

(Informal) Joint Cabinet



Forest Heath
District Council

Title of Report:	A11 Growth Corridor – Feasibility Study	
Report No:	CAB/FH/16/031	
Report to and date:	(Informal Joint) Cabinet	19 July 2016
Portfolio holder:	Councillor Lance Stanbury Portfolio Holder for Planning & Growth Tel: 07970 947704 Email: lance.stanbury@forest-heath.gov.uk	
Lead officer:	Steven Wood Head of Planning & Growth Tel: 01284 757303 Email: steven.wood@westsuffolk.gov.uk	
Purpose of report:	To present the findings of the feasibility study into the delivery of an A11 Growth Corridor and to seek authority to continue work, in partnership with other relevant Local Authorities, towards its establishment.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that Members of Cabinet:</p> <p>(1) Members note the work undertaken to date to develop an A11 Growth Corridor project; and</p> <p>(2) Endorse the key findings of the Feasibility Study; and</p> <p>(3) Delegate authority to the Head of Planning & Growth, in consultation with the Portfolio Holder, to enter into legal agreements to establish suitable governance for the project and to work with Partners to bring the project forward.</p>	
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a) A key decision means an executive decision</p>	

	<p>which, pending any further guidance from the Secretary of State, is likely to:</p> <ul style="list-style-type: none"> (i) be significant in terms of its effects on communities living or working in an area in the Borough/District; or (ii) result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme;
<p><i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i></p>	
<p>Consultation:</p>	<ul style="list-style-type: none"> • The Feasibility Study was produced as an internal document to evaluate certain sites. The company who undertook the study consulted with and interviewed landowners/agents for all of the relevant sites and also other interested Stakeholders such as the LEPs, County Councils etc.
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> • Alternative options are: - <ul style="list-style-type: none"> ○ To ignore the findings of the study and do nothing i.e. allow the sites to come forward naturally as and when the market develops. This option is not recommended as other areas in the UK are either already developing similar projects e.g. the London Stansted Cambridge Corridor or are looking to do so in the near future. ○ Accept the findings of the study but not look to develop in Partnership with other Local Authorities i.e. utilise our own resources and work within those limits independently to develop our own sites. This option is not recommended as it does not take advantage of the added value and potential shared costs of collaborating with Partners to deliver outcomes that will benefit all Partners and raise the profile of the "Corridor" by working together.
<p>Implications: The Feasibility Study suggests that all of the Local Authorities and LEPs along the A11 Growth Corridor will need to collaborate in some way on a 'joint venture' to deliver the aspirations of the Growth Corridor.</p>	
<p>Are there any financial implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • The Feasibility Study suggests a total of £70 million of Public Sector

	<p>support may be required from Government and/or other Funding Agencies to deliver the aspirations for the Growth Corridor between now and 2031.</p> <ul style="list-style-type: none"> • There are no specific requests for further finance at this stage. Further reports will be brought to Members as and when necessary in the future. 		
<p>Are there any staffing implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • Further officer time will be required to take the findings of this study forward. 		
<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
<p>Are there any legal and/or policy implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • It is highly likely that a Memorandum of Understanding between the Local Authorities supporting an A11 Growth Corridor will need to be developed and agreed. 		
<p>Are there any equality implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
One (or more) Partner Councils does not agree to support the project going forward (e.g. refuses to agree with a Memorandum of Understanding, cannot provide adequate officer time etc.	Low	Meetings have already taken place at Senior Member and Executive levels to ensure all Partners are supportive of the Growth Corridor.	Low
Insufficient Funding is made available to deliver the desired outcomes – jobs and housing.	Medium / High	As above, plus discussions have taken place to ensure LEPs (as a possible Funding Partner) are fully engaged with the project and its outcomes (which also support strategic objectives of both partner LEPs). Political Leadership across the Growth Corridor area is fully	Medium

		aware of and engaged with the project vision and its outcomes.	
All Key sites in the Growth Corridor are in private sector ownership so there is a risk that landowners or their agents will not co-operate with the project	Medium	Close relationships will need to be developed with landowners and their agents as soon as the project moves into an active phase, so that they fully understand the role of the project. They will need to be included in the future development of the project as much as is sensible for the project to gain their support.	Low
Ward(s) affected:		Potentially all Wards within the District	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix 1 – A11 Growth Corridor Feasibility Study Summary (Exempt) Appendix 2 – A11 Growth Corridor Feasibility Study – Final Report (Full Version)	

1. Key issues and reasons for recommendation(s)

1.1 Background Information

- 1.1.1 The original concept of an A11 Growth Corridor was the result of some joint working between Breckland and South Norfolk Councils. Forest Heath subsequently became aware of this work after the brief for the feasibility study had been developed but prior to the Tender process being initiated. Forest Heath, in line with the duty to cooperate (created in the Localism Act 2011), agreed to join in with the study at short notice to ascertain the feasibility of establishing an A11 Growth Corridor that included Forest Heath employment sites/land.

The feasibility study was therefore commissioned early in 2015 by South Norfolk District Council (SN) on behalf of itself, Breckland District Council (B) and Forest Heath District Council (FH) as an internal or confidential report. The initial phase of work was to look at the ways in which the area could optimise the economic opportunity of the £120m infrastructure investment to dual the final section of the A11 trunk road. Forest Heath's financial contribution (£15k) was signed off by the Portfolio Holder for Economic Development & Growth in December 2014 on the basis that Members would take further decisions on subsequent phases of work. The report, now complete, contains commercially sensitive information and so a redacted executive summary is attached as Appendix 1 along with the full version of the report as Appendix 2.

- 1.1.2 When commissioned, the aim of the feasibility study was to ascertain the viability of creating a specialist economic growth corridor between the Norwich Research Park and Cambridge which could secure an aspirational growth figure of 10,000 new Jobs by 2031.

If taken forward, this growth corridor initiative has the potential to deliver 708,000 sq m of industrial and commercial floor space, circa 14,900 gross (9,000 net) additional jobs and £905m of private sector investment along the whole of the corridor.

- 1.1.3 At a local level the concept of supporting an A11 Technology Growth Corridor would be in line with priority 1 of the West Suffolk Strategic Plan 2014-16 to "Increase opportunities for economic growth."

- 1.1.4 At a sub national level, the A11 Technology Growth Corridor has been identified as one of four 'Growth Corridors' within New Anglia's Strategic Economic Plan (See figure 1 below) which has ambitions to deliver 95,000 new jobs, 10,000 new businesses, 117,000 new houses and improved productivity levels for New Anglia by 2026.

- 1.1.5 The concept of the A11 Technology Growth Corridor provides a framework to realign and enable more effective partnerships under the 'Duty to Cooperate'. The geography of the A11 Technology Growth Corridor incorporates a number of District Council areas, the counties of Norfolk and Suffolk and two LEP areas making it an ideal initiative to enhance collaboration for effective economic growth and infrastructure

and site development.

1.1.6 In addition, the A11 Technology Growth Corridor initiative has the potential to build on and benefit from discussions on devolution as there is likely be scope to better realign service delivery including business support and engagement activity as well as inward investment promotion on alternative geographic levels.

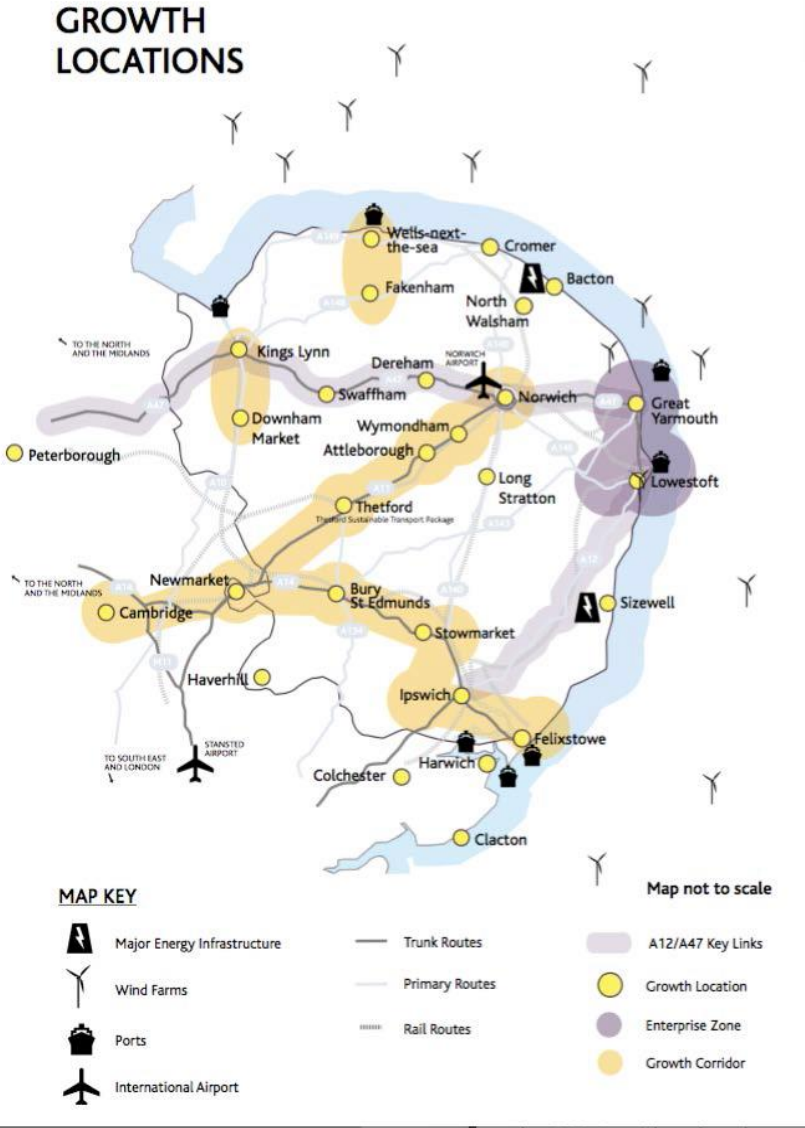


Figure 1 : New Anglia local Enterprise Partnership, Strategic Economic plan Growth Locations

1.2 Key Findings of the Feasibility Study

1.2.1 As part of the scope of the Feasibility Study, the three Councils proposed 25 potential sites along the A11 for the consultants to evaluate. These were assessed on a “multi-criteria basis” including:

- **Deliverability** – how easy is it to develop the site given existing constraints assuming delivery timescales for B1 (*Business e.g.: Offices, research & light Industry*), B2 (*General Industrial*) and B8 (*Storage and distribution*) employment space over the following timeframes:
 - o Short term (2015-21)
 - o Medium term (2021-26)
 - o Long term (2026-31)
 - o Beyond 2031.
- **Suitability** – is the site suitable for development?
- **Achievability** – will the site be developed, has it got planning permission, is it readily available for immediate occupation
- **Contribution to the A11 Corridor vision** - will the site help to transform the Corridor to meet the draft Vision?

1.2.2 The outcome of this evaluation was that 11 sites (as set out in **(Exempt)** Appendix 2) were shortlisted to make a significant contribution to economic growth along the A11 (see Table 1 below) with 3 sites comprising Kings Warren – Red Lodge (FH), Thetford Enterprise Park (B) and Browick Road, Wymondham (SN) likely to make a very significant contribution to the overall criteria. In addition Kings Warren – Red Lodge (FH), Thetford Enterprise Park (B) and Hethel Engineering Centre, Wymondham (SN) should be developed as ‘Technology Hubs’ see Table 1 below;

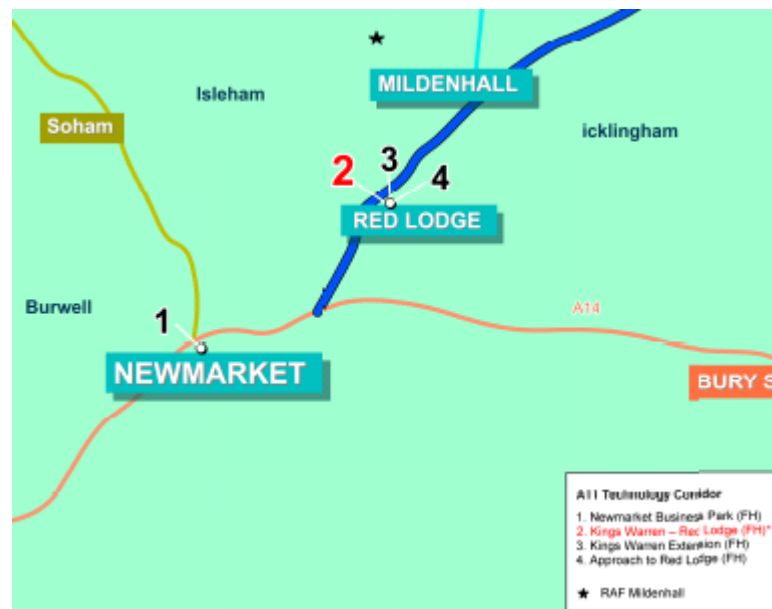
<input type="checkbox"/> <input type="checkbox"/> Newmarket Business Park (FH)	<input type="checkbox"/> <input type="checkbox"/> Snetterton Heath (B)	<input type="checkbox"/> <input type="checkbox"/> Norwich Research Park – South (SN)
<input type="checkbox"/> <input type="checkbox"/> Kings Warren – Red Lodge (FH)	<input type="checkbox"/> <input type="checkbox"/> Hethel (SN)	<input type="checkbox"/> <input type="checkbox"/> Thetford Enterprise Park (B)
<input type="checkbox"/> <input type="checkbox"/> Kings Warren extension (FH)	<input type="checkbox"/> <input type="checkbox"/> Browick Road – Wymondham (SN)	<input type="checkbox"/> <input type="checkbox"/> Thetford Urban Extension (B)
<input type="checkbox"/> <input type="checkbox"/> Approach to Red Lodge (FH)	<input type="checkbox"/> <input type="checkbox"/> Norwich Research Park – North (SN)	

Table 1 -Extract from A11 feasibility study depicting 11 strategic sites.

1.2.3 The feasibility study findings suggest that the allocated employment sites in the 11 identified sites offer the potential to deliver 708,000 sq m of industrial and commercial floor space and 14,900 gross (8,700 net) additional jobs and £905m of private sector investment. In addition the wider identified land resource has the potential for 836,100 sq. m, indicating that other opportunities may arise as the prospect of windfall sites is not precluded.

1.2.4 To deliver the Corridor, the consultants identified possible public sector support/interventions as follows:

- **Planning Framework/Masterplans** - a supportive planning framework to give investors greater certainty to the concept of the Corridor the individual sites and a focus for sector-led activity;
- **Site infrastructure** – support for initial investment in site infrastructure to kick start development activity;
- **Development activity support** - support for development to address viability issues in certain sites;
- **Business support** - additional support, where appropriate, to encourage business investment and recruitment and training activity;
- **Marketing and promotion** – active marketing of the Corridor, with appropriate information and promotional material, with the focus on a 'Technology Corridor'.
- **Project costs** – in outline terms, the consultants suggested that gross public sector indicative costs would be in the order of £70m supplemented by £905m (based on the Gross Development Value of the eleven proposed sites) from the private sector. It is estimated that £1.4m of public sector funding would be required for the 4 key sites identified in Forest Heath (see diagram below).



1.2.5 The consultant also considered where funding could come from and focused in particular on "traditional" opportunities for UK Government funding through LEPs, European Regional Policy (ESIF and Interreg), Joint ventures, LEP and local authority sources. It should be noted that this assessment was undertaken before the announcement was made about the abolition of uniform business rates or local discussion on

devolution and more recently the Referendum on Britain's membership of the European Union. Details of the funding requirements are included within the executive summary attached as Appendix 1.

1.3 **Development of an A11 Concept**

1.3.1 To breathe life into the concept of the A11 Technology Growth Corridor, following receipt of the study, a draft vision has been developed and shared amongst all of the Partners. This comprises the following statement: -

'By 2031, the Cambridge <-> Norwich Technology Growth Corridor will be a destination of choice for global technology including engineering, agritech and advanced manufacturing companies. Attracted by excellent infrastructure, reasonably priced land and adjacency to the cities and universities of Cambridge and Norwich, investors will create an additional 9,000 well-paid jobs and will add £558 million to the regional economy'.

We will achieve this vision in the following way:

- We will create a model that balances the enormous growth potential of the City of Cambridge with relatively low cost employment space along the Cambridge <-> Norwich Technology Corridor. This will be accomplished through a combination of New Anglia's successful Growth Locations strategy, and Greater Cambridgeshire's pioneering approach to enabling business-to-business networking, supply-chain linkages and cluster support. The outcome will be 'breathing space' for Cambridge through complementary and connected high value-added employment growth along the road and rail corridor to Norwich.*
- We will facilitate and encourage collaboration between the Universities of Cambridge and Norwich, using ESIF and other funding to enable the application of technology to new product development, and the commercialisation of research and innovation.*
- We will cooperate with each other and will work collaboratively with land-owners and developers, using planning powers and (where appropriate) public resources to create suitably serviced and accessed employment land at 11 agreed locations along the Technology Corridor.*
- We will ensure that the Ely North railway junction is upgraded, with a view to facilitating half-hourly train services on the Downham Market and Thetford routes, as well as improved cross country and freight services. This enhancement will contribute a regional economic uplift of £220 million. The upgrade will also facilitate the Wisbech to Cambridge Science Park line that is critical to the development of up to 10,000 new homes in and around Wisbech.*
- Using planning powers, we will facilitate the delivery of an additional 10,000 homes to complement the planned growth in high value-*

added employment.

- *We will develop a strong brand for the (provisionally named) Cambridge <->Norwich Technology Corridor that reflects our agreed Vision and that will be used to market investment opportunities on the 11 strategic commercial sites.*

1.3.2 To deliver the ambitious outcomes at pace, a collaborative approach at officer level by the three "Partner" District Councils and other relevant stakeholders (e.g. LEPs, County Councils) has been adopted in order to try and add value in the following ways:

- removing barriers to growth by promoting the A11 Technology Growth Corridor as a single key growth initiative for the New Anglia and Greater Cambridge Greater Peterborough LEP;
- increased scope to attract local, national and Foreign Direct Investment by offering planning certainty through a jointly agreed planning framework for the A11 Technology Growth Corridor;
- increased "weight" and negotiating leverage with Cambridge University, the Cambridge Cluster, and the Norwich Research Park to endorse and actively support the A11 Technology Corridor; and
- potential savings in terms of set up, joint marketing and promotion of the corridor, compared to each of us ploughing our own furrows.

1.3.3 To assist with the development of the concept and, in particular, with the marketing and branding element of the proposed Growth Corridor a total of £80K has been secured from Pooled Business Rates funding (£40K from Suffolk and £40K from Norfolk) to deliver this element. A procurement exercise, led by Breckland DC has been undertaken and a supplier selected, a partnership between MADE (Norwich based) and Milner Strategic Marketing (Ipswich).

1.3.4 The Cabinet are therefore asked to support and endorse the findings of the feasibility study as summarised in the report and agree to embark on the next delivery stage of bringing the project, as described, to life. The Leaders of both South Norfolk and Breckland District Councils have indicated their support for the findings of the study and have agreed to move towards a partnership phase, committing officer time to the project. Conversations have also been progressing with East Cambridgeshire District Council and Cambridge City Council to see whether they would support the establishment of an A11 economic growth corridor. East Cambridgeshire DC has now committed some officer time to assist with the development and the progress of the project.

(Please note that at time of writing this report the full implications of the result of the Referendum vote on 23 June 2016 have yet to be fully understood and, if necessary, this matter may need to be reviewed as and when this position is clarified. It is possible, at the current time, that

some existing European Funding may be targeted by the project for support in the future).