



16th October 2012

Agenda Item:

**REPORT OF THE CHAIRMAN OF ECONOMIC DEVELOPMENT COMMITTEE  
THE NOTTINGHAM ENTERPRISE ZONE**

**Purpose of the Report**

1. To inform the Committee of progress being made with the Nottingham Enterprise Zone, being a key project of the D2N2 Local Enterprise Partnership.

**Information and Advice**

2. In the 2011 Budget, the Chancellor announced that the D2N2 Local Enterprise Partnership (LEP) would be awarded an Enterprise Zone, to be based initially upon the Alliance Boots campus in Nottingham as one of four, initial vanguard Enterprise Zones announced nationally, designed to deliver new economic growth. The Prime Minister and the Deputy Prime Minister launched the Government's Enterprise Zone policy at Boots in March 2011.
3. Earlier this year, the Government confirmed it would be willing to consider a potential amendment to the extent of Enterprise Zone designation in the D2N2 LEP area. Discussions took place with Government about their requirements and what type of amendment would likely to be acceptable. Following a period of discussion, the LEP Board and the Government reached agreement in the Spring of this year that the Enterprise Zone would comprise 4 sites, namely the Boots Campus at Beeston, the MediPark Site at Dunkirk, Nottingham; the Nottingham Science Park at Highfields, Nottingham and the Beeston Business Park, Beeston, Nottinghamshire. A plan illustrating the location of each site under the umbrella of the EZ is attached to this report.

**Benefits of the Enterprise Zone Status**

4. In total, the Government announced that it would establish 21 new Enterprise Zones nationally, offering a package of support to businesses, including :
  - a business rate discount worth up to £275,000 per eligible business over a five year period;
  - a simplified approach to planning;
  - Government support for the provision of superfast broadband;
  - Capital allowances.
5. Not all of the above benefits will be available to (or required for) all sites nationally; the availability of Capital Allowances for example being dependent upon an EZ's location

within an Assisted Area / State Aid considerations. On this latter point, to clarify, none of the four sites comprising the D2N2 LEP qualify to offer Capital Allowances.

6. The additional and important benefit of EZ status however is that all business rates growth from within the EZ as a whole over a 25 year period will be retained by the D2N2 Local Enterprise Partnership, to be reinvested to support further local economic growth. The business rate uplift generated by the Enterprise Zone remains the only source of long-term flexible income for D2N2.
7. Committee members will be aware of the Markham Vale site in Derbyshire; this too has secured EZ status, having been incorporated within the Sheffield City Region's wider Zone. The Sheffield City Region LEP will benefit from the business rates uplift on this site.
8. The D2N2 LEP's EZ and its four sites once fully developed have the potential to create over 5,000 jobs and stimulate economic growth. The following paragraphs offer a broad overview of the individual sites.
9. **The Boots Campus** - The Boots Campus presents a unique opportunity to companies looking to locate on the headquarters of one of the leading healthcare and beauty companies in the world. The ability for companies in complementary sectors to expand their supply chain and customer base will be a significant draw and Boots will be key to effecting this. The site also offers a wide range of property solutions from incubator facilities to major R&D / Head Office accommodation and links with higher education are being developed, alongside local successful business incubators. Boots has commented on how important the dualling of the A453 will be to their business as well as to the overall success of the EZ.
10. The site is not without its challenges however. A number of listed buildings exist and due consideration is required in factoring these issues into the re-development of the wider site. There are also land remediation issues, servicing and infrastructure requirements, highway and access issues as well as the on-going requirements of other companies on the site and not least, Boots themselves in maintaining their manufacturing presence. Not all of the site is therefore available for development but in its entirety, it covers c.93 hectares. The City / County boundary runs through the Boots site and this site is thus "shared" between Nottingham City Council and the County and Broxtowe Borough Councils. At this point in time, a conclusion is awaited on the required financing of the remediation and servicing package. One of the Committee's newly appointed co-options is Mark Chivers. Mark is Boots' Director for the Enterprise Zone and it is intended that he offers the Committee further insight into the development of the Boots site at the meeting.
11. **Nottingham Science Park** - Nottingham Science Park is home to a leading cluster of Low Carbon Technology companies and is located within Nottingham City Council's area. Nottingham Science Park is able to offer design and build opportunities from 20,000 sq ft, covering a maximum area of 2.1 hectares. The existing "No.1 Nottingham Science Park" is home to technology led companies such as Changan Automotive and Chinook Sciences as well as high growth companies such as 4Energy and Oegen. Nottingham Science Park is adjacent to the University of Nottingham which excels in Low Carbon Technologies. Subject to specific sustainability design requirements, the site is ready for development.
12. **Beeston Business Park** - Beeston Business Park is an employment site of some longstanding such as Siemens, SMS Technologies and ATOS Origin, being home to a

number of established technology businesses and small-sized managed workspace. Parts of the current site have potential to accommodate growth relatively quickly but some wider infrastructure and servicing issues require attention. The site totals c.19.4 hectares and is able to offer a wide range of businesses accommodation from incubator style offices to design and build opportunities. the Park is located within the County and Broxtowe Borough Council area.

13. **Nottingham MediPark** - located within the Nottingham City Council area, Nottingham MediPark is a proposal for a 3.5 hectare medical science park, located immediately adjacent to the Nottingham University Hospital and the University of Nottingham. This site is arguably different to the others in that is hypothecated to the bringing forward of this singular concept of a medical science park, integrated with hospital. It will facilitate collaboration in the medical technology field and the spin-out of new businesses. Outside of the required further development of the detail, the site has remediation and flood alleviation issues.

## Protocols

14. As the D2N2 LEP's EZ, it has been for the D2N2 Board to determine any particular protocols it wishes to implement. To date it has agreed a range of principles to govern the business rates incentives on the entire EZ which may be summarised as follows :
  - The Business Rates incentive will be available to inward investors and to new starts. Inward investors are defined in this context as businesses located outside of the D2N2 LEP area;
  - In order to minimise displacement, established businesses from within the D2N2 LEP area would only be eligible for such rates relief if they can demonstrate a genuine business reason for the re-location and that the relief would see a reinvestment in the business to generate further growth;
  - Any existing businesses already located within the EZ prior to allocation would only secure the incentive subject to demonstrating the same additional investment and business growth as above.
15. As will have been noted from the brief description of each site comprising the EZ, it is considered that a sector-based approach to the offering of rate relief would be difficult to achieve without challenge. Each of the sites looks to have differing competitive advantages and this has been deemed to be one of the EZ's potential strengths. However, the EZ has a health, life-sciences and technology theme at its core and this will be exploited through its communications and marketing messages, early work on which has commenced.

## Steering Group

16. In order to oversee the work on the EZ as a whole and specifically, to ensure that progress is made in bringing forward the respective sites in a timely manner, the D2N2 LEP Board has established a Steering Group, reporting directly to the Board and Chaired by a Board member. The Steering Group has an adopted terms of reference and organisationally comprises senior officer representatives of the three Councils of Nottingham City, Broxtowe Borough and County Councils and a local representative of the Department of Business, Innovation and Skills (BIS Local).

17. A number of Working Groups have been established, one for each site, designed to ensure progress is being made and any site-specific issues are addressed. County Council officers support the Boots and the Beeston Business Park Working Groups.

### **Other Options Considered**

18. There are no other options to be considered.

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

19. This report is offered for information, designed to brief the Committee on the establishment of the D2N2 LEP Enterprise Zone in Nottingham and Nottinghamshire.

### **Statutory and Policy Implications**

20. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

There are no specific financial implications arising as a consequence of this report.

### **Equalities Implications**

EZ's nationally have been introduced to bring about economic growth and specifically, to create private sector jobs. It is anticipated that the creation of such jobs will benefit both Nottingham and Nottinghamshire residents.

## **RECOMMENDATION/S**

That the Committee note the contents of the report.

### **Report of the Chairman of the Economic Development Committee**

**For any enquiries about this report please contact: Geoff George ext 72046**

### **Constitutional Comments**

21. This report is for noting only by the Economic Development Committee. No legal implications arise at the moment. (NAB 1<sup>st</sup> October 2012)

### **Financial Comments**

22. The contents of this report are duly noted; the financial implications have been brought out within the context. (DK 4<sup>th</sup> October 2012)

### **Background Papers**

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

Two of the sites comprising the Enterprise Zone are located within the Beeston South & Attenborough Division. The economic impact of the Zone as a whole will be felt beyond the immediate area and potentially, across the wider County area.