



7<sup>th</sup> June 2016

Agenda Item: 8

## **REPORT OF THE CORPORATE DIRECTOR, PLACE**

### **NOTTINGHAMSHIRE BUSINESS INVESTMENT ZONES – EMPLOYMENT LAND REVIEW**

#### **Purpose of the Report**

1. To confirm the conclusions of a review of employment sites undertaken for the Nottinghamshire Business Investment Zones (NBIZ) initiative, noting the contents of this report and the suggested way forward.

#### **Information and Advice**

2. In March 2015, this Committee considered a report on the proposed content and expectations of a review of employment development sites across the County to be undertaken principally by Arup with the support of other partners, including Jones Lang LaSalle. This market-led review would underpin a proposed wider approach under the NBIZ concept which would allow the Council and its partners to identify which employment sites appeared to have the best potential for employment and growth, to be complemented by:
  - inward investment activity to be undertaken in tandem with the Place Marketing Organisation and other partners;
  - further dialogue with developers to review how the advantages of key sites might be exploited and how the barriers to the sites' development may potentially be addressed;
  - discussions with the Local Enterprise Partnership(s) to influence future funding decisions on bringing forward employment land across the County.
3. The Committee will recall approving a contribution of £20,000 towards the total costs of undertaking a review. The County Council's contribution was supported by contributions from each of the Nottinghamshire District and Borough Councils, making a combined budget of £34,000. The County and District Councils offered support to the framing of the review by putting forward the sites to be included in the assessment.

#### **The Review**

4. At the time of writing this report, the Councils have worked closely with the appointed consultants to conclude the review. A final draft has been shared with the Councils and was the subject of detailed discussions in late April, largely to review any factual errors or changes that would impact radically on each site's individual assessment.

5. A final version of the overall review will be available by the time of this Committee meeting, but in order to support the discussion, the following explains how the sites put forward were each the subject of a criteria based approach, which comprised a review of the following core elements:
  - Physical characteristics – including ground conditions, contamination, flood risk and access;
  - Scale of job yield – based on planning permissions / proposals and set against published standard methodologies;
  - Marketability / Market Achievability– set against historical approvals and length of time vacant, owner issues and investment potential as judged by the commercial sector;
  - Deliverability – taking account of costs of servicing and remediation and of scale and costs per job created.
6. Each site has been the subject of an assessment and a score of between 1-4 and thence a colour coding against each of the above 4 elements from red (being a significant barrier or consideration in bringing the site forward) through to amber (potential problematic) light green (limited issues) to dark green (no or minimal issues) with these four elements resulting in an overall colour grading for each site.
7. As an unweighted set of scores for each site alone, this offers reasonably valuable overview. However in order to offer a stronger commercial perspective on the review, Arup adopted a weighting which places the following emphasis (in order) on each of the elements:
  - Market Achievability – 40% - given sites are more likely to take off where the market is the driver;
  - Scale of job yield – 25% - being a primary outcome for employment sites;
  - Deliverability – 20% - given a need to look at sites with manageable cost barriers;
  - Physical characteristics – 15% - given that such issues can usually be overcome with strong market drivers
8. On the basis of this assessment, the 30 sites incorporated into the review have each been reviewed and this has allowed a ranking and grouping of sites and that will be referenced in the final version. It is proposed that the individual site scores are not referenced at this stage but will be reflected upon at the meeting – and the final review will give a good perspective on which sites appear to have the best potential for growth. The following points also merit reference:
  - The review cannot be considered as offering a definitive perspective on a ranked set of schemes. An as objective a perspective as possible has been taken, but views on key aspects – and especially the local market conditions which have a significant weighting – may be open to debate;
  - A change in circumstances as may relate to any of the elements reviewed for each site could of course result in a different outcome; hence the importance of regular reviews over time;
  - New sites may come forward to be reviewed against all the others included to date;

- Some aspects reviewed here have been limited by the costs of the study. Site surveys for example on any one site may be expensive and have yet to be undertaken in all cases;
  - The performance of the wider economy and trends within it will impact on all the elements considered in the review.
9. The above specification for the review provides a framework for assessing sites, which could be used to continue to monitor and review sites in the future in a consistent manner, allowing the partners to review trends, changes and developments over time. It should be stressed however that elements of this might best be undertaken again in tandem with the private / commercial market, especially on the market achievability factor and this should usefully be built in to any future process.

### **Next Steps**

10. The N2 Economic Prosperity Committee also considered the outcome of the work at its meeting on the 20<sup>th</sup> May. The considerations raised there alongside key elements of Arup's presentation will be reported to this meeting but are reflected upon briefly within the points below. Following collective and individual discussions between the Council, the District / Borough Councils and Arup and their partners, the review makes some observations and suggested areas to explore further to help drive the wider NBIZ work forward, summarised as follows:
- Given the evolving strategic landscape regarding a potential Combined Authority, a Devolution Deal and future Growth Deals, collaborative work on joint priorities requires agreement on which sites have the best potential for growth – and hence which sites might best benefit from currently limited external resources;
  - Creative joint approaches may be explored to see how sites could be financed and delivered;
  - The review should prompt a debate about the better alignment of strategies, plans and various funding sources;
  - Business rates devolution will present a challenge in maximising the rates to the area through good quality employment development;
  - Continually monitoring the market's view of employment land trends alongside business supply and demand considerations (in parallel with the local planning process) brings an overtly commercial perspective into play which will be a key factor in determining which sites remain best placed to deliver jobs and growth;
  - A dialogue should be maintained with key developers and the commercial sector to explore ways of bringing forward the sites with the best opportunities for growth;
  - This should not be done in isolation, factoring in skills, inward investment and indigenous small and medium sized business requirements, alongside wider influences such as a sense of place, housing market choices and broader policy considerations.
11. Arup's review offers the Council and its partners a framework to continue this approach to reviewing and prioritising employment land and site developments over time, responding to changes, new sites coming forward and new financing opportunities. Following the N2 meeting and the conclusion of Arup's review, it is proposed that a plan be developed around the above considerations to co-ordinate actions with the District and Borough Councils.

## **Reason/s for Recommendation/s**

12. To support the Committee in addressing its priorities regarding place marketing activities and to support its consideration of future development priorities in tandem with Local Enterprise Partnerships when considering future Growth Deal and related resource planning.

## **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the text of the report.

## **RECOMMENDATION**

14. It is recommended that the Economic Development Committee notes the contents of this report and the proposed next steps as part of the on-going NBIZ approach as referenced in the report.

### **Report of the Corporate Director, Place**

For any enquiries about this report please contact Geoff George ext 72146

### **Constitutional Comments [SLB 20/05/2016]**

This report is for noting only.

### **Financial Comments [SES 20/05/16]**

There are no specific financial implications arising directly from this report.

### **Background Papers and Published Documents**

None

### **Electoral Division(s) and Member(s) Affected**

All