

20<sup>th</sup> May 2016

Agenda Item: 4

## **REPORT OF THE CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY COUNCIL**

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

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

1. To share with the Economic Prosperity Committee 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. Rod Griffin (Arup) will be attending the EPC to present the principle findings of the review.

#### **Information and Advice**

2. In March 2015, Nottinghamshire County Council commissioned Arup (with support from Jones LangLaSalle) to undertake a review of employment development sites across the County area. This market-led review would underpin a proposed wider approach under the Nottinghamshire Business Investment Zones (NBIZ) heading which would allow the County 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. Nottinghamshire County Council committed £20,000 towards the total costs of undertaking the review. Each of the Nottinghamshire District and Borough Councils contributed £2,000, 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. The Councils have endeavoured to work 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 review will be circulated following the presentation at the EPC Committee meeting. 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 scored against the above criteria. 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
7. Of the sites incorporated into the review, the groupings of sites following the above assessment will be referenced in the presentation to the meeting. In considering the conclusions, the following points merit reference:
  - The review cannot be considered as offering a definitive perspective. 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 here;
  - 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.
8. 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**

9. In addition to any considerations raised at the Economic Prosperity Committee meeting, Arup's review recommends some suggested next steps which will help drive the wider NBIZ work forward, including:
  - Collaborative work on joint priorities requires agreement on which sites have the best potential for growth – and hence which sites might best benefit from external resources
  - Creative joint approaches may be explored to see how sites could be financed;
  - Business rates devolution will present a challenge in maximising the rates to the area through good quality employment development;
  - The importance of continued monitoring of employment land but in parallel with the local planning process, bringing an overt commercial perspective with developers and reflecting private sector needs;
  - Support should be given to the key developers to bring forward the sites with the best opportunities for growth;
  - This should not be done in isolation, factoring in skills, inward investment and small, and medium sized business requirements

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

10. To support the Committee in addressing its priorities regarding place shaping and 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**

11. 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**

It is recommended that the Economic Prosperity 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, Tel: 0115 9772146

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

None

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

All