamshire Council and the intention is to articulate a countywide growth strategy and is wider and stronger than the somewhat fragmented approach created by the old two-tier local government system. Its strategic vision is still in draft form but says:

Our economy is founded upon a hive of small and medium sized enterprises (SMEs) but also has four growing super strength clusters of national and internationally significant industries. These include:

- High-Tech and advanced engineering at Silverstone Park and Tech Cluster, building on the history, heritage and global reputation of the Circuit;*
- MedTech that is advancing through digital health, life sciences and advanced artificial intelligence being pioneered at Stoke Mandeville Hospital, which also hosts the UK's National Spinal Injury Centre;*
- Space Innovation including excellence in rocket propulsion, 5G & autonomous systems research and development that is spearheaded at the Westcott Space Cluster; and*

- *The Creative and Digital industry that sweeps across the south of the county including Pinewood Studios and the National Film and Television School at Beaconsfield.*

Town Planning

The much-delayed Vale of Aylesbury Local Plan is expected to be adopted in 2021 but work has already begun on a new plan for the unitary authority covering the whole county. This is not crucial for the Business Plan since the Local Plan already reflects the importance of the three EZ sites and this is unlikely to change.

Silverstone has an outline consent for the remainder of its development and although the planning position is more complex, further development of the EZ would be in line with the Local Plan. An expansion of the EZ further south would however have major planning implications and would need to be promoted through the plan making process.

The key planning document for Arla/Woodlands is the Aylesbury Garden Town Masterplan (2020) prepared for the council in support of the designation of Garden Town status in 2017 and to complement the existing VALP policies. A 2050 Vision document has also been produced. The Masterplan includes the proposals for developing the EZ site for employment uses.

Strategic Context: Conclusions

The EZ Programme is now a legacy programme at national level and while it is expected to continue for the full 25 years, it is less likely to be a convincing rationale for government support in the future.

The direction of travel for central government policy is towards the levelling-up agenda which is more favourable to areas further north in England. In consequence, government funding will be harder to obtain unless it meets central government policy objectives.

For the EZ sites this might include:

- **Space sector (Westcott)**
- **MedTech sector (Woodlands)**
- **Housing infrastructure (Woodlands – although Aylesbury Garden Town has already received a £170m funding allocation from Homes England).**

AVEZ will therefore be reliant on retained rating income to finance its programmes and investments. A fuller review of business rates and prudential borrowing policy is included in the Financial Case.

The creation of the unitary Buckinghamshire Council and the development of a countywide partnership to promote economic growth provides the opportunity to reshape the AVEZ strategy to maximise its impact on the Buckinghamshire economy, as a whole. The existing countywide strategies, including the BLEP Local Industrial Strategy already endorse the EZ sites and set out the direction of travel.

At the moment, the strategic intent is clear, but the action plan needed to deliver it is not yet developed. Our immediate task is to develop that action plan.

Our approach will be sector based because we believe that now that business rates relief is no longer available to incoming businesses, the attraction of the EZ sites

owes as much to their status as high value/high growth clusters as it does to their physical characteristics:

- Silverstone - High tech engineering
- Westcott - Space Innovation
- Arla/Woodlands - MedTech and Creative and digital

The sector-based approach will help tie Arla/Woodlands to the MedTech cluster growing around Stoke Mandeville Hospital and to the Creative and Digital cluster in the south of the county centred on Pinewood.

We will develop a compelling sector-based offer for businesses as a replacement offer for the original rates relief incentive. For businesses we will develop:

- An inward investment offer.
- Business support programmes to improve growth and productivity.
- Capital investment where the opportunity matches our investment criteria.
- Supply chain opportunities for local businesses.

To improve local jobs up-take we will develop:

- Skills training, including apprenticeships.
- Improved accessibility to the EZ sites.
- Opportunities to engage with EZ businesses.

To achieve this strategy, we also need to maximise the development potential of each EZ site. The plan will recognise in particular the significant potential to contribute to Buckinghamshire's economic growth offered by the proposals for Westcott and Woodlands. Emerging proposals on these sites are likely to require public funding support in the next five years to accelerate delivery and maximise their potential. We will work to secure the necessary support required to deliver at Westcott and Woodlands.

4. Silverstone Park



Silverstone Park (<https://silverstone-park.com>) is the land at Silverstone outside the boundary of the Silverstone motor racing circuit. It was bought by Hermes Real Estate Investment Management, part of the BT pension fund in 2013. MEPC, another subsidiary of the pension fund, is responsible for managing and marketing the site, developing and letting the buildings.

Silverstone is the centre of Motorsports Valley, a swathe of the south midlands that includes eight out of the twelve formula one teams and a myriad of other industry suppliers. The cluster of businesses has developed over decades, building on the global brand and connections to the Circuit and motorsport and is home to over 70 companies. Many of these companies have diversified into neighbouring sectors where their technical skills can be applied, and the area has a global reputation for high tech engineering of all kinds.

Silverstone Park is identified in the Local Plan as a strategic employment site and has outline consent for about 260,000m² of development. The Park is operated as a technology cluster with business networking, conferences, an innovation centre, and a visitor centre.

Part of the larger Silverstone Park site outside the EZ is in West Northamptonshire but the EZ is wholly in Buckinghamshire.

The EZ itself comprises 27 ha land (18 ha net developable) known as Plot K which can accommodate about 92,000m² of development of industrial, office, and logistic facilities. Plot K fronts Dadford Road, the main Silverstone spine road, across from the racetrack. The

spine road connects directly to the main A43, so the site is already well served by strategic infrastructure.

In our original EZ submission we explained that the development of the Silverstone site was likely to be commercially viable in the longer term, even allowing for the cost of infrastructure upgrades. However, our objective was to accelerate demand and take up of space to generate enough employment to match population growth.

Our investment priorities in the Implementation Plan were:

- Marketing support though our revenue budget, including development of the technology cluster and business networks.
- A fund of up to £5m to accelerate the provision of infrastructure in phases, repayable from retained rates.
- Capital investment in addition to the £2m LGF grant (if needed) to maximise the impact of the Innovation Centre.
- Possible co-investment in buildings.
- Continuation of occupier rate relief beyond the initial five years of the EZ.

In the event:

- MEPC has been responsible for all marketing and has also co-founded with the two Councils and other organisations, the Silverstone Technology Cluster, a not-for-profit organisation which seeks to encourage business collaboration, networking and promotion to support business growth. AVEZ has not contributed significantly to this agenda so far.
- AVEZ has delivered on its objective by investing £5m into the second phase of infrastructure and utilities provision. This enabled MEPC to bring forward the next phase of speculative business construction (which was successfully let) and accelerated the completion of the EZ.
- MEPC concluded that there was little demand or need for another conventional innovation centre on the site, but the LGF grant was used to invest in Silverstone Sports Engineering Innovation Hub. This is a 2,468m² building with a wind tunnel dedicated to testing cycling equipment and athletes. It is a private sector owned and operated facility open to all comers and incorporates a shared workspace for start-up businesses. AVEZ has also provisionally agreed to invest £3.5m to part fund a similar proposal for swimming sports, involving a flume rather than a wind tunnel, and a 50m pool, which will operate alongside the cycling facility.
- Continuation of rate relief beyond the first five years of the EZ has not yet become an issue but as discussed in the Performance against Plan section, we believe it is unlikely to be a cost-effective way of attracting new occupiers.

Over the next five years, Silverstone Park will continue to grow organically and there is no need for us to intervene to speed up the pace of development itself. Indeed, MEPC has just announced its intention to build out Phase 3 of the EZ speculatively in 2021. However, it is apparent that many businesses have room to expand their workforce and the more we can help them to do that quicker, the better the impact on our economy. These jobs are typically much more productive than the UK average with a higher GVA per job.

Silverstone is located on the northern boundary of Buckinghamshire and fell in the Northampton Travel to Work Area in the 2011 Census. This means that most of the businesses in the EZ are relocating from outside Buckinghamshire – for example from

Brackley and Towcester - which is beneficial – but they create very few indirect jobs in the county because most of the local population and facilities are in Northamptonshire. Moreover, the area has a low density of population which can create problems of labour supply and accessibility.

The Silverstone University Technical College opened at the Silverstone Circuit in 2013. The UTC specialises in High Performance Engineering and Business & Technical Events Management for 14- to 19-year-olds and provides opportunities for local Buckinghamshire students.

Our priorities for the next five years are to:

- **Work with MEPC and the Silverstone Technology Cluster to maximise marketing for new businesses and business support for existing businesses.**
- **Capital investment where the opportunity matches our investment criteria.**
- **Develop supply chain opportunities for local businesses**
- **Improve accessibility to the site for local workers and students.**

Longer term, there are proposals to extend the business park to the south, beyond MEPC ownership (without necessarily formal EZ status). We will support preparatory work on this proposal during this Business Plan period.

Silverstone Business Plan Targets 2021-26 (*Assuming EZ Business Plan Investment as set out in Economic Case Option 4*) : -

- ***50,823 m2 new Floorspace***
- ***1,161 New Jobs***
- ***£323m GVA (Cumulative from EZ inception in 2016 to 2026)***

5. Westcott Venture Park



Westcott Venture Park (www.westcottventurepark.com) is a strategic employment site between Aylesbury and Bicester which has significant potential to develop as a centre of in-space propulsion technologies and environmental engineering. Originally a WW2 bomber base, the whole site extends to 265 ha, although much of that is undeveloped. The EZ designation covers 35 ha, but the net developable area is around 20 ha.

The site is identified in the Local Plan as a strategic employment site, but individual planning applications are made to the local authority in the normal way.

After the war, Westcott was home to the government's rocket propulsion research and currently houses UK space organisations including Nammo (previously Moog), Airborne Engineering, and the Falcon Project, who are attracted by the test facilities on site. The buildings on the site, new and old, are mainly industrial or mixed use rather than high tech but they contain some of the most advanced technology in the country.

The whole site is owned by Patrizia, an international property management fund and it was originally marketed as a conventional property location for relatively low value uses. There is some demand for this kind of use and Patrizia currently has a planning application for the 5,700m² first phase of a building for Green Retreats which could be completed in 2021.

The driving force for developing the EZ site for space technology is the Satellite Applications Catapult, one of nine catapults set up as government agencies to promote sectors of British business. The SAC is based at Harwell in Oxfordshire but is promoting Westcott as a research and testing location. In its early years, the demand for testing is unlikely to warrant most businesses taking their own premises at Westcott so the SAC strategy is to act as

landlord/service provider for shared buildings. SAC is a public sector organisation with a goal of raising at least a third of its money from partner organisations and it is therefore dependent on continuing support from AVEZ and others to expand at Westcott. This means that the pace of development will be much slower, at least until the space cluster achieves critical mass.

At the time of the Implementation Plan, BLEP had already committed funding for some SAC projects:

- Westcott Business Incubation Centre: £0.6m ERDF match funding
- Westcott 5G Step Out Centre: £0.5m BLEP LGF funding
- Westcott Innovation Centre: £2m BLEP LGF and £1.2m EZ funding (50% Loan / 50% Grant)

These buildings have all been completed, with the Innovation Centre scheduled to fully open in early 2021.

The other priorities in the Implementation Plan were:

- Marketing support through our revenue budget.
- Direct targeted marketing in the aerospace sector.
- Assistance with developing a detailed masterplan for the site.
- A facility of up to £1m to accelerate the provision of infrastructure in phases.
- Possible co-investment in buildings for high value occupiers.

In the event:

- AVEZ did not provide marketing support or undertake direct marketing in the aerospace sector. However, we believe we have been a productive partner in making the case for government investment in the site.
- At present the masterplan for the site exists as a high-level concept only and has not required our support.
- We did contribute up to £1.7m towards the new A41 access roundabout, essential infrastructure to enable the future growth of Westcott, which is now complete.
- AVEZ and BLEP have to date co-invested £3.6m in SAC buildings on site as noted above.
- Westcott has also been awarded £3.6m from the Get Building Fund towards smaller projects.

The immediate challenge is to obtain funding for the next SAC project at Westcott, which is the Disruptive Innovation Space Centre, a £30m project comprising a building provided by Patrizia and fitted out with the latest equipment to assist prototype testing and manufacture, along with a Skills Academy providing hands on lifetime learning opportunities ranging from Apprenticeships to reskilling opportunities. This is intended to provide move-on space for the incubation and innovation centre tenants as well as to attract established international businesses. AVEZ has been assisting with business case development, and with lobbying, but progress has been slowed by the COVID crisis. We hope for more positive news during 2021.

Patrizia is providing a smaller building outside the EZ for an interim DISC so momentum can be maintained but the full DISC is essential for Westcott to reach critical mass and be a self-sustaining commercial proposition. Our assumption is that, without it, Westcott will not develop much further although there is some limited scope for non-space related uses. There

is currently a planning application for a major unit for Green Retreats, a manufacturer of garden rooms.

Westcott also suffers from many of the issues that affect Silverstone. It is in a relatively under-populated area with few facilities nearby and poor accessibility. It is also technically in the Oxfordshire Travel to Work area with some of its workforce still commuting from Harwell.

Our priorities for the next five years are to:

- **Support SAC in seeking government funding for DISC.**
- **If necessary, be prepared to co-fund the DICS using prudential borrowing, repaid by retained rates.**
- **Work with Patrizia and SAC to**
 - **Develop the masterplan for the site.**
 - **Maximise marketing for new businesses and business support for existing businesses.**
 - **Develop supply chain opportunities for local businesses.**
 - **Improve accessibility to the site for local workers and students.**
 - **Support proposals for the visitor centre.**

Westcott Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment as set out in Economic Case Option 4) : -

- **31,140 m2 new Floorspace (2021-26)**
- **553 New Jobs (2021-26)**
- **£83m GVA (Cumulative from EZ inception in 2016 to 2026)**

6. Arla/Woodlands



Arla/Woodlands, on the eastern edge of Aylesbury, is one of the strategic sites proposed to accommodate the growth of Aylesbury as a garden town and also deliver the construction of an orbital ring of link roads between Aylesbury's main radial roads. There is already an Arla mega-dairy next to the EZ, giving the EZ its name, and the designated EZ and employment site covers 48.8 ha gross and could potentially deliver 160,000m² of employment floor-space.

The residual Arla land within the EZ is a large area of expansion land (21.3ha) at the rear of the mega-dairy which already has outline consent for over 60,000 m² employment space and can be brought forward in advance of the link road. It is in two parts – the 19ha Tritax Symmetry Site (Symmetry Park Aston Clinton) and a 2.3ha site occupied by Olleco Ltd as an Anaerobic Digestion Facility.

Symmetry Park Aston Clinton is being promoted separately by Tritax Symmetry, a commercial developer and the first 23,400m² was developed in 2019 for warehousing and film production facilities. The Olleco facility (6,270m²) was completed in 2017.

The main Woodlands development site (<http://aylesburywoodlands.co.uk>) will be crossed by the Eastern Link Road South (ELRS), a strategic piece of infrastructure to deliver an orbital route for Aylesbury. Part of the larger 200 ha site (outside the EZ) is allocated for 1,100 dwellings and part for low density retail/leisure uses but there is also a strategic employment site (within the EZ) which could accommodate around 102,000m² development, essential to provide employment for the occupiers of the new housing across the town.

At the time of the Implementation Plan, an outline planning application for the whole site had been submitted and was heard at planning committee in June 2017 receiving a resolution to grant subject to completion of a legal agreement. However, the application needed to respond to new transport and flood modelling information and updates in planning policy, and determination is now expected in mid-2021. Any final approval will also be accompanied by a detailed S106 legal agreement to secure funding contributions to mitigate the development and include funding contributions towards the link road.

Our priorities in the Implementation Plan were:

- Marketing support though our revenue budget.
- The agreement of a major planning and investment package to deliver the Eastern Link Road South and associated infrastructure.
- Provision of an innovation centre and other buildings.

In the event, the delays in planning have meant that none of these priorities could be taken forward (except for a very small revenue contribution to pre-planning work) but they remain valid for the next five years.

Woodlands presents a complex set of challenges because the land is currently in private ownership but BLEP and the Council, through their subsidiary Buckinghamshire Advantage, are the development promoters. The arrangements between the parties are commercial in nature and the purpose of the scheme is profit-making. The original Implementation Plan did envisage using borrowing against retained rates to help finance the ELRS, but the amount needed, if any, was never established.

There are now embryonic plans to establish a healthcare or MedTech campus at the Woodlands site and while this is a long-term ambition, it may require some early revenue expenditure to explore the opportunity to enable Woodlands to be promoted as a MedTech campus.

It also has also been recently confirmed that two units in the first phase of the Symmetry Park development will be occupied by Apple as a TV / film production centre for its streaming service. This is exciting news and provides a chance to link Woodland to the creative digital cluster in the south of the county.

Our priorities for the next five years, working with Bucks Advantage and the landowners, are:

- **The agreement of a major planning and investment package to deliver the Eastern Link Road South and the infrastructure needed to open up the Woodlands site, with revenue support for pre-development work where required.**
- **If necessary, be prepared to co-fund the infrastructure using prudential borrowing, repaid by retained rates.**
- **Marketing and business support though our revenue budget to develop the Woodlands offer for the MedTech and Creative and Digital sectors.**

6 Our default assumption is that AVEZ will only be involved as provider of revenue support programmes and can rely on BLEP and the Council to take the lead in commercial arrangements. Clearly, that would change if AVEZ were providing significant capital investment and AVEZ would need to work with BLEP and the Council to agree suitable commercial arrangements.

Woodlands Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment as set out in Economic Case Option 4): -

- **100,719 m2 new Floorspace (2021-26)**
- **2,036 New Jobs (2021-26)**
- **£178m GVA (Cumulative from EZ inception in 2016 to 2026)**

7. Economic Case



In the section on Performance against Plan, we identified a need to change our key metric from gross direct jobs created to GVA created, to better reflect the economic impact of the EZ on the Buckinghamshire economy.

In the Section on Strategic Context, we concluded that for businesses we will develop:

- An inward investment offer.
- Business support programmes to improve growth and productivity.
- Capital investment where the opportunity matches our investment criteria.
- Supply chain opportunities for local businesses.

To improve local jobs up-take we will develop:

- Skills training, including apprenticeships
- Improved accessibility to the EZ sites.
- Opportunities to engage with EZ businesses.

To achieve this strategy, we also need to maximise the development potential of each EZ site.

To have a more robust basis for decision making, we have decided to adopt a more sophisticated approach. In November 2020 HM Treasury published a revision to the Green Book, the standard appraisal guidance for economic appraisal. This included a section on place-based appraisal which we have used to underpin our approach. This makes additional sense because many of the EZ projects we sponsor are required to go through a full Green Book appraisal to obtain funds from us or from central government.

The economic rationale for looking at the impact of the EZ sites on the economy of Buckinghamshire, as a whole, is that attracting existing jobs from elsewhere in

Buckinghamshire onto an EZ site is of doubtful value whereas attracting them from outside the local area is beneficial. It means that creating spinoff or indirect jobs in Buckinghamshire is beneficial whether those jobs are located on the EZ site or not. It also means that filling those jobs with Buckinghamshire residents (through providing skills training, accessibility etc) will benefit the local economy.

To see whether there is an economic case for the interventions we are proposing, we need to estimate the economic and financial benefit generated in terms of jobs and GVA and in terms of retained rates income. Then we need to deduct the cost of the programmes and compare the Benefit to Cost ratio with the base case or “Do Nothing” option.

For this Business Plan, projected future income is split into four categories, depending on the type of development that will produce it:

- Completed – Completed and occupied / generating rates income.
- Committed – In course of development (i.e., under construction).
- Projected – For which funding and planning consent is readily available and which can be expected to be developed, subject only to market conditions. This category mainly applies to the rest of Silverstone Park and the Symmetry Park development at Woodlands.
- Conditional – Development is conditional on funding (Westcott DISC and follow-on development) and/or planning consent (Woodlands).

We then looked at four different options:

1. *Do nothing* – in which we made no further interventions in the EZ and simply collected the business rates to fund other activities. In this option, completed, committed, and projected development would happen but not the Conditional development. Only the base revenue costs are incurred.
2. *Programme and Project revenue support* – this option is the same as Option 1, but the additional programme and project expenditure is incurred without creating any additional revenue from business rates. The Conditional development does not happen.
3. *Optimistic outcome* – this option is the same as Option 2 except that the Conditional development takes place maximising the amount of income over the course of the EZ lifetime.
4. *Capital support* - in which we are also required to make significant capital contributions to the development of Westcott DISC and Woodlands to ensure that the Conditional development takes place.

7 Strictly, Options 3 and 4 are scenarios rather than options, in that we may not have the choice which one happens. The MHCLG MOU compels us to spend the retained business rates on developing the EZ first and only distributing funds when there are no further opportunities in the EZ. Moreover, while it would be beneficial for AVEZ if all future development could be brought forward without capital contributions from us, that depends on other funding being available.

8

9 To appraise these options, we used the standard approach. We have looked at the gross number of jobs forecast for each EZ site and adjusted it to allow for:

- Deadweight - the number of jobs that might be created anyway if the EZ were not there.
- Displacement – the number of jobs that might be attracted from elsewhere in Buckinghamshire but are not genuinely additional.
- Leakage – the number of jobs that might be attracted which were not part of the EZ target.

10 We do not have full data on this, so we have used a simple discount of 25%, 50% or 75% for these factors, an approach also used by MCHLG.

11

12 We applied a figure of GVA per job for the sector, derived from ONS tables and calculated the multiplier effect – the number of indirect jobs that might be created in addition to the direct jobs. Indirect jobs can be divided into:

- Traded sector (usually in the same industry as the direct jobs and with the same GVA per job)
- Non-traded sector – local support jobs in transport, hospitality etc for which a regional average figure for GVA is appropriate).

The total net GVA per year can be assumed to run for the life of the EZ and can be discounted to a Net Present Value. This can then be compared with the cost of the proposed interventions in the EZ to see if it represents Value for Money.

To complete the appraisal, we had to make several assumptions set out in the table below.

For all options we took the floorspace per job to be 60m² in line with the actual figures (as far as we could estimate) and twice the original assumed level.

We assumed on Option 2 that the support programme would generate an increase in GVA of 1% which would be a lot in national terms but on these sites could mean that each building reached its full jobs capacity quicker. In other words, the increase in GVA could be generated by more workers rather than existing workers being more productive.

For Silverstone and Westcott in all options, we took GVA per job to be sector based, (derived from the business cases for SSRIC and DISC respectively) whereas for Woodlands we assumed a regional average which would be more typical for healthcare or warehousing. We also took the regional figure for indirect jobs in the non-traded sector.

For Silverstone and Westcott in Options 3&4 we assumed high additionality – i.e., 75% of all jobs created are new to Buckinghamshire which appears to be in line with reality. For Woodlands we took a 25% additionality factor because we assume most of the jobs would come from relocation within Buckinghamshire.

At Silverstone and Westcott no indirect non-traded jobs are created in Option 1 whereas in Options 2, 3 & 4, 25% of potential indirect jobs are captured in Buckinghamshire. For Woodlands, we expected all the indirect jobs to be generated in Buckinghamshire, but we assumed that the 25% additionality in direct jobs was matched by a 25% increase in indirect jobs.

In line with standard practice, we also made an allowance for the costs the private sector would incur in developing the buildings – which we have taken as £1,500 per m².

Table 3 - Appraisal Assumptions

From this we were able to estimate the net additional economic benefits generated by each option, in comparison to its costs.

The range of GVAs generated by the options varied between £1.8-2.6bn, so the economic benefit far outstripped the financial benefit. Given the number of uncertainties involved in the modelling, the absolute numbers are less helpful than the relative advantages of the options and their Benefit to Cost Ratio, which are:

Table 4 - BCR of Options

Option	BCR
1 – Do Nothing	0
2 – Programme Support	2.6
3 – Best Outcome	109
4 - Capital Support	33

Option 2 involves increasing revenue spend by £500,000 pa to provide business support programmes and project support. Even if no extra space is developed, the extra GVA generated makes this a worthwhile investment. The assumed success rate is modest – the

Assumptions	Silverstone	Westcott	Woodlands
m ² per job	60	60	60
Additionality	75%	75%	50%
GVA per direct job	75,000	60,000	40,500
Programme additionality	1%	1%	1%
Indirect jobs	25%	25%	25%
GVA per indirect job	40,500	40,500	40,500
Adjusted GVA per job 3&4	66,375	55,125	30,375
Private sector cost m ²	1,500	1,500	1,500

equivalent of 20 extra jobs in total at Silverstone would justify the programme.

Options 3&4 which assume that the Conditional development at Westcott and Woodlands goes ahead are massively beneficial in economic terms with a BCR of 1:109 assuming no investment required or 1:33 if a capital investment is required. The economic case for further support to maximise the extent of the EZ is strong.

Our ambition for this five-year period is an additional 183,000m² floorspace generating GVA of £584m.

Conclusions

In the section on Performance against Plan, we identified a need to change our key metric from gross direct jobs created to GVA from net direct and indirect jobs created to better reflect the economic impact of the EZ on the Buckinghamshire economy.

In the Section on Strategic Context, we concluded that for businesses we will develop a revenue support programme providing:

- An inward investment offer, including business support, inward investment and skills.
- Business support programmes to improve growth and productivity.
- Capital investment where the opportunity matches our investment criteria.
- Supply chain opportunities for local businesses.

To improve local jobs up-take we will develop a revenue support programme providing:

- Skills training, including apprenticeships.
- Improved accessibility to the EZ sites.
- Opportunities to engage with EZ businesses.

To achieve this strategy, we also need to maximise the development potential of each EZ site.

We then looked at four different options or scenarios, using HMT Green Book methodology:

1. *Do nothing* – in which we made no further interventions in the EZ and simply collected the business rates to fund other activities.
2. *Programme and Project revenue support* – In which we spend £500,000pa on revenue support for the strategy, but the EZ sites fail to develop fully.
3. *Optimistic outcome* – this option is the same as Option 2 except that the EZ sites develop fully, without needing capital investment from AVEZ.
4. *Capital support* - in which we are also required to make significant capital contributions to the development of Westcott and Woodlands to ensure that the sites develop fully.

There is a sound economic case for investing in a revenue support programme for businesses and training with a BCR of 2.6:1 which is very good, even if the EZ sites fail to develop fully.

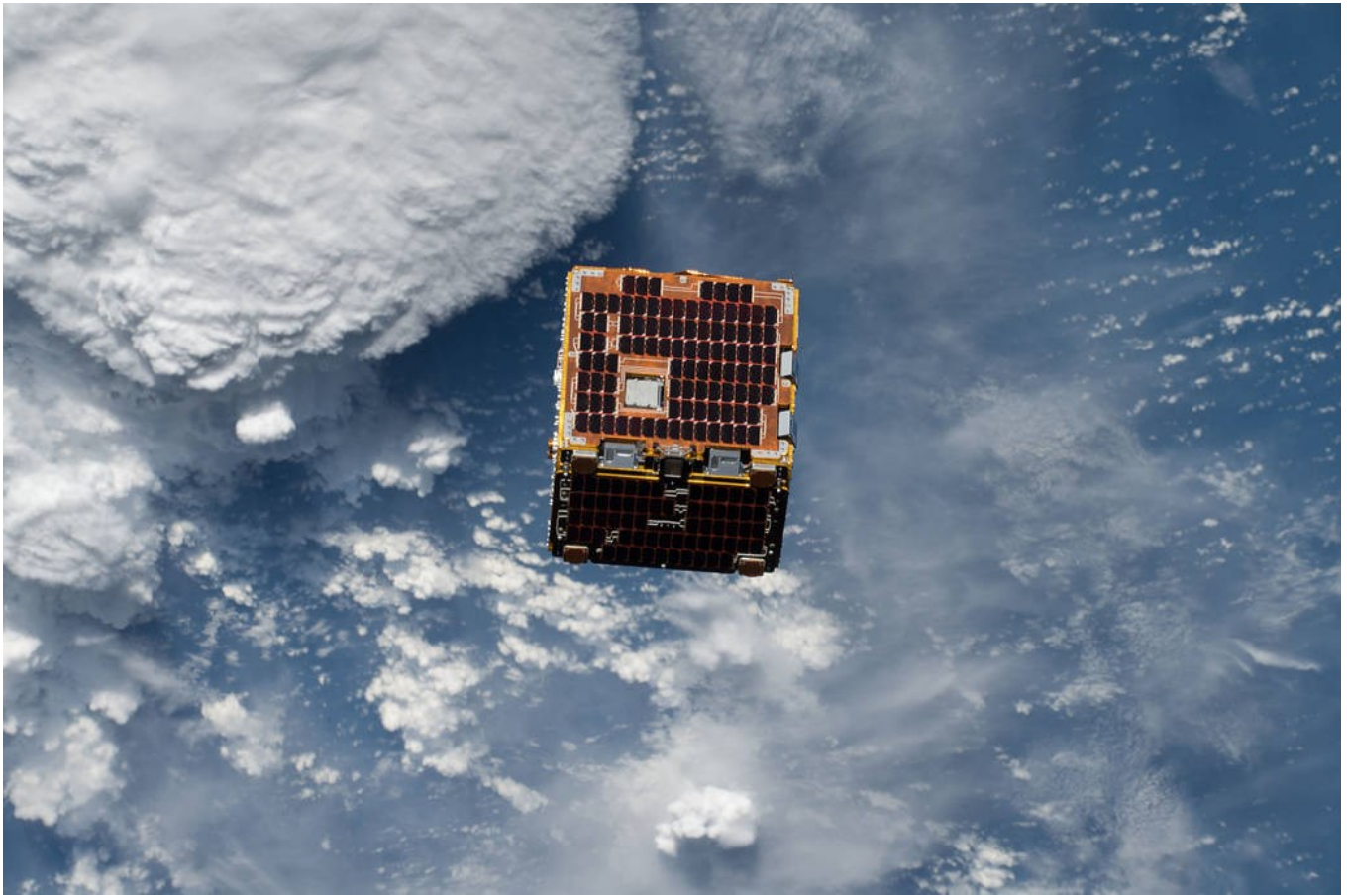
Enabling the EZ sites to develop to their full potential improves the economic case so much that it is fully justified. Even if it requires significant capital contributions, on our assumptions the BCR would still be 33:1 which is exceptionally good.

Our ambition for this five-year period is an additional 183,000m² floorspace generating GVA of £584m.

Enterprise Zone Business Plan Targets 2021-26 (Assuming EZ Business Plan Investment implemented as set out in Economic Case Option 4): -

	Silverstone	Westcott	Woodlands	Combined
Floorspace m2 (2021-26)	50,823	31,140	100,719	182,682
New Jobs (2021-26)	1,611	553	2,036	3,750
GVA (from EZ Inception) 2016-26	£323m	£83m	£178m	£584m

8. Commercial Case



13 Conventionally, a public sector business plan like this one should include a section explaining how it is going to be delivered, including procurement and contractual arrangements. For AVEZ, all three sites are in private ownership and designation as an EZ confers no special rights or duties on the owners. At the start of the EZ we set up operational boards for each site and entered voluntary MOUs with the landowners but that proved a cumbersome arrangement which is now replaced by regular but informal liaison with each site developer/occupiers with occasional attendance at the regular EZ Board meeting.

Capital Investment

14 Capital investment in EZ projects has come from a variety of sources and been applied to different actors in different ways. For example, BLEP has invested Local Growth Fund in specific building projects by way of loan and grant, dealing directly with the project owner not the site owner. There has been an ERDF-funded project at Westcott (the incubation centre). These investments usually follow the rules of the funding stream involved, which in turn is normally subject to BLEP's assurance framework.

15

16 AVEZ and its then accountable body AVDC have completed two investments funded by prudential borrowing against rates, and one project where a commitment has been made to the Council to repay forward funding at a future point (where the EZ finances

can support this). The first prudential borrowing project was a £5m contribution to the provision of infrastructure at Silverstone. This was documented by a standard grant agreement from AVDC to MEPC who then procured and managed the work. The prudential borrowing and rates collection were the responsibility of AVDC. The second prudential borrowing project was £1.2m funding to support the expanded development of the Westcott Innovation Centre to that initially supported by a £2m grant / loan from BLEP. The other project was a contribution of up to £1.7m to the A41 access roundabout at Westcott which was built by Buckinghamshire CC.

17 Future arrangements would depend on the governance of the funding stream and whether AVEZ is the majority funder or not. In the case of the DISC at Westcott the counterparty to any investment would be the SAC which is another public sector body. It is in course of preparing a full Green Book business case for the DISC.

18

19 Woodlands presents a more complex set of challenges because the land is currently in private ownership but BLEP and the Council, through their subsidiary Buckinghamshire Advantage, are the development promoters. The arrangements between the parties are commercial in nature and the purpose of the scheme is profit- making. Our default assumption (Option 3 in the Economic Case) is that AVEZ will only be involved as provider of revenue support programmes and can rely on BLEP and the Council to take the lead in commercial arrangements.

20

21 Clearly, that would change if AVEZ were providing significant capital investment (Option 4 in the Economic Case) and AVEZ would need to work with BLEP and the Council to agree suitable commercial arrangements.

22

23 As previously, all capital investment will be appraised to ensure it meets the requirements of the relevant funding stream and BLEP's assurance framework. Capital projects funded from retained business rates will be expected to meet the strategic priorities of this business plan together with the government's own investment priorities at the time.

Revenue

24 Currently most of the relevant business support and skills activities are provided in-house by BLEP or by existing arrangements with Buckinghamshire Business First which operates the LEP Growth Hub. Until now these have been mainly focussed on Aylesbury and the

25 south of the county, with Silverstone Technology Cluster and the SAC leading activities at Silverstone and Westcott respectively.

26

27 There are several further and higher education bodies who also play a role:

- UTC at Silverstone and UKAEA at Culham in Oxfordshire providing training for Buckinghamshire students and/or apprentices.
- Buckingham University has a small presence at Silverstone.
- Buckinghamshire New University leads on MedTech (with Stoke Mandeville Hospital).
- National Film and Television School at Beaconsfield caters to creative and digital media needs.

28

29 Meanwhile, the new Buckinghamshire Council has an active economic development
team which is working to define its strategy and role.

30

31 As part of the implementation plan for our revenue support programme, we will carry
out a comprehensive review of who does what, to make sure that the programmes are
arranged to minimise overlaps.

32

9. Management Case



Governance

The original EZ governance structure was set out in a MOU between MHCLG, BLEP and the two local authorities (Buckinghamshire County Council and Aylesbury Vale District Council). We are now able to streamline the governance structure following the creation of a single unitary Buckinghamshire Council in 2020.

BLEP Board is responsible for the overall governance and strategic direction of the AVEZ. The Board delegates the day-to-day responsibility for the governance and management of Aylesbury Vale Enterprise Zone to an Aylesbury Vale Enterprise Zone Strategic Board

AVEZ Strategic Board will comprise three private sector members of the BLEP board, two public sector members and the BLEP Chief Executive. Each Strategic Board member will have a single vote. The board will:

- 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.
- Alongside the Accountable Body, monitor and account to government for the proper and responsible use of EZ funds.

Buckinghamshire Council is the accountable body for BLEP and AVEZ and will:

- 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 the Memorandum of Understanding and the Regulations) are used for the objectives of the Enterprise Zone and in compliance with relevant laws.
- Distribute the funds according to the priorities agreed in the MOU and approved by the Strategic Board.
- Undertake prudential borrowing against EZ revenues to finance projects (subject to its own prudential borrowing policies) decisions.

The new arrangements will need to be documented in a new MOU and may need to be submitted to MHCLG for approval although MHCLG has indicated that it does not need to be involved as a signatory.

Staff

There is currently one full time member of staff, the EZ Director, Anthony Sowden, whose role is to:

- Support the AVEZ Board.
- Monitor and update this Business Plan.
- Liaise with landowners and project promoters to ensure development plans are in line with AVEZ objectives.
- Prepare and deliver the capital investment programme for the EZ.

The original budget for the EZ was intended to cover basic operations and marketing. The intention was that the EZ manager would rely on expertise from LEP staff and the Growth Hub team responsible for skills. There was also an allowance for marketing which was never spent because there were no staff resources to arrange it. This arrangement was influenced by the lack of EZ income in early years when development was not producing significant rates income and will not be adequate going forwards.

We will now distinguish between AVEZ core administration costs and the costs of running EZ revenue. The core administration costs will be increased to cover half a finance and data officer, to be shared with the LEP.

Programme Activities

The rationale for the programme activities is set out in the Economic Case. Currently there is not enough evidence to set a clear strategy and the first year of this plan will be largely devoted to collecting information and putting arrangements in place.

Monitoring and Evaluation

Enterprise Zones are required to provide government with regular figures on new jobs, businesses, and investments (public and private). Government recognises that this information may be commercially sensitive and therefore this is published in aggregate, not for individual Zones or sites. Collated information is published quarterly at <http://enterprisezones.communities.gov.uk/> and is broken down into regions. However local partners can determine themselves whether they want to make this information available for their own Zone(s). Clearly this may be helpful in recognising achievements and as part of wider communications/marketing activity for the Zone. We will collect data from landowners and Buckinghamshire Council as the local rating authority ahead of the normal EZ data collection windows and submit this data to MHCLG.

We will also maintain our own spreadsheet model to collect actual performance against forecast. An independent review has identified the need to simplify and improve the accuracy of data collection, input, and outputs from the spreadsheet and this will be an early task for the new finance and monitoring officer. The spreadsheet can then be used to make investment decisions.

Risk

Risk can be divided into market risk and project risk. Market risk includes general economic conditions, the economic impact of COVID and Brexit, changes in demand for different types of buildings or from different sectors and so on. In the Strategic case we also highlight the risks around government policy in terms of grant support and the business rates system. These risks impact on the rate at which EZ sites are developed and hence the amount of business rates generated. AVEZ has little or no capacity to manage or mitigate those risks as they occur but their impact for AVEZ would be almost entirely financial. As a result, our financial projections include risk allowances for:

- Voids in existing occupied buildings
- Delays to completion and occupation of planned development during the five-year plan period
- Delays or cancellation of major projects necessary for the full development of the EZ beyond the next five years.

These risk allowances are explored in more detail in the Economic Case which describes the different options or scenarios that might occur and in the financial case. The overriding risk management measure is our policy of only spending money from income from existing completed and committed developments and not from future development. This applies both to revenue programmes and to prudential borrowing. Because the projected growth in revenue spend is exponential, that means that the amount of committed revenue spend, and the prudential borrowing headroom, will always be much less than the total value of the predicted income over the EZ lifespan.

Where AVEZ is supporting an individual project by way of capital investment, it will normally require a full business case for the project, including a formal risk register.

Management Case: Conclusions

As the EZ expands its activities and generates more income, we need to build its management capacity by:

- Enlarging the AVEZ board
- Improving the interaction with our accountable body
- Adding financial management capacity.
- Improving our data collection
- Developing our revenue support programmes into a coherent offer.

We will continue our prudent approach to risk management by making allowance for voids and delays to projects in our income forecasts and by only borrowing against income from completed and committed development.

SCHEDULE 2: ORIGINAL APPLICATION

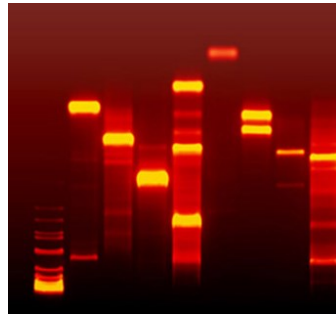
— Aylesbury Vale Enterprise Zone

— *‘Helping your business to compete more effectively in the global race’*

— A submission by Buckinghamshire Thames Valley Local Enterprise Partnership

September 2015





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Buckinghamshire
Advantage

Buckinghamshire
Thames Valley LOCAL ENTERPRISE
Valley PARTNERSHIP
THE ENTREPRENEURIAL HEART OF BRITAIN

BUCKINGHAMSHIRE
BUSINESS FIRST
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Section A: Authorisation

A1. This application form must be signed by the Chair and Chief Executive of the Local Enterprise Partnership and by the Leader and Chief Executive of each local authority which has a proposed Enterprise Zone site. Without this your application will not be considered. By signing, the Local Enterprise Partnership and local authorities are agreeing to deliver the proposed Enterprise Zone together.

Name: Alex Pratt	Name: Richard Harrington
Job title: Chair	Job title: Chief Executive
LEP: BTVLEP	LEP: BTVLEP
Signature:	Signature:

Name: Cllr Neil Blake Job title: Leader Organisation: AVDC Signature:	Name: Andrew Grant Job title: Chief Executive Organisation: AVDC Signature:
Name: Cllr Martin Tett Job title: Leader Organisation: BCC Signature:	Name: Chris Williams Job title: Chief Executive Organisation: BCC Signature:

A2. Please give one point of contact for queries:

Name	Richard Harrington	Telephone	+ 44 (0)7887 821597
Organisation	BTVLEP	Email	richard.harrington@btvlep.co.uk

A3. Where more than one Enterprise Zone application is being submitted per Local Enterprise Partnership, please prioritise & state whether this application is your first or second preference.

We have submitted this application as a single multi-site application, but are open to talking about how it might be scaled back or expanded according to government requirements. As it is the only application we have submitted, **this is a first preference**. Please consider the various elements of our Enterprise Zone carefully as the strategic, economic, commercial, financial and management caes for each site within our Enterprise Zone is very different. That said, we believe we can achieve economies of scale by combining these various sites together.

A4. Have the land owners for the sites been consulted? Have they agreed the proposals? Will they support delivery?

Yes. Land owners for all of the sites in this Enterprise Zone application have been consulted. They have agreed these proposals and will support delivery. The only exception to this is in the case of the Woodlands Development, where Buckinghamshire Advantage has been consulted and have agreed these proposals (as they have been appointed to act on behalf of the landowners)

Section B: Executive Summary

B1. Please give a short executive summary of your proposal here.

The proposal sets out our plans to establish Aylesbury Vale Enterprise Zone (AVEZ), covering three key strategic employment sites (**Silverstone, Westcott Venture Park and Arla/Woodlands**) across the significant rural district of Aylesbury Vale, in Buckinghamshire. All of which are co-located with nationally significant research/test facilities and/or major 'gorilla companies' that could stimulate the development of a number of emergent 'Plan for Growth' sectors.

We have chosen to submit a single application covering 3 potential sectors and 3 different sites, because;

- We believe that, with government support to help us stimulate the right kind of linked investments, these sites could be potential future 'game changers' in their respective industry sectors;
- We are seeking to support the whole principle of Smart Specialisation (i.e. investing in facilities that go with the grain of the 'natural' industrial assets of an area, rather than creating 'building castles on foundations of sand');
- We are keen to build 'bottom-up' propositions that have a higher chance of success, rather than creating an expensive over-arching super structure that adds no value; and
- We have sought to develop our proposal to fit with the government's stated desire to want to prioritise Enterprise Zones in smaller rural market towns, districts and rural locations;

We are open to working with government to scale, flex and prioritise our Enterprise Zone proposals and our investment strategies at these three key locations/sectors. We have sought develop our EZ proposal 'bottom up' and the three elements of our proposed Enterprise Zone have all been built to very different Strategic, Economic, Commercial, Financial and Management cases.

This proposal will establish an Enterprise Zone (EZ) in a region which is nationally renowned as one of the most entrepreneurial and knowledge based rural economies in the whole of the UK, but that has historically suffered because of a lack of high quality transport infrastructure, both of which have served to constrain firm growth and undermine the location as an attractive business location.

In total, Enterprise Zone designation is being sought over the 96 hectares identified as being the most suitable for creating higher value uses at the three locations in question. In total there is potential for the creation of 8665 new direct jobs¹ although we believe the strength of our application is the quality of jobs being created. The attached spreadsheet shows in detail what the various sites are able to deliver.

Why Aylesbury Vale Enterprise Zone?

Whilst Buckinghamshire is **the highest ranking 'significant rural' innovative region** in the whole of the UK² our economy has also historically been characterised by the **largest micro firm economy** in the country; the **highest proportion of firms with low levels of employment growth**; the **highest proportion of out-commuting**; and the **third lowest level of new commercial office floor-space development**³.

These issues, combined with the fact that Aylesbury Vale has regularly been in the **top ten local authorities for housing completions** over the last ten years but also has one of the **lowest per capita allocations of public funding in the country**⁴ has created some major structural issues which this Enterprise Zone proposal seeks to address.

¹ Excluding jobs linked to residential development at Woodlands & indirect construction jobs, which could be brought forward separately

² EUROSTAT; Based on Defra's urban-rural classification of LA areas (with R&D Employment at 3.04% of Total Employment and Total Patent Applications at 11500 per Million Inhabitants)

³ Buckinghamshire Thames Valley LEP Strategic Economic Plan (2013)

⁴ Mapping Britain's public finances, Centre for Cities (2015)

In order to **stimulate the additional inward investment, new firm creation and business growth** we need in Buckinghamshire to address the above issues (and achieve sustainable economic development), we are proposing to invest in **Silverstone, Westcott Venture Park and Arla/Woodlands**, to create three distinctive EZ propositions which focus on the **High Performance Technology/Motorsport; Space Propulsion/Environmental Engineering**; and **Agri-Food/Human Health** sectors.

Our proposals are to work with central government, developers, landowners, businesses, skills/research establishments, business support organisations and local authority partners to deliver an integrated set of interventions across the **Silverstone, Westcott Venture Park and Arla/Woodlands** estates 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.

Enterprise Zone status will enable us to **strengthen the infrastructure** on Silverstone, Westcott Venture Park and Arla/Woodlands; **attract and develop new businesses; advance the development timetable;** and **help us address the fundamental locational weaknesses of Aylesbury Vale**. In addition to **strengthening the commercial offer** of these three strategic employment locations, EZ status will enable us to **attract mobile inward investment projects that might be looking at a range of other locations across Europe**. EZ status will particularly help us to attract **early occupiers and overseas investors**, many of whom are the most difficult to land when promoting new strategic employment locations that are yet to be established.

BTVLEP estimates that the maximum potential cost to Government of awarding Enterprise Zone status across the entire portfolio would be £73m over the 25 year term, with a potential forecast land value uplift of £69m from being awarded EZ status.

The scale and specialised nature of the development, the mix of uses and the highly strategic position, **at the heart of the 'Golden Triangle' and at the centre of the 'Oxford to Cambridge Arc'** will enable Aylesbury Vale Enterprise Zone to challenge internationally as a new major employment location during the full 25 year period. The clustering of successful and complementary neighbouring economies, supported by a proactive and responsive LEP, working to build the competitive dynamic of an exceptional regional geography would appear to accord squarely with Government growth priorities.

Section C: Strategy for delivering sustainable economic growth

C1. How does the proposed Enterprise Zone support the Local Enterprise Partnership's top economic priorities and key economic assets? Does it align with the Strategic Economic Plan?

The proposed Enterprise Zone is wholly consistent with Buckinghamshire Thames Valley Local Enterprise Partnership's economic priorities.

Our investment proposition proposes to build on three economic assets and a number of industry sectors which are heavily mentioned in the Strategic Economic Plan and are core assets of national significance, in such a way which seeks to overcome some of the current locational disadvantages of Aylesbury Vale.

Our proposal aligns directly with the BTVLEP Strategic Economic Plan, which identifies **Silverstone, Westcott Venture Park and Arla/Woodlands** as three key strategic employment locations all of

which have greater, hitherto untapped potential to **add value to the High Performance Technology/ Motorsport; Space Propulsion/Environmental Engineering; and Agri-Food/Human Health** sectors.

As far as the **Space Propulsion/Environmental Engineering Sector** is concerned, **Westcott Venture Park** ([Westcott Venture Park](#)) is a 265 ha Strategic Employment site which is located between Aylesbury and Bicester, which has significant potential to develop as a **centre of Space Propulsion and Environmental Engineering**, building on Buckinghamshire's significant strengths in the Space Sector. The Park comprises a mixed-use development of office space, warehouses, manufacturing buildings and workshops. **High-tech research and development in the fields of satellite and future propulsion systems continues at Westcott to this day**, with a primary cluster of UK space organisations (including Reaction Engines, Moog, Airborne Engineering, SSTL and The Falcon Project) all using the **test facilities that exist on site**.



Fig.1: The Right Hon Greg Clark MP, signing the BTVLEP Growth Deal at Moog, Westcott Venture Park

The site, which is owned by Rockspring Hanover Property Unit Trust, is a prime site for growth of UK space propulsion as it sits within a one hour drive of the UK Space Gateway at Harwell (home to circa 60 space organisations), Astrium at Stevenage and SSTL in Surrey. Recent developments have seen a **cluster of Space Propulsion businesses put forward plans to the UK Space Agency to establish the National Space Propulsion Test Facility** at Westcott, and UK Space Agency continue to develop the business case for this facility. In a parallel development, BTVLEP has also received support from the UK Space Agency to explore the potential of establishing an incubation facility on site and develop a linked package of business support. The facility also has the opportunity to provide access to universities and other educational establishments, to enable focused academia/industrial space engineering interaction and access to, modern propulsion test facilities, to develop and grow the UKs future propulsion engineers. **Research around green propellants is of particular importance if the sector is going to adapt to cope with emerging legislative pressures, such as the EU REACH regulations.** To this end, BTVLEP has held positive discussions with the UK Space Agency; the **University of Southampton; Surrey Space Centre; Kingston University; Cranfield University; and the University of Hertfordshire** about opportunities for collaborative working at Westcott. The most positive idea that came out of these discussions was the idea of establishing a Space Propulsion Innovation Hub and/or a Postdoctoral facility at the site. This is something we have tasked Professor Keith Mason, former CEO of STFC to develop a business case for. Whilst there is an initial focus on space propulsion, the proposed EZ would also support development of a broader space cluster, supporting the application of space in businesses operating in a range of sectors. This work is complimentary to the significant number of environmental engineering companies that are currently based at Westcott. As far as our Enterprise Zone proposal is concerned the proposition is to base the Enterprise Zone around the 35ha of Westcott Venture Park that is home to a significant amount of the rocket propulsion test facilities. .

As far as the **High Performance Technology/Motorsport Sector** is concerned, **Silverstone Park** ([Silverstone Park](#)) is a technology park next to the Silverstone Grand Prix Circuit and at the centre of the UK's high-performance technology and motorsport (HPT&M) cluster. Since 2013 the estate which includes over 60 companies and 250,000 sq. m of development land has been managed by MEPC, reporting to Hermes Real Estate Investment Management, funded by the BT Pension Scheme. **Silverstone is an international brand and the home to Formula 1, with eight of the 11 F1 teams in close geographic proximity to the circuit.** Around 3,500 companies associated with

motorsport are based in the area employing around 40,000 people, including around 80 per cent of the world's high-performance engineers. Most top-level motorsport constructors are based in the UK. Overall, the Silverstone development will create around 8,400 permanent jobs, plus an average of 550 construction jobs per annum through a 20 year development phase, of which 4,800 of these jobs are likely to be entirely new to the area. As far as our Enterprise Zone proposal is concerned the proposition is to base the Enterprise Zone around Plot K, for which the draft Masterplan makes provision for up to 95,697 sq. m of industrial, office, workshop and logistic facilities. A full application for a 929 sq. m industrial scheme was submitted to the planning authority (Aylesbury Vale District Council) in August 2015. This development represents a significant platform on which to build a **global destination for engineering, innovation and business development with supply chain linkages across the automotive and advanced engineering sectors**, with technologies and research which will enable diversification into the aerospace, space, defence, healthcare, materials and electronic sectors. It is estimated that motorsport-based businesses spend at least 30% of their turnover on R&D. In the low carbon transport sector, the motorsport industry has researched many of the innovations that have led to greater fuel efficiency and the use of alternative fuels.

Motorsport companies have also been offering their unique capabilities to British aerospace and defence companies. The industry is used to solving high-performance engineering problems and then getting the results back out to the field very quickly. Recent developments on site include the establishment of a **Metrology Centre** at Silverstone Park that will provide a valuable facility for small to medium sized HPT&M companies by enabling them to gain access to state of the art measurement equipment including a co-ordinate measuring machine; machines for measuring surface texture, roundness and form; hardness evaluation; micro-measurement equipment and Rapid manufacturing. In addition to the above, Silverstone is keen to explore the potential of establishing a second **Incubation Centre at Silverstone**, given that the existing one is at capacity.

As far as the **Agri-Food and Human Health Sectors @ Aylesbury East** ([Arla Aylesbury & Aylesbury Woodlands](#)) is concerned, there is significant potential for stimulating increased employment in the sector in the east of Aylesbury, building on links to the Arla super dairy, the wider Food Science strengths of Buckinghamshire and the work that is going on to create a Healthy Living New Town, as part of the wider Woodlands development. When Arla secured planning consent to build the largest super dairy in the UK, back in 2011, the high abnormal costs of securing utility provision resulted in Arla seeking consent over additional land to promote 65,000 sq. m of B2/B8 for development in order to recoup a portion of abnormal costs and make the dairy scheme more commercially viable. In addition, in a completely separate development, Buckinghamshire Advantage is also currently promoting an adjacent development, known as Aylesbury Woodlands, which could potentially deliver a further 150,000 sq. m. of employment floor-space and up to 1100 residential dwellings, with commercial leisure supporting retail, sport and recreational facilities set in extensive green infrastructure, the 1.8km Eastern Link Road South and detailed access arrangements. The Planning Application for the Woodlands development will be submitted later this year with any expansion land coming on stream after the Arla (consented land) is developed out, thereby creating a phased pipeline of development land.

government to split on this basis is just over **£23m** which will be available over the the next two terms of paliament, due to the site acceleration;

- **Westcott Venture Park:** Needing 100% rates retention to invest in the site preparation, to enhance the infrastructure required on site (to create a facility of national and international significance), to offer suitable levels of rates relief and to enhance broadband/mobile telephony required to make the site a sufficiently viable investment proposition for end occupiers. On the basis of these terms, we estimate that the maximum potential cost to Central Government of awarding Enterprise Zone status to this site would be £26m over the 25 year term, with a forecast diccounted land value uplift BCR of 2.5.
- **Arla/Woodlands:** Needing 100% rates retention on the Woodlands element of the site to invest in the site preparation, to enhance the infrastructure required on site (to create a facility of national and international significance), and to offer suitable levels of rates relief across the Arla/Woodlands development, but offering to leave the consented Arla element of the development in the 50/50% 'local authority pooling' arrangements. On the basis of these terms, we estimate that the maximum potential cost to Central Government of awarding Enterprise Zone status to this site would be £34m, over the 25 year term with a forecast BCR land value uplift of of 2.5.

As far as indigenous industrial/research strengths are concerned, World Knowledge Competitiveness Index⁵ data indicates that (in comparison with various other global innovation hotspots) the key industrial/research strengths of the Oxford to Cambridge Arc sub-region⁶ are **Aerospace (including Space); Advanced Manufacturing; Environmental Engineering and Services; Life Sciences; Healthcare Technologies; and Information and Communication Technologies.**

As far as planned infrastructure improvements are concerned, the opening of the East-West Rail Line and CrossRail, combined with the potential Oxford to Cambridge Expressway, the outcomes of the M25 study and the expansion of Heathrow Airport will all improve the potential viability of the sub-region as an investment location for business.

As far as natural growth is concerned, according to Experian forecasts⁷ the Buckinghamshire economy will grow by an average annual rate of 2.6% per year between 2013 and 2023 (2011 prices), whilst total employment (workplace-based) will grow by an average annual rate of 1.1% a year; equivalent to an increase of almost 21,440 jobs⁸. In addition, according to 2012-based housing projections from the Department for Communities and Local Government the number of households in Buckinghamshire are projected to increase by 74,000 (or 9.8%) between 2012 and 2022⁹, a figure which is consistent with England as a whole (9.9%).

However, whilst growth in Buckinghamshire over the next economic cycle looks certain, the ultimate questions remains whether there is a strong business case for government intervention in stimulating higher levels of productivity; whether Aylesbury Vale has anything to offer in terms of trying to improve our overall position in terms of global productivity and competitiveness; and what kind of interventions might help us achieve higher-value growth?

As far as potential capacity to grow is concerned, numerous authors have recognised that there is considerable untapped potential for additional high-value growth in Oxford to Cambridge Arc sub-region.

When the Joint Venture Silicon Valley Network mapped the world's innovation regions in its 'Index of Silicon Valley'¹⁰, the UK did not feature among the 16 knowledge-based 'spikes' it identified.

⁵ World Knowledge Competitiveness Index (2008)

⁶ The O2C Arc denotes the region spanning Cambridgeshire, Nottinghamshire, Bedfordshire, Buckinghamshire and Oxfordshire.

⁷ Experian, Regional Forecasts (2015)

⁸ Taken for granted: why Britain needs a fair deal for the South East, Oxford Economics (2007)

⁹ DCLG 2012-based Household Projections: England (2015)

¹⁰ The State of the Innovation Economy in the UK2007

Similarly, the 'World Knowledge Competitiveness Index' ranked Eastern UK 54th out of 145 regions and South East UK 74th. Whilst the Buckinghamshire had the 17th highest GDP per capita of the 139 regions in the UK¹¹, we only rank 256th out of the 1,342 regions of Europe and 117th out of 412 regions in Germany. **All this data indicates there is still significant room for improvement if we are to match our global competitors.**

When considering what particular strengths Aylesbury Vale has in the key sectors in which the O2C Arc sub-region is strong and what potential future market opportunities/threats exist which government intervention might support, a strong commercial case emerges for investing in;

- **Food Science and Human Health/Performance.** Whilst Buckinghamshire sits at the heart of the Life-sciences 'Golden Triangle', and the South of the County, Oxford and Cambridge are all populated with a significant number of Biotech and Pharma Firms, Aylesbury Vale has traditionally been a far less attractive location for these type of firms. That said, the Vale has done particularly well at attracting businesses from one particular branch of the Life Science industry – namely Food Science - with the likes of Arla, Premier Foods, Natco, McCormick and United Biscuits all having a strong base in the vicinity. In addition to Food Science, Buckinghamshire has a strong and growing interest/capability in Human Health and Performance, as illustrated by the Spinal Injury Research/Paralympic legacy; the recent opening of Bucks New University's new Faculty of Human Performance; and Buckinghamshire Advantage's interest in developing the Woodlands Development as a healthy living community;
- **Space Propulsion and Environmental Engineering.** Rocket propulsion businesses and researchers need facilities like those at Westcott to test rocket systems and develop new propulsion/space products to address increasing environmental concerns. European legislation (such as REACH regulations) and pressures to reduce carbon emissions (with aviation being recognised as one of the fastest-growing sources of greenhouse gas emissions) are driving more research into green propellants. These issues, combined with constraints caused by a global over reliance on the Russian and Indian space programmes to launch satellites into space (with numerous researchers and businesses in the UK exploring the potential of developing light launchers) increases the significance – and potential impact - of the test facilities at Westcott. Whilst initially focused on space propulsion, BTV LEP recognise the significant potential the EZ site could offer as an attractant to a wider range of companies using space in a wider range of other sectors, supporting development of a broader space cluster.
- **Motorsport & High Performance Technology.** Whilst the Motorsport sector is a recognised strength of the O2C Arc sub-region – with Motorsport Valley being a well-established construct - the High Performance Technology sector has the potential to deliver much wider economic impact across a whole range of other sectors (like precision medicine, med-tech devices etc.). However, the full benefit from the sector will only be felt by driving the take up of new technologies and processes developed in the Motorsport sector through into other fields. In itself, this is not a natural process, but one that requires facilitation, through the encouragement and establishment of facilities which can promote and encourage the cross fertilisation of ideas, technologies and processes. The establishment of these kinds of specialist research and innovation facilities is key to realising the full economic impact of Silverstone Park, but one that also requires encouragement and stimulation through investment.

C3. Briefly explain the evidence base you have to suggest that the proposed site(s) are commercially viable (for example, a commercial demand appraisal, soft market testing, enquiry schedules, evidence of demand and supply for similar space or assessment of current and future land values).

¹¹ Eurostat, NUT3s Analysis (2011)

As far as viability is concerned, all the evidence suggests a **‘do nothing’ strategy is simply not a tenable option**, as it is unlikely to deliver the scale of growth Aylesbury Vale needs to achieve sustainable development.

In 2013, Aylesbury Vale District Council commissioned GL Hearn to undertake a Key Employment Sites Assessment, which identified that *“developers and agents reported significant issues in respect of the delivery of B1 offices across the District”*. The study found that *“the market is under-developed compared to surrounding larger centres with average take-up of just 10,000m² (107,639ft²) per annum between 2005-11; and take-up having fallen since the onset of recession in 2008”*. They go on, *“larger requirements are extremely rare and with the demand that exists predominately being for small flexible space”*; *“there is very limited new-build office space in the District”*; *“there have been no substantial new-build development schemes in Aylesbury for several decades and rental values are generally insufficient to support significant speculative development”*.

It continues, *“Demand for industrial units in the Vale is stronger and has held up notably better through the recession. Take-up averages 45,000 m² (484,376ft²) per annum across the Vale. The profile of demand for industrial and warehouse floor-space however, is notably different to that in surrounding centres such as Milton Keynes or Hemel Hempstead on the M1 Corridor. Availability of standing industrial floor space totalled 76,000m² (818,057ft²) in 2012 equating to a supply of 1.6 years based on past take-up (albeit that there are also a number of pre-let and design and build opportunities). Of the available (i.e. vacant) floor-space a moderate 8,900 m² (95,799ft²) is new-build space”*.

“Given the transport linkages, Aylesbury is not a town in which the market would commonly look to provide large scale warehouse / distribution sheds, albeit that this does not preclude delivery of specialist distribution facilities or manufacturing which may look to locate in the Vale for specific reasons”.

Whilst this narrative could be construed as presenting a somewhat downbeat picture, all the evidence suggests that the infrastructure development likely to come to Buckinghamshire in the next economic cycle (i.e. the opening of the East-West Rail Line and CrossRail, the Chiltern Line upgrade, combined with the potential Oxford to Cambridge Expressway, the outcomes of the M25 study and the expansion of Heathrow Airport) will all improve the potential viability of the sub-region as an investment location for business.

This combined with the natural population/housing growth being experienced in the north of Buckinghamshire (circa 1000 homes are being built each year in Aylesbury Vale District, among the highest completion rates of any district in the county) combined with town centre improvements (AVDC and BCC have invested significantly in the town centre including successful projects such as the Waterside theatre and conference centre) is making Aylesbury a much more attractive business location.

According to Experian, growth in output and employment in Buckinghamshire in the next five years is forecast to be the second highest of all of England’s LEPs after neighbouring Thames Valley Berkshire¹². Growth will not only be driven from within the county but also from major settlements on the fringes including Oxford/Bicester; Milton Keynes; Luton/Dunstable; and Slough, Heathrow and West London, which are expected to grow strongly, exporting people and jobs to adjoining districts.

As the recently produced Draft Buckinghamshire Infrastructure Plan states *“The economic opportunities in the Thames Valley, the quality of life on offer and proximity to London are fuelling population growth and demand for housing. In the north of the county there is land available to accommodate significant numbers of new homes and jobs, on a scale equivalent to that of previous new town developments.”*

It goes on, *“Together, East-West Rail and the East–West (A 421) Expressway, two nationally significant national network improvements, will make North Buckinghamshire a far more attractive location for economic and housing development. North Buckinghamshire is at the centre of the Oxford to Cambridge*

¹² BTVLEP Strategic Economic Plan (2013)

Arc, and this proposed East-West Growth Corridor will have Milton Keynes - one of the economically strongest cities in the UK at one end - and Oxford/Bicester at the other end. The implementation of East West Rail is well underway and the route for East West A421 Expressway is now being studied. When both are complete, these improved links in the national road and rail networks will enable frequent, fast journeys between North Bucks and major UK cities."

It concludes, "businesses are expanding and new employment is being created in 'knowledge-driven' sectors like high performance engineering; film, digital technologies and gaming; healthcare and life sciences; information technology; space and satellite applications; professional and business services; and agri-food".

These views – that improving the infrastructure in the north of the County will lead to improvements in the viability of North Bucks as an investment location - were supported by recent discussions held with developers, as part of AVDC's Developer's Forum. These discussions largely bore out the findings of the Draft Buckinghamshire Advantage Infrastructure Plan.

Ultimately, without some form of positive intervention in the locality to try and create more 'higher value' jobs, it's likely that all this infrastructure, housing and population growth will merely result in the creation of a range of lower value retail and service jobs.

By supporting Aylesbury Vale Enterprise Zone proposals, the government will be maximising our chances of stimulating key 'Plan for Growth' sectors and creating many more 'higher productivity' jobs in the locality.

C4. Briefly explain any further evidence that supports your commercial proposition (for example does it build on a current business sector that operates within the LEP area, are the relevant skills available in the local workforce, are national and international trends in your chosen field positive, will it generate increased exports).

As far as addressing the constraining factors that limit our economy is concerned, we have already talked about the potential 'game changing' effect that future housing and transport infrastructure investments could potentially have, in terms of helping to unlock higher levels of productivity.

As far as the indigenous research/test facilities across our proposed EZ area are concerned, and the indigenous industrial strengths of the O2C Arc sub-region is concerned, we have already set out how we believe further investments in research and business infrastructure at Silverstone, Westcptt Venture Park and Arla/Woodlands could stimulate the growth of the **High Performance Technology/Motorsport; Space Propulsion/Environmental Engineering; and Agri-Food/Human Health** sectors.

However, in order to better understand the potential value of this proposition, we recognise the need to understand how our proposals relate to the natural industrial structure of the sub-region, whether the relevant skills are available in the local workforce and what the are national and international trends in our chosen sectors are.

Turning to the innovation potential of the UK within a global context and the international linkages between the businesses in the O2C Arc sub-region and other innovation hotspots around the globe, the 'Ties that Bind' study undertaken by GHK¹³, identified that ***"addressing the challenges of stimulating higher value productivity in a globalised innovation economy, will increasingly depend on the UK's and the O2C Arc's ability to address the constraining factors that limit growth and expand/intensify our cooperation with competitive regions around the world, as global innovation platforms emerge or are created which spawn a whole range of diverse, innovative, new products and services."***

This study also indicated the relative global strengths of the O2C Arc sub-region as being **Aerospace (including Space); Advanced Manufacturing; Environmental Engineering and Services; Life Sciences; Healthcare Technologies; and Information and Communication Technologies.**

Perhaps unsurprisingly, the same report also identified that the key international regions which emerge from an exercise to map the linkages between the relative strengths of the O2C Arc sub-region and other global innovation hotspots are broadly consistent with actual overseas linkages of companies based in the O2C Arc sub-region. **These findings are important to inform our joint working with UKTI on FDI and International Trade matters.**

In terms of the number of overseas operations, it identified that, *“Europe outstrips North America as the most important continent for the overseas locations of O2C innovation firms with 165 operations in 39 European regions compared with 112 operations in 34 North American regions. Asia, with 100 operations in 15 regions has by far the densest concentration of O2C companies, with an average of seven O2C overseas operations in each region. India has on average five O2C companies in each region.”*

It continues, *“The region with the largest number of overseas O2C operations is the Île de France region in France. Only one US region – the Boston-Cambridge-Quincy metropolitan area – appears in the top 10 overseas locations. For O2C innovation firms, three Indian locations – Delhi, Mumbai and Bangalore (Delhi by a considerable margin) – are more important than Silicon Valley (covered by the San Jose-Sunnyvale-Santa Clara and San Francisco-Oakland-Fremont metropolitan areas).”*

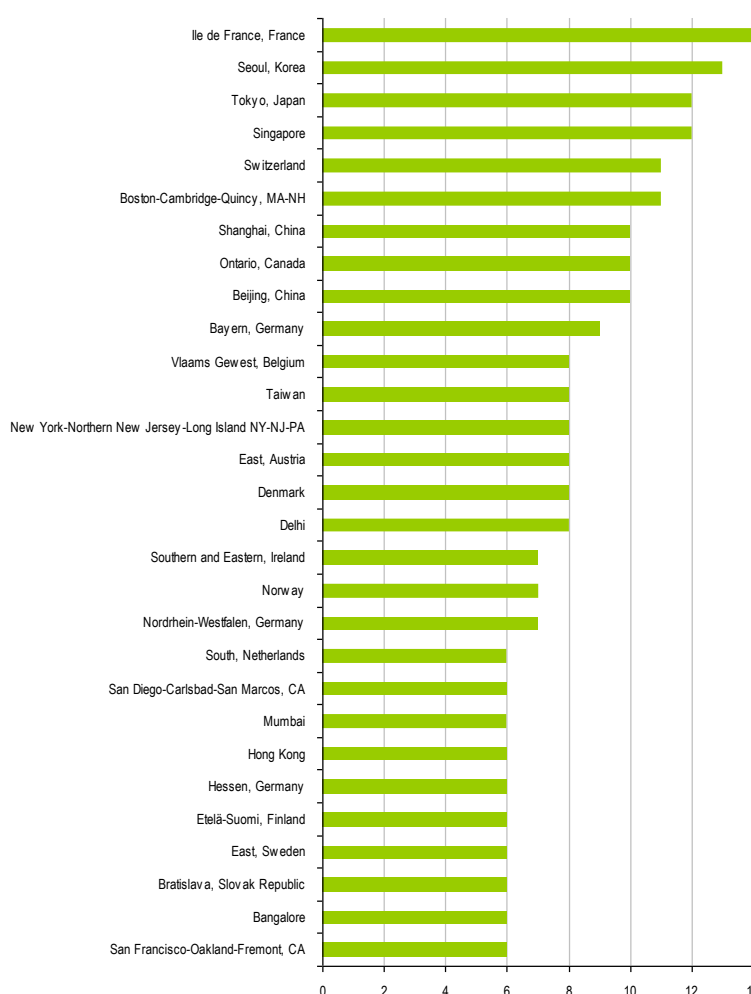


Figure 3: Important international linkages in the O2C Arc sub-region

As far as International Trade is concerned, UKTradeInfo data (2015) continues to reinforce the continued importance of North America, Europe (particularly Germany, the Netherlands, France, Switzerland, the Irish Republic, Belgium and Spain) and China for export business.

Looking to the particular sectors we have prioritised and the specialist research/test facilities that exist across the Enterprise Zone area, a number of issues are worthy of note;

- **The UK Space/Environmental Engineering Sector:** Contributes £11.3 billion to the economy, with direct employment of over 35,000 and the estimated jobs supported by space sector being well over 101,000. Three quarters of staff are graduates, 85% of businesses are commercial business and the

upstream industry is three times more R&D intensive than the normal UK average. Space is one of the 8 great technologies, with the UK space sector forecast to grow at an average growth rate of 7.5% pa. The current estimated UK share of the global market is 7%, although the UK Space Growth Action Plan¹⁴ is targeting a quadrupling of UK space / space-enabled markets to £40bn by 2030, the creation of 100,000 new high-value jobs, a growth in the UK share of global market to 10% and a growth in exports from £2bn to £25bn p.a. by 2030. In 2014/15, UKTI has led an Innovation is GREAT campaign and developed a more focussed Space proposal, including missions to India, China, Brazil and the US. UKTI have also developed a timetable of outward/inward visits including Satellite 2015 (Washington), 31st Space symposium (Colorado Springs) and the 2015 UK Space Conference (Liverpool).

Whilst Harwell remains an important focal point for the UK space sector, the Space Growth Action Plan recognises that the sector's growth ambitions will impact the whole of the UK. The UK Space Agency has recognised that the current facilities at Westcott Venture Park could act as an initial kernel of a considerably larger cluster of companies operating across the space sector. A further development under consideration, which would further support the development of this cluster, is the role that the facilities at Westcott could play as a strong element of a National Space Propulsion Test Facility, with capabilities complementary to Harwell. In April 2014, the UK government published "CREATING THE FUTURE: A 2020 VISION FOR SCIENCE & RESEARCH: A Consultation on Proposals for Long-Term Capital Investment in Science & Research"¹⁵ which focused upon the development of space propulsion as one of the key objectives of the 'new era for propulsion in Britain'. This document set out the government's interest in investing £30-60m in a National Spaceport and Space Propulsion Facility for R&D and production testing of thrusters in a simulated space environment which would support the growth of several UK companies.

In support of these goals, The UK National Space Technology Steering Group - as part of the Space Innovation and Growth Strategy (IGS) 2014-2030 Space Growth Action Plan – prepared The National Space Technology Strategy in April 2014 to articulate a national space technology strategy that forms a crucial element of the IGS delivery plan. In this Space Technology Strategy, a number of Access to Space Technologies were highlighted as being important for the future, including; Low cost chemical propulsion for high thrust (small launch vehicle) systems; Low cost chemical propulsion for lower thrust (orbit transfer) systems; improved electric propulsion for orbital transfer and station keeping; systems engineering tools for launch systems; lightweight and low cost thermo-structural materials with potential both for game changing reusable launch vehicles, and ultra-low cost expendable vehicles; and Spacecraft platform designs that enable miniaturisation and significant cost savings. The increased attention on alternative safer chemical propellants (also referred to as Green Propellants) and the successful ventures of entrepreneurial companies such as Space X present an exciting 'opportunity rich' environment for technological advancement, and business growth. In particular the renewed interest in a UK light launcher, targeted at enabling low cost access to space for companies such as SSTL, will generate a rapid expansion in the industry sector with the proper investment. This proposal to establish an Enterprise Zone at Westcott Venture Park provides government with a financially viable model for supporting the growth of this sector.

- **The UK Motorsport/High Performance Engineering Sector:** The UK is in a leading position in the technology-driven world of motorsport, with suppliers and teams servicing a range of race series on both two and four wheels. The UK motorsports and performance engineering sector accounts for around 4,500 companies, supporting at least 40,000 new jobs. This creates an annual turnover in the region of £9bn, much of which is exported. Throughout Motorsport Valley®, there is a range of specialist research facilities, private companies and Universities offering consultancy services. A

¹⁴ <https://www.gov.uk/government/publications/space-growth-action-plan>

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/321522/bis-14-757-consultation-on-proposals-for-long-term-capital-investment-in-science-and-research-v2.pdf

study by the MIA, entitled Review of the Evidence Base of Britain's Motorsport Valley 2013¹⁶ found that the UK motorsport and engineering services industry had a turnover of £9bn nearly doubling sales from £4.6bn in 2000. 87% of firms export their products and services and 55% are confident exports will increase during the next 5 years. The same study found that during the period 2006 – 2012 this UK business community has broadened its core motorsport activity and expanded sales to other adjacent technology and R&D intensive industries, including aerospace and defence. Over the same period the industry has seen a growing integration of engineering with services; an expansion into low carbon technologies; increased its global geography of exports, with most engineering firms (53%) believing energy-efficient, low carbon technologies will be at the heart of future growth. Main barriers to growth identified by the sector were demand fluctuations; access to finance; skills; and supply chain quality – issues which Silverstone Park recognise and are committed to helping the industry address.

- **The UK Agri-Food Sector:** Whilst Defra is currently developing a 25-year food and farming plan, we already know that Food and drink is the largest manufacturing sector in the UK (contributing £25.7bn to Gross Value Added in 2011 and employing 380,000 people in Q1 2013). The whole food and drink supply chain (including primary producers, manufacturers, wholesalers, retailers, catering, and restaurants) contributed £96.3 billion to Gross Value Added in 2011 and employed 3.3 million people or 14% of national employment in Q1 2013.

UK consumers are increasingly interested in the provenance of their food and recognise the quality of British food and drink. For example, the IGD ShopperVista survey in March 2013 found that nearly eight out of ten shoppers (78%) said they would buy British food if it were available in their local shop. This is up from 55% in 2007.

In 2013, food and drink exports amounted to £18.2bn. This is nearly 50% higher than a decade ago. As only 10% of food and drink SMEs currently export, there is huge untapped potential.

In addition, the UN forecasts that global food production will need to increase by over 40% by 2030, and 70% by 2050. Yet water is becoming scarcer, there is increasing competition for land, and climate change is putting added pressure on production. In Eight Great Technologies, the Policy Exchange states *"One barrier to progress is the belief that good food has no connection with scientific advance. The industry faces a shortage of food scientists yet its own advertising sometimes advertises its own products with happy peasants picking delicacies in a rural*

Idyll. Agriculture is a key high-tech industry of the future. The adoption of new technologies is crucial for improving agricultural productivity and feeding the world at a price we can afford"

In addition to Agri-Food, Human Health and Performance is also becoming a significant concern

- **The UK Human Health Sector:** Sport, exercise, & wellbeing are important aspects of the UK government's Strategic Health priorities (Five Year Forward View, NHS England Oct. 2014). As the Chief Medical Officer, has said previously, *"There are few public health initiatives that have greater potential for improving health and well-being than increasing the activity levels of the population of England"*. By 2050, 60% of males and 50% of females could be obese, adding between £5.5 and £6.5 billion to the annual total cost of the NHS, with wider costs to society and business reaching £45.5 billion¹⁷. As the birthplace of the Paralympics, and home to the National Spinal Injuries Centre, Buckinghamshire is home to significant expertise in Disability Sport and Rehabilitation. The Woodlands development includes plans for a Community Sport Facility. Buckinghamshire New University has recently launched a Centre for Sport, Exercise, & Human Performance and will soon open the University Centre Aylesbury Vale (UCAV). UCAV will include a Living Lab in Telehealth and Assisted Living.

Fiscal pressures in the Health and Social Care sector, combined with demographic changes to the UK as a whole, are driving many publicly funded Health and Social Care organisations to look at how technology can help them deliver innovative health and social care services. Recognising the

¹⁶ <http://www.the-mia.com/assets/highlightsfrom2013reviewofuksmotorsportvalleybusinesscluster.pdf>

¹⁷ Tackling Obesity: Future Choices – Project Report, Government Office for Science/Foresight, 2007

Woodlands development presents an ideal opportunity to embed a range of health, social care and wellbeing systems in the development, we are keen to utilise the commercial opportunity of being part of a healthy living 'test-bed' as part of our FDI proposition.

In summary, we believe this collective evidence base strongly indicates that the **Aerospace (including Space); Advanced Manufacturing; Environmental Engineering and Services; Life Sciences; Healthcare Technologies; and Information and Communication Technologies** are all strengths of the O2C Arc subregion, and more specifically (as a subset of specialisations) Aylesbury Vale possesses significant assets in **Space Propulsion/Environmental Engineering; Food Science and Human Health; and Motorsport/High Performance Technology Sectors**. In addition, we believe this evidence strongly points to the fact that these sectors have significant international growth and productivity improvement potential, providing investment is forthcoming to address weaknesses in infrastructure, research/test facilities and skills systems, to name but a few.

C5. Is the application for Enterprise Zone status scalable – could it be delivered with fewer sites?

☒ Yes ☐ No

We sincerely hope government recognises the opportunity that our three key sectors and facilities provide (in terms of potential future growth and productivity improvement). We understand this programme is somewhat oversubscribed, so would be open to talking to government about scaling it, should this be deemed necessary. We recognise that in submitting a single application we have bundled our various opportunities together, but would be happy to deconstruct them if deemed more appropriate.

C6. Would any other forms of public sector support be required to deliver the application? Why? (NB – if support from UKTI is requested the proposal must have a commercial proposition that will allow it to be marketed to investors)

BTVLEP and its partners are squarely behind these Enterprise Zone proposals.

In common with many other Enterprise Zones, BTVLEP would seek to provide additional support to potential beneficiary companies, some of which would also be available to any company that located anywhere in the region and other elements of which would only be available to EZ tenants.

As far as access to Local Growth Hub services and national business support services are concerned, we will offer the same services to tenants that are available in other parts of Buckinghamshire, but will seek to negotiate a preferential arrangement to these that enables them to be considered an additional benefit of locating on an EZ. This could, for example, include hosting workshops or clinics at the EZ sites, establishing a 'spoke' of the growth hub or automatically enrolling tenant companies to be members of the local growth hub, to receive 'preferential access' to information and events. As far as our plans to develop a Financial Engineering Instrument is concerned, we could similarly provide prospective EZ tenants with preferential access to investment support.

As far as UKTI is concerned, both Westcott Venture Park and Silverstone are already included in UKTI's Space and High Performance Technology / Motorsport propositions, however we believe the awarding of EZ status will enable us to strengthen these propositions. Arla/Woodlands is in a much earlier stage of development, but we are aiming to get this into UKTI's national Agri-Food proposition in due course. In common with the above, we will not be seeking additional support from UKTI, merely seeking to better align our current activity to the Enterprise locations and specialisms, in support of the overall vision for

the Aylesbury Vale Enterprise Zone. In addition to the above, we envisage EZ status across these three sites, the rates relief benefits this would deliver, combined with the potential to reinvest in the infrastructure and facilities at these three locations could help to develop a much more compelling FDI proposition. Should we be successful in securing EZ status for these three sites, we would be open to receiving additional support from UKTI to help leverage further benefit from this award.

As far as direct cash investments, it may be possible to direct any future LGF or ERDF investments towards supporting the Enterprise Zone, although BTVLEP needs to procure these through an open transparent tendering process, so cannot confirm public funding will be invested in this direction at the time of writing. For example, we are aware of Westcott Venture Park's; Silverstone's and Woodlands interest in developing a more coherent incubation offer.

In addition to the above, Woodlands will receive public investment to secure planning consent for the development. In addition, we are also currently submitting an application to NHS England's Healthy New Towns programme, although we are unsure of what public funding is available through this award.

Lastly, we are aware that the UK Space Agency is developing a business case for investing public funding in the national space propulsion test facilities. This funding (which would be complementary to the EZ application) is not yet secured/committed.

C7. Explain briefly how the proposed Zone will be prioritised by the Local Economic Partnership in the future, for example any future economic strategies or growth deal negotiations.

BTVLEP and our partners are committed to making the EZ a success and recognise how the financial model underpinning its operation is built on a clear 'invest for local greater benefit' model. As discussed above, BTVLEP will prioritise Enterprise Zone activities in future strategies, plans and growth deal negotiations. In adopting this approach, we will seek to build on the stated vision and strengths of the three discrete elements of the Enterprise Zone and ensure the overall Enterprise Zone is a success. Whilst the mix will differ at the three sites covered by our EZ proposals, immediate opportunities we foresee for strengthening the various components of our EZ proposition include;

- Simplifying Planning – exploring LDOs across the three sites.
- Skills Infrastructure – influencing the area based review process to ensure local skills provision is better aligned to the sectors prioritised by the different elements of the Enterprise Zone;
- Research Infrastructure – influencing government expenditure on Science, Innovation and R&D. Also, facilitating access to key EU programmes, like Horizon 2020;
- Loan Funding – utilising revolving loans, like PWLB or GPF to front load investment, with rates retention being used to repay the capital sum;
- Business Support – alignment of resources to support the growth and development of EZ firms;
- EU Funding – most of our EU funding priorities are already aligned to these sectors, although the potential may exist to do more. For example, we may be able to direct our FEI at supporting EZ companies;
- Broadband investment – ensuring our EZ sites have good broadband and mobile connectivity;
- LGF Funding – directing incubation, flood relief and transport funding towards egress/ingress and overcoming highways issues;

Given the structure of our local economy, the LEP is particularly keen to invest in skills, research, communications and transport infrastructure which will help stimulate higher value jobs in the sectors we are seeking to develop.

C8. 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.

Section D

Economic case

You must also fill in the accompanying Excel spreadsheet at Section G (failure to do so will mean your proposal is not considered).

D1. Please explain how the proposed Enterprise Zone will deliver new growth and what strategies will be used to minimise deadweight or displacement from adjoining areas and other parts of the country. Please state how you adjusted your proposals for optimism bias?

Our focus for delivering growth in the Aylesbury Vale Enterprise Zone will be on;

- **Stimulating new firm creation** – particularly research intensive firms in our priority sectors. We will achieve this by investing in hatchery, incubation and move on premises; intensifying the specialist (sector based) business support that is available locally; investing further in nationally significant research infrastructure; improving the alignment of our skills system to these priority sectors; and developing stronger linkages with pre-eminent research institutes;
- **Securing additional inward investment** - by establishing a clearer inward investment proposition; developing suitable collateral; developing a more active relationship with UKTI, relevant research institutions and local intermediaries; carefully targeting the locality as a potential investment location; enhancing our aftercare support to strengthen our relationship with overseas firms;
- **Stimulating business growth** – supporting firms that are currently based in Buckinghamshire (remembering we have the second highest proportion of home workers of any LEP in the Country) to actively consider relocating to the Enterprise Zone;
- **Exploring the potential of establishing three LDOs across the three sites in question** – all three landowners are interested in pursuing this and this is something we would be keen to fund out of the rates retention funding, subject to viability;
- **Shaping the Skills Sector to be better aligned to these priority sectors** – via the local area review process;

In adopting this type of investment strategy, we will minimise deadweight and displacement. In addition, because Aylesbury Vale lacks suitable premises for fast growing companies, we envisage deadweight will be minimal. This EZ proposal will create Jobs in three growth sectors of the national economy. Therefore new jobs will not be created at the expense of comparable jobs being lost elsewhere. The lack of local jobs and the availability of skilled local residents mean that jobs are unlikely to leak outside the local area due to in commuting.

As far as Optimism Bias is concerned, BTVLEP has;

- Asked the site owners to develop the first draft estimates for the economic impact for each of the sites in the Enterprise Zone;
- Scrutinised and sense checked the estimates put forward by the scheme promoters, both through direct questioning and secondary data analysis by an independent adviser;

- Applied a number of different discounts to the original estimates of potential outputs, depending on the responses received. Generally speaking, this approach has followed DCLG Guidance¹⁸;

In adopting this approach, we have sought to adopt a cautious approach to our estimates to minimise the risk of optimism bias.

D2. What total land value uplift is estimated as the result of the Enterprise Zone status once development has taken place (draw on answer at G11 and G12)? What is the basis for these estimates and how will you monitor the impact that Enterprise Zone status actually has on land values?

The total land value uplift estimated for each element of the Aylesbury Vale Enterprise from being awarded Enterprise Zone status is

- Silverstone: £15.6m
- Westcott: £22.05m
- Arla/Woodlands: £28.56m (this figure is based solely on the land value uplift for the commercial element of the development, excluding the residential element)

These estimates have been based on a variety of data, including;

- A viability assessment of employment land in the Aylesbury Vale Area which were undertaken by a large scale housing developer recently, as part of their scheme appraisal of a similar scheme on the East of Aylesbury;
- DCLG guidance on land value estimates for policy appraisal (2015)¹⁹.

In addition, the figures have been sense checked by an independent land agent. We have based the land value estimates differently depending on the current status of the land and future uses. We have discounted the value of the land post development differently for each of the above schemes depending on how long it takes to realise the post development value.

We will monitor the impact the EZ actually has on land values by similarly asking an independent valuation surveyor to carry out a valuation on the land values post development. This valuation will comply with definitions of 'market value' (MV) used in the 'RICS Valuation of Professional Standards' (the Red Book); take into consideration the prospects for development and the presence of any purchaser with a special interest, insofar as the market would do so; and follow the Green Book guidance on prices where "market prices may need to be adjusted for tax differences.

D3. What other wider economic, social, distributional or environmental benefits (such as innovation, retention of skilled workers, clustering, promoting exports) will the Enterprise Zone bring to the Local Enterprise Partnership area that may not be captured in the land value uplift?

As stated previously, our Enterprise Zone proposal will have a range of wider economic, social, distributional and/or environmental benefits, many of which we have sought not to quantify in the

¹⁸

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/corporate/pdf/319434.pdf>

¹⁹

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/407155/February_2015_Land_value_publication_FINAL.pdf

economic case for this project (as we understood government was solely using land value uplift as their primary measure. These benefits include;

- Innovation – stimulation of higher value jobs, in key plan for growth sectors, improving productivity and supporting the UK compete in the global race (attributable to a greater degree to Westcott/Silverstone);
- Skilled workers – increased employment for more skilled professional, technical and scientific workers (as this is partially subject to successful restructuring of the skills system via the area review process, and we are uncertain as to what this will deliver, we have opted not to include this as a reasonable benefit);
- Clustering & Networking – increased interaction between universities, research institutes and SMEs (attributed equally to all three sites);
- Health & Social Care – greater adoption of innovation in the health and social care system leading to fewer hospital admissions (attributed to Arla/Woodlands); and
- Exports – enhanced linkages with key overseas trade regions and more active promotion of UKTI services leading to greater take up (attributed to all three sites);

Once these elements have been included in the cost benefit analysis for the three sites in question, our estimates suggest that the BCRs for the entire Enterprise Zone increases to circa 8-10

D4. What growth would be delivered without Enterprise Zone status (for example, will development happen at a slower rate or will development be of a lower quality attracting lower value land uses or jobs)?

Our belief is that development across all three sites will be relatively modest over all three sites without Enterprise Zone Status. All the evidence from literature reviews suggests the situation will be further exacerbated if sites close to our proposed EZ are awarded EZ status, but ours is not – although this is somewhat harder to quantify.

As the GL Hearn Employment Land Study identified in 2013 (and as set out in more detail in Section C3*);

- The average take-up of B1 Office space was just 10,000m² (107,639ft²) per annum between 2005-11, with take-up having fallen since the onset of recession in 2008
- There is very limited new-build office space in the District;
- There have been no substantial new-build development schemes in Aylesbury for several decades and rental values are generally insufficient to support significant speculative development”.
- Demand for industrial units averages 45,000 m² (484,376ft²) per annum across the Vale.

In light of these comments, yes, we believe development will happen at a much slower rate without enterprise zone status and whatever development is built out is likely to be of a much lower quality.

****Please cross reference this section when appraising this answer***

D5. If at G7 you record that sites are not clear, please give concise details of existing buildings, structures and land uses or other issues, including an outline of how these will be resolved and when the sites will be ready for commercial occupiers.

The majority of the sites contained in our EZ proposal are clear, with the exception of Westcott, where there is 2500 sq. metres in total to be demolished.

D6. Are there any holding or other costs the public sector incurs on the land that would be avoided with the awarding of Enterprise Zone status? If yes, please state how much.

☐ Yes ☒ No

D7. What is your strategy for addressing any unexpected costs or other risks that may arise in future? How likely is this and how do you plan to manage and mitigate it (for example how would you manage a time delay or fund unexpected additional costs)?

Our general approach to project management, monitoring and risk management follows tried and tested Prince2/MSP processes.

If we encounter any unexpected costs, we will seek to assess whether these costs have merely been brought about because of scheme phasing or cash flow issues, or whether the overall cost envelope for the scheme needs reconfiguring. If it's the former, we will explore the potential of using public or private sector funds to cash flow the project, until such a time that funds can be reclaimed from the income that was planned at scheme design. If the unexpected costs have been brought about because of increased expenditure, we will seek to reconfigure the scheme design to review the income forecasts/potential of the project; examine what other sources might be used; and/or value engineer the project.

As far as risks are concerned, as stated previously, we utilise tried and tested risk management processes for identifying, assessing, scoring, reviewing and mitigating against risks as they arise. In the past, we have used a variety of tactics to mitigate against risks, too numerous to list here.

As far as mitigating against time delays and cost over-runs is concerned, we have considerable experience of managing large scale capital programmes, and redesigning them to hit key milestones and budget envelopes. In the past, we have utilised a variety of methods to ensure we hit key milestones and budgets, including revising our procurement strategy; securing additional third party investment; securing greater organisational capacity etc. Ultimately, in all these situations, experience tells us such decisions are often about balancing time – cost – quality issues.

D8. What risks have been identified in achieving the outcomes of the proposal and what are the mitigation plans?

We have identified a range of risks and potential mitigation plans to deal with three risks. These include;

- Demand: the strong locational characteristics of the various sites combined with the promotion by landowners (supported by the sites inclusion in various national UKTI propositions) will create a national and international profile for the site supplementing bottleneck demand.
- Multi ownership risks: Risk that landowners may be unable to fulfil their commitments or may move at a different pace to each other. We are satisfied that the various owners have an exemplary record in delivering strategic sites and that they have the financial resources behind

them. Indeed, having looked at our proposed EZ structure, we are convinced multi-ownership is a delivery advantage.

- Infrastructure: there are local issues around transport, energy and communications infrastructure, however these are well understood and are factored into the infrastructure plans we have in the county. Because all the sites are in rural locations, we may be able to utilise EAFRD funding if the market solutions do not come forward;
- LDO challenges: Officers are broadly supportive of our LDO proposals, as long as they are cost neutral. That said, we may encounter issues from local residents or from other industrial estates locally. Early engagement with politicians and active communication will mitigate against these risks

D9. Will anything to do with the site ownerships change (for example freehold or leasehold or any other options or interests) if Enterprise Zone status was granted? If yes, briefly explain any risks or benefits for the Enterprise Zone.

☐ Yes

☒ No

Section E

Governance and management

- E1. Our experience suggests that stronger Enterprise Zones often have their Local Enterprise Partnership playing a key role leading and owning the Enterprise Zone (for example with a named Local Enterprise Partnership Board member having lead responsibility for the Enterprise Zone). 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.

E2. Please explain the 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).

E3. How 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, 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.

E4. Are any of the proposed site(s) in an overlapping Local Enterprise Partnership area? If so, specify the names and roles of the two respective Local Enterprise Partnerships clearly and, if the overlap were ever addressed, how would you manage the Enterprise Zone?

☒ Yes ☐ No

All three sites of the EZ are in Aylesbury Vale, which retains membership of BTVLEP and SEMLEP.

BTVLEP will lead the EZ arrangements and offer SEMLEP an observer status at the Enterprise Company Board. In adopting this approach we are seeking to structure arrangements in such a way as to ensure successful delivery.

If the overlap were addressed, in BTVLEP's favour our sense is SEMLEP may choose to stand down from the Enterprise Company Board. If the overlap were addressed in SEMLEPs favour, as the Enterprise Company Board is an informal partnership, it won't be difficult to transfer the governance of this grouping to SEMLEP, with BTVLEP choosing to withdraw.

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.

Section F

Equality information

F1. Is it expected that the proposal or its outcomes will have a detrimental impact on any of the groups with protected characteristics as listed in the Equality Duty?

If yes, please describe the impact or impacts the proposal is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s).

We do not envisage that any part of our proposal will have a detrimental impact on any of the groups with protected characteristics as listed in the Equality Duty.

SCHEDULE 3: GOVERNANCE AND WORKING ARRANGEMENTS (BEZ TERMS OF REFERENCE)

Buckinghamshire

LOCAL ENTERPRISE PARTNERSHIP

THE ENTREPRENEURIAL HEART OF BRITAIN

Terms of Reference

Buckinghamshire Enterprise Zone Board

Date: December 2021

Status: Draft

1. Title: Terms of Reference for the Buckinghamshire Enterprise Zone Board.

2. Definitions

2.1. Within these Terms of Reference, the following definitions apply:

- 2.1.1. *Buckinghamshire Enterprise Zone (BEZ) formerly Aylesbury Vale Enterprise Zone (AVEZ)* is an Enterprise Zone designated by Government. Enterprise Zones are single or multiple sites which may offer business rate discounts or enhanced capital allowances for new businesses locating on the sites. BEZ comprises 3 sites at Silverstone Park, Westcott Park and Woodlands.
- 2.1.2. *The Local Enterprise Partnership* in respect of Buckinghamshire is Buckinghamshire Local Enterprise Partnership (BLEP).
- 2.1.3. *The Accountable Body* for both BLEP and BEZ is Buckinghamshire Council. The Accountable Body is responsible to the BLEP Board and its functions include ensuring appropriate arrangements are in place for the proper use and administration of funding, building on existing local government systems, which fall under the annual audit of the local authority's accounts.
 - a) For BEZ the Accountable Body's role is to
 - *Act as the collecting authority for all business rates within the Enterprise Zone.*
 - *Establish suitable systems for monitoring and reporting on funds collected.*
 - *Ensure government subsidies provided for the Enterprise Zone (including the subsidy provided under the EZ Memorandum of Understanding and the Regulations) are used for the objectives of the Enterprise Zone and in compliance with relevant laws.*
 - *Distribute the funds according to the priorities agreed in the EZ MOU and by the Strategic Board.*
 - b) *The Accountable Body, working with relevant Buckinghamshire LEP officers, will put in place appropriate arrangements for the proper use and administration of EZ funding.*

- c) *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.*

2.1.4. The Memorandum of Understanding is the agreement between BLEP and Buckinghamshire Council.

3. Purpose / Role of the Enterprise Zone Board

- 3.1. The BLEP Board is responsible for the delivery of BEZ.
- 3.2 The Buckinghamshire Enterprise Zone Board (BEZ Board) is a Subgroup appointed by the BLEP Board. It is accountable to the BLEP Board for its operation and delivery.
- 3.3 The BLEP Board delegates responsibility to the BEZ Board for the management and delivery of the EZ programme to meet BLEP agreed priorities and objectives and to maintain oversight and scrutiny of its delivery and operation. Delegation is subject to annual reporting on BEZ activity and successfully meeting annually agreed objectives with the BLEP Board.
- 3.4 The BEZ Board operates within the framework of the Memorandum of Understanding established at the beginning of the Enterprise Zone's activity and updated in 2021.
- 3.5 The BLEP Board receives monitoring and performance management reports for EZ at each of its meetings.
- 3.6 The BEZ Board will meet while BEZ remains operational. The EZ Board will cease operation either after the EZ's 25-year operational life expires, or where Government ends Enterprise Zones policy nationally.
- 3.7 The BEZ Board may:
 - 3.7.1. Endorse the governance and delivery arrangements for the constituent schemes of BEZ;
 - 3.7.2. Provide strategic oversight of, and direction to BEZ;
 - 3.7.3. Approve the Implementation Plan(s) for BEZ and forward to the BLEP Board for ratification;
 - 3.7.4. Endorse any subsidiary Memoranda of Understanding made between the Relevant Local Authority and other parties involved in BEZ delivery;
 - 3.7.5. Use all reasonable endeavours to promote BEZ, including the approval of a Marketing plan;
 - 3.7.6. Ensure appropriate resources and capacity are secured to deliver BEZ and provide appropriate direction and support to any dedicated staff;
 - 3.7.7. Monitor the performance of EZ at a strategic level, offer both challenge and support to proposals, and collaborate with BLEP, the Accountable Body and other partners in the provision of monitoring information to central Government;
 - 3.7.8. Promote the interests of BEZ at all levels including with national and local government, BLEP, industry bodies, academic institutions, businesses and potential investors;

- 3.7.9. Review and revise the EZ Implementation Plan and other tools in the light of performance monitoring information.
- 3.7.10 work on agreed propositions outside the physical EZ Boundaries in the wider interest of the EZ, and the Economic Development of Buckinghamshire
- 3.7.11 Develop new programme ideas as the existing EZ programme is delivered.

4. Membership

- 4.1. The BEZ Board shall consist of the following members:
 - BLEP – 4 private sector members (including BLEP CEO)
 - Buckinghamshire Council - 2 members
 In addition, an Accountable Body representative will be invited to attend the BEZ Board.
- 4.2. Where a Council member is unable to attend a Board meeting, they may nominate a suitable Alternate to take their place. Where an Alternate is attending a Board meeting they must register any Conflicts of Interest.
- 4.3. BEZ Board members will be bound by the BLEP Code of Conduct and register all interests on BLEP's Register of Interests form which will both be published via the BLEP website to be compliant with the BLEP Assurance Framework.
- 4.4. Members may resign from the Board by giving no less than 20 working days' notice to the Chair. Should a member resign, they shall be replaced according to the role or skills required.

5.Membership / Quorum

- 5.1. The nominated Board Members are: -
 - Adrian Brown – BLEP (Chair)
 - Cllr Martin Tett – BC
 - Cllr Gareth Williams – BC
 - Clare Pelham – BLEP
 - Richard Harrington – BLEP
 - Professor James Tooley – BLEP
- 5.2 The quorum of the Board shall be 3, of which one must be a member of the Council.
- 5.3. Should a Board meeting not be quorate, the Chair may arrange a Special Meeting of the Board to deal with outstanding business or may allow business to adjourn to the following ordinary Board meeting or may allow Board members to convey their views electronically to all the other Board members.

6. Officer Attendance

- 6.1. The Board will be supported by officers from BLEP and Buckinghamshire Council. Attendees will include: -
 - BEZ Director - BLEP
 - Head of Finance and Assurance – BLEP
 - Secretariat - BLEP
 - Accountable Body representative– Buckinghamshire Council

7. Chair

- 7.1. The Chair of the Board shall be appointed with the agreement of the BLEP Board.
- 7.2. The BLEP Board may also elect a Vice-Chair from the Members of the BEZ Board.
- 7.3. The Chair shall preside at meetings of the BEZ Board. In the absence of the Chair, the Vice-Chair shall preside. In the absence of the Chair and the Vice Chair, the Board shall elect a Member of the Board to act as Chair for that meeting only.

8. Observers

- 8.1. With the prior agreement of the Chair, observers from partner stakeholders may attend meetings of the Board.
- 8.2. Observers may, at the discretion of the Chair, participate in discussion (subject to the Conflicts of Interest procedure set out in section 9 below). However, observers may not vote.

9. Conflicts of Interest

- 9.1. At the beginning of each Board meeting the Chair shall invite Board members to declare any interests they may have in relation to any issues or items on the agenda of that meeting. Should a Board Member be aware that they have any interest, direct or indirect, in any matter being considered by the Board at that meeting, then they shall:
 - 9.1.1. disclose the interest to the meeting and not take part in any consideration or discussion of the matter or vote in any questions with respect to it; and,
 - 9.1.2. unless the meeting invites them to remain, withdraw from the meeting.

10. Secretariat

- 10.1. Secretariat functions for the Board shall be arranged or carried out by representatives of BLEP.

11. Minutes and Agenda

- 11.1. Draft minutes of meetings of the Board shall be prepared by BLEP and circulated to Board Members [10] working days after each Board meeting.
- 11.2. Draft minutes shall be approved by the following meeting of the Board.
- 11.3. The Agenda for the Board meeting shall be agreed by the Chair prior to circulation.
- 11.4. The Agenda and papers for the Board meetings shall be circulated to the Board by the Secretariat not less than 5 working days before each Board meeting.

12. BEZ Board Decision-making and Voting arrangements

- 12.1. The following Board Members will be entitled to a vote, should debates require a final vote on proposals.
 - BLEP x 4 voting members
 - BC x 2 voting members
- 12.2. The Chair of the Enterprise Zone will be able to use a casting vote should this be required.

- 12.3. In making decisions, the Board shall aim to reach consensus. However, exceptionally where consensus is not possible, a vote may be held. A vote may be carried by a simple majority of those present and voting, with the Chair having a casting vote in the event of a tie. The following matters shall require the support of at least 75% of Board members present:
- 12.3.1. Variation to the Board's Terms of Reference;
 - 12.3.2. Approval or variation of the Implementation Plan;
 - 12.3.3. Election of the Chair or Vice-Chair.
- 12.4. The Chair may decide that a matter requires an urgent decision. If an urgent decision is required, the Chair may either:
- 12.4.1. Through the EZ Director, call a Special Meeting giving no less than three working days' notice. In such a case, the quorum requirements set out in (5) shall apply; or
 - 12.4.2. Through the EZ Director, request that a decision be made by e-mail. In such cases, the EZ Director shall provide Board Members with appropriate information requesting a decision in no less than three working days. The minimum response for a decision to be made shall be 3 Board Members. In the absence of consensus, the provisions set out in paragraph 12.3 shall apply.

13. Transparency

- 13.1. The Board shall seek to operate in an open and transparent manner.
- 13.2. Meetings of the Board shall not be open to the public, given the commercially sensitive nature of information discussed. However, following approval by the Board, the agenda, papers, and summary minutes of each meeting shall be made available to the public via the EZ website, the BLEP website and Buckinghamshire Council website, subject to the removal of commercially sensitive information.
- 13.3. Where items for discussion could be regarded as commercial in confidence, this shall be clearly specified.
- 13.4. Commercially sensitive information may be circulated to the Board: all such papers must be marked "Restricted – Commercial". A summary outcome of the Board's discussions and its recommendations shall be recorded in the published minutes, but with appropriate exclusions for commercially sensitive information.

14. Reporting

- 14.1. The Board shall consider and approve an Annual Report setting out the progress of BEZ over the preceding year. This shall be approved by the BLEP Board.
- 14.2. In addition, the Board may provide updates on its activities to interested organisations and partnership bodies on either a regular or ad hoc basis.

15. Frequency of Meetings

- 15.1. The Board shall meet 6 times per year. It may meet more frequently if business needs dictate, at the discretion of the Chairman.



- 15.2. Board meetings shall be scheduled and located in such a way that the business of the Board can be expedited efficiently including the use of remote access and video technology.

16. Termination

- 16.1. The Board shall terminate its activities when the operation of the Enterprise Zone ceases.

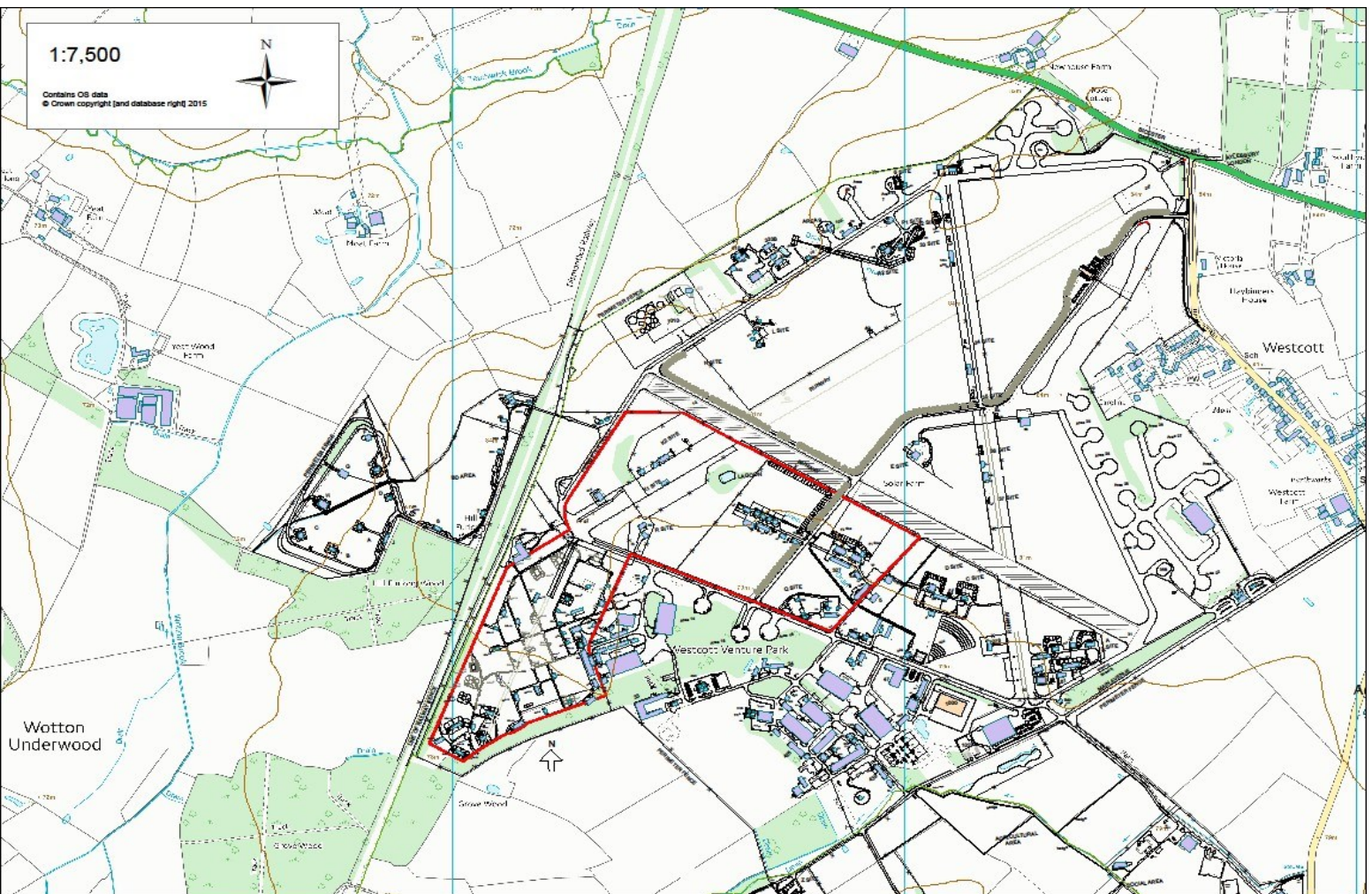
17. Variation to Terms of Reference

- 17.1. The Board may decide to vary its Terms of Reference, provided the procedure in Section 12 is followed.

SCHEDULE 4 – BEZ SITES AND INCENTIVES

BEZ Sites	Local Authority	ENHANCED CAPITAL ALLOWANCES	BUSINESS RATES DISCOUNT	BUSINESS RATES RELIEF
SILVERSTONE PARK	BUCKINGHAMSHIRE COUNCIL	NO	YES	YES
WESTCOTT PARK	BUCKINGHAMSHIRE COUNCIL	NO	YES	YES
ARLA WOODLANDS /	BUCKINGHAMSHIRE COUNCIL	NO	YES	YES

SCHEDULE 4C - WESTCOTT EZ SITE



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?

SCHEDULE 6 : OCCUPIER POLICY

• **Aylesbury Vale Enterprise Zone Business Rates Relief policy**

This policy identifies the circumstances in which BTVLEP will grant a business rate relief to occupiers of non-domestic properties located within the Aylesbury Vale Enterprise Zone.

Businesses that occupy property in the Aylesbury Vale Enterprise Zone may be eligible for a discretionary relief of up to 100% of the business rates payable, up to a limit of £55,000 per year and a maximum of £275,000 in any 5 year period subject to meeting the criteria set out within this policy. This will be subject to State Aid limits.

In applying for the relief, businesses will need to demonstrate how their business supports the Aylesbury Vale Enterprise Zone aim of supporting the growth of the following target employment sectors:

- **Silverstone Park:** High Performance Technology & Motorsport and related supply chain activities;
- **Westcott Venture Park:** Space, Satellite Applications, Unmanned Airborne Vehicles and related supply chain activities; and
- **Aylesbury East/Aylesbury Woodlands:** Agri-Food, Health and related supply chain activities

For this purpose businesses will need to demonstrate their involvement in the sectors targeted by the Enterprise Zone and provide appropriate evidence. Applicants for business rate relief will be assessed following the completion and submission of the Aylesbury Vale Enterprise Zone Business Rate Relief Application Form. The business rate relief will be awarded where the business demonstrates that they will meet the policy criteria.

Applications will be assessed by The Enterprise Zone Team and applications will normally be determined within two weeks of receipt. The outcome of the assessment will be notified to the applicant in writing.

Business Rate Enterprise Zone Relief Scheme criteria

To qualify for relief:

- a. First occupation of the premises must take place after the Commencement Date for operation of the Enterprise Zone (i.e after 1st April 2016).
- b. The whole or part of the property must be situated within the defined boundary of the Aylesbury Vale Enterprise Zone as shown on the maps in Appendix A.
- c. The business occupying the property must satisfy the sector test defined in Appendix B.
- d. The award of relief will be made on an annual basis and the business will be required to reapply each year.
- e. The business premises must be occupied in accordance with section 43 of the Local Government Finance act 1988. State Aid de minimus limits must not be exceeded (See Appendix C for details of what classes as State Aid and the limits);
- f. If a business moves into the Aylesbury Vale Enterprise Zone after 1st April 2016 is an existing Aylesbury Vale based business they will need to demonstrate that they cannot find any premises outside the EZ sites which are suitable for them and/or any developers that are willing to build them any suitable premises. This helps to safeguard against displacement.

BTVLEP retains the right to exercise discretion on a case by case basis.



Appeals

In circumstances where an application for business rate relief has been declined, the applicant may appeal for the decision to be reconsidered. A request for appeal should be made in writing to the Enterprise Zone Manager, no later than one month after the date of the determination. Appeals will be considered by the Enterprise Zone Manager in consultation with the BTVLEP CEO and this decision will be final.

Monitoring

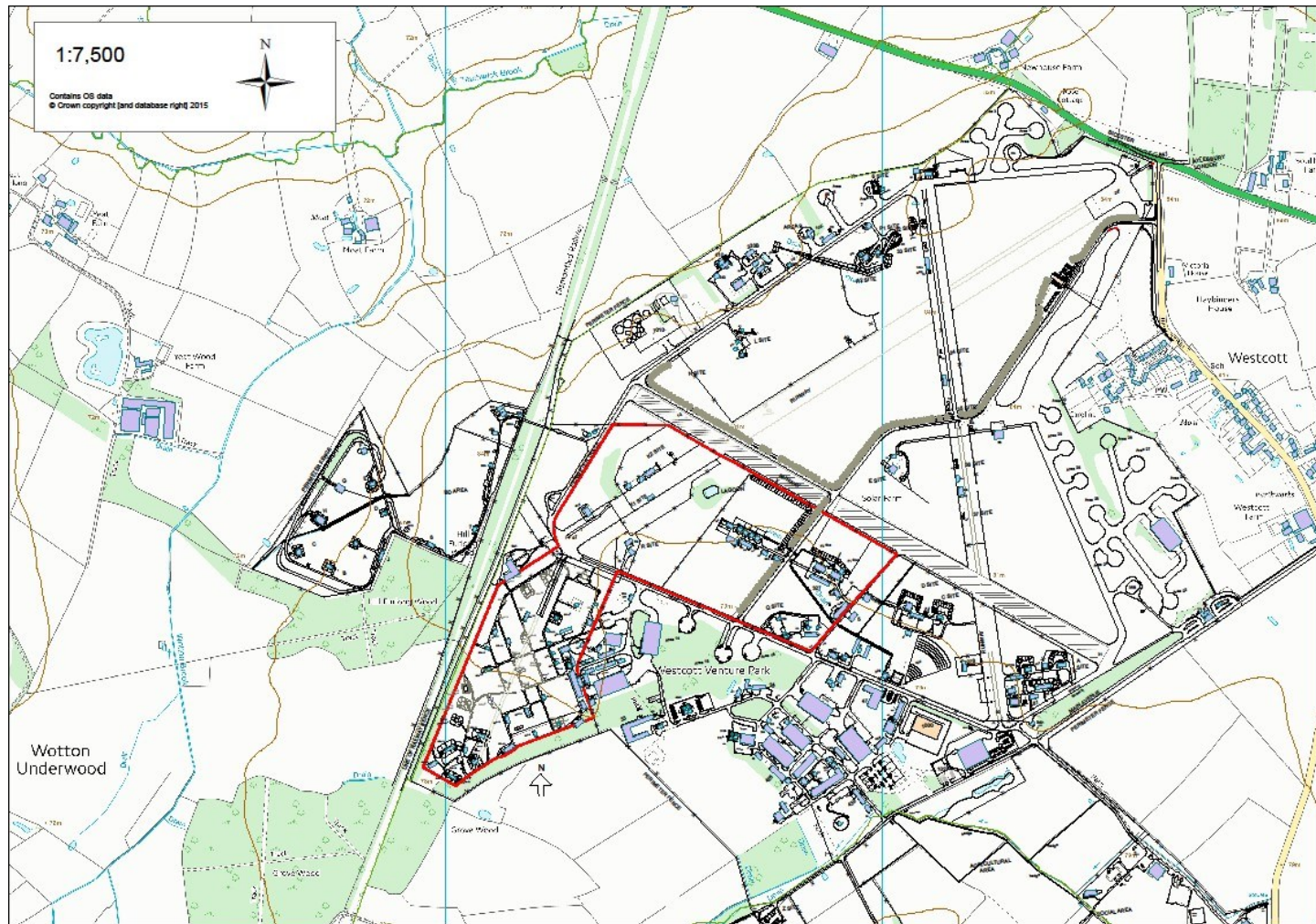
The Business Rate Relief is subject to annual monitoring to make sure that the qualifying business is still eligible for the relief, namely to ensure that the business is still in the sector and remains in occupation of the premises. The business will be required to complete an Annual Evaluation Form which will require the business to report on progress made against the plans described on their application form.

There are no powers of claw back. But the relief can be withdrawn for future years.

On-going relief will not be unreasonably withheld, but businesses will only be granted relief for one financial year at a time and relief will automatically terminate at the end of the financial year for which it is granted.

In cases where State Aid de minimus levels would be exceeded, relief will be terminated with immediate effect. Each case will be considered on its merits.

Westcott Venture Park





Appendix B: Sector Test

The business occupying the property must satisfy the sector tests which specify that;

All businesses must demonstrate that the primary focus of the part of the business that is being located within the Enterprise Zone fits within the target sectors of the specified site;

- **Silverstone Park:** High Performance Technology & Motorsport and related supply chain activities;
- **Westcott Venture Park:** Space, Satellite Applications, Unmanned Airborne Vehicles and related supply chain activities; and
- **Aylesbury East/Aylesbury Woodlands:** Agri-Food, Health and related supply chain activities

It will be expected that at least 50% of the turnover of the elements of the business that are located within the Enterprise Zone should be achieved from target sector activity. It is also expected that the elements of the business that are to be targeted within the Enterprise Zone will have a clear focus on the activities related to the target sectors.

The following uses will also qualify for a Aylesbury Vale Zone Business Rate Relief as they are viewed as supporting the growth of the target sectors of the Enterprise Zone.

- Modern logistics and transportation companies that are directly supplying companies within the Enterprise Zone target sectors.
- Companies providing products or services in the direct Supply Chain of companies within the Enterprise Zone target sectors.
- Companies whose primary purpose is to provide service sector support activities to businesses within the Enterprise Zone target sectors. This can include financial, insurance, legal, accountancy and management and consultancy activities.
- Education, training, research and development facilities where the primary purpose is to support learning, innovation, knowledge transfer and growth across the Enterprise Zone target sectors.

To qualify for relief under these uses the business must clearly demonstrate that they support the target sectors or have a clear business plan to actively develop their business plans to move into supporting the target sectors.

Appendix C: State Aid

State Aid is financial support that is provided by the State to business organisations. State Aid exists to avoid public funded interventions distorting competition within the European Union. Enterprise Zone Business Rate Relief is State Aid.

Generally State Aid is prohibited and unlawful. However, there are a number of exemptions, which if they apply, render the State Aid lawful and permitted. The relevant exemption in respect to the Enterprise Zone Business Rates Relief is De Minimus Aid.

If the business (including the applicant, parent company or subsidiary) has received any other de minimus State Aid during the current and the preceding two financial years this will be taken into account in calculating the amount of Business Rate Relief that may be awarded, to ensure that State Aid de minimus levels (currently €200,000 over a rolling three year period) are not exceeded.



Schedule 6 -
Occupier Policy.docx