

Enterprise M3 Board Meeting 28 January 2016

Enterprise M3 Multi-site Enterprise Zone Proposal: Item 6

Board members are asked to:

NOTE the successful Enterprise Zone bid and the proposed next steps

NOTE that there will be a presentation and discussion at the board meeting on our planned governance structure, financial implication and timeline.

1. Background

- 1.1. Enterprise Zones are an important part of the Government's programme to devolve responsibility for leadership of local growth and provide a powerful tool for Local Enterprise Partnerships to develop their local economy.
- 1.2. In response to the governments call for a second round of Enterprise Zone applications, Enterprise M3 invited expressions of interest from each of the 14 Local Authorities (LA) in the LEP area. After consultation 3 LA's took the decision to engage with the application process; Runnymede BC, Basingstoke and Deane BC and East Hampshire DC.
- 1.3. Working in partnership with these LAs, Enterprise M3 took the lead role in collating all the necessary information required by government to complete the application process.
- 1.4. On completion of the application form and detailed site information, on 18 September 2015 Enterprise M3 submitted a multi-site Enterprise Zone application to Government that linked three major regeneration sites: Basing View, in Basingstoke, Longcross Park, in Chertsey, and Whitehill & Bordon's Louisburg Barracks.
- 1.5. In the 25 November 2015 Comprehensive Spending Review the Government announced that Enterprise M3 had successfully secured one of 18 new Enterprise Zones in England.

2. Details of our Multi-site Enterprise Zone Proposal

- 2.1. The digital economy represents one of the four priorities of the LEP set out within our Strategic Economic Plan and our multi-site Enterprise Zone proposal will be a critical part of our plans for growth in this sector.
- 2.2. The three sites will capitalise on innovation and local assets to enable regeneration and high value job creation. Our proposal for an Enterprise Zone is therefore compelling; it seeks to maximise Enterprise M3's strengths in the digital sector leading to the development of new businesses, job creation and growth. **It represents an area of 42.9ha with the potential to deliver 214 new businesses, 10,228 new jobs, 211,757 sqm of new floor space and more than 28,000 sqm of refurbished floor space.**
- 2.3. With Enterprise Zone status it is expected that the development of the three sites will give a **total land value uplift of £827,194/ha** and an **estimated business rate retention of £178m. Total GVA generated across the Enterprise Zone is estimated to be £17.7bn over 25 years.**

2.4. Business growth will be achieved in a number of ways which will include accelerating development of 'grade A' office space, establishing business incentive schemes, positioning and marketing the Enterprise Zone as an important digital cluster and attracting foreign direct investment. The bid also links with planned improvements to roads and other networks.

3. Next Steps

3.1. Enterprise Zone status will **commence in April 2017** and will provide incentives for both businesses and the LEP that include:

- Businesses taking up occupancy in an Enterprise Zone before 31 March 2022 will receive a 100% business rate discount for five years up to the maximum state aid threshold of £275,000;
- 100% of the business rates growth generated over 25 years will be retained by the Local Enterprise Partnership. This uplift will provide an investment fund which we will use in partnership with local authorities and other stakeholders to bring forward developments to deliver sustainable growth across the Enterprise Zone and the wider LEP area;
- Simplified planning that will ensure planning policy supports growth, for example, using Local Development Orders that give a grant of planning permission to specific types of development within a defined area, streamlining the planning process by removing the need for developers to make an application to the local planning authority.

3.2. Enterprise M3 will work with local authority partners to agree a Memorandum of Understanding (MOU) with DCLG that gives assurance to Ministers about the arrangements for delivering the Enterprise Zone. The MOU is expected to include:

- A 5-year delivery plan setting out how the Enterprise Zone will be set up and operated;
- Identified expertise needed to establish and operate the Enterprise Zone;
- An agreed governance structure;
- Agreements with each local authority partner covering key delivery issues including arrangements for fast-track planning and other approvals, use of business rates retained, collection and reporting of monitoring data;
- Plans for marketing the Enterprise Zone.

3.3. Further details will be presented to the Board on 28 January summarising our planned governance structure, financial implication and timeline. However, we are currently waiting for DCLG to outline the timetable for Enterprise Zones that commence in 2017 and specifically when the MOU will need to be finalised.

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15 January 2016