

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Suffolk Business Park	
Report No:	CAB/SE/17/055	
Report to and date:	Cabinet	17 October 2017
Portfolio holder:	Alaric Pugh Portfolio Holder for Planning and Growth Tel: 07930 460899 Email: alaric.pugh@stedsbcc.gov.uk	
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Purpose of report:	<p>To provide Cabinet with an update with regard to the progress on Suffolk Business Park; to agree the vision designed to meet the objective of the Council to achieve development of Suffolk Business Park; and to support further work in partnership to enable this to happen.</p> <p>This vision is needed to deliver the long term employment needs of our residents; to encourage the right mix of jobs and innovation (such as engineering, tech and high end manufacturing) to increase salary levels and aspirations.</p> <p>This action meets the Council's priority to increase opportunities for economic growth; and homes for our communities by the development of Suffolk Business Park and the construction of the Eastern Relief Road.</p>	
Recommendation:	It is <u>RECOMMENDED</u> that Cabinet agrees the vision for Suffolk Business Park, as set out in Section 3 of Report No: CAB/SE/17/055 and supports Officers' endeavours to work with the developers/promoters and other partners to achieve this vision.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<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>			
Consultation:		Ongoing consultation with both promoters at Suffolk Business Park/Suffolk Park.	
Alternative option(s):		The newly released commercial land at Suffolk Business Park, Bury St Edmunds has outline consent for both B1 and B8 use classes. The alternative option is to allow the market to dictate how the park is brought forward.	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • Not at this stage	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Time and resources of existing staff to enable the project to progress	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
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)
That the market is left to deliver Suffolk Business Park and only high value, low staff, low wage businesses are attracted.	Medium	Officers are looking at a range of ways to achieve the 'best outcomes' for West Suffolk.	Low
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>			
Documents attached:		None	

Key issues and reasons for recommendation(s)

1. Background

- 1.1 The development of Suffolk Business Park (SBP) has been a long established aspiration of St Edmundsbury Borough Council (SEBC) and as such is enshrined in policy. The Vision 2031 documents confirmed the allocation of the residential, commercial land leisure/community uses along with the Eastern Relief Road (ERR) and junction 45 of the A14 Trunk Road upgrade. In June 2010 the Masterplan for the extension to Suffolk Business Park was adopted.
- 1.2 The recently completed ERR (September 2017) has opened up the 68 hectares of employment land (for B1 and B8 uses); land for about 500 homes; the Sybil Andrews Academy; Skyliner Sports Centre; and motorist facilities associated with the A14, at SBP. This land is within the parish of Rougham.
- 1.3 For a number of years the Council has been working with potential partners to put in place the necessary infrastructure to expedite the new development. The 68 hectare extension to Suffolk Business Park is in three ownerships. Taylor Wimpey UK Ltd owns approximately 35 hectares (88 acres) of the western section of the site (closest to Moreton Hall); Rougham Estate owns approximately 21 hectares (54 acres) on the eastern side of the site (adjoining Rougham Industrial Estate on two sides); and SEBC owns a strip of land close to the western edge of the site. The commercial developer Jaynic is responsible for promoting the western side of SBP on behalf of Taylor Wimpey and Churchmanor Estates Company is the commercial developer for the Rougham Estate land.
- 1.4 SEBC approved a contribution of up to £3m towards the construction of the ERR, and to the principle of entering into a development agreement with the adjacent landowners to bring forward Suffolk Business Park in order to realise a return on that investment. SEBC also agreed that 14 hectares of land at Suffolk Business Park be granted Enterprise Zone status and that a £4m loan facility be available to the developer Jaynic in order that the spine road around the Enterprise Zone could be developed.
- 1.5 At present there are several planning applications being considered including new headquarters buildings for Treatt PLC; Servest; and Festool. There are also applications for a BP petrol filling station and for two warehouses (speculative development).
- 1.6 SEBC has played a key role in enabling the infrastructure (in the form of SBP) to be in place to support the growth of the local economy and to provide local people with a variety of opportunity. The next step is for SEBC to work with developers and other partners to shape how the park will be brought forward and to maximise the potential for the benefit of all.

2. Evidence Base

- 2.1 The starting point for determining what SBP needs to include if it is to maximise the benefit to local communities and the local economy is to understand the issues and challenges that currently exist. Officers have used a variety of sources to identify some key findings.
- 2.2 The evidence tells us that much of our local economy (66%) is made up of companies who are considered to be within low Gross Value Added (GVA) sectors such as service industries, hotels and hospitality, public sector etc. It would benefit the local economy if this imbalance were redressed. Suffolk Business Park will help in this.
- 2.3 Relatively speaking, Bury St Edmunds has low innovation and aspiration rates and its attainment levels (whilst better than the Suffolk average) could be improved. SEBC commissioned a study in 2014 that concluded an innovation centre would be an important addition to West Suffolk and that it should be located in Bury St Edmunds. With regard to attainment, there are several other initiatives being worked upon with West Suffolk College and Suffolk County Council to address the wider issues relating to skills. SBP is well placed to be able to support that work.
- 2.4 Our evidence shows that there is a shortage of start-up, move on and units of 20,000 sq. ft. in Bury St Edmunds. Therefore companies do not have a full range of options at each stage of their development and are often faced with relocating out of the area. We have known that there has been a shortage of available employment land in Bury St Edmunds for a long time and that SBP would be the solution. The next step is to make sure that the right spaces/opportunities are provided on the site.
- 2.5 Bury St Edmunds has a high employment rate; so there are more people contributing to the economy and fewer drawing benefits. Like anywhere though, there are hidden pockets of deprivation that do not show up on a town wide assessment. It is important not to lose sight of the need to provide for all in our communities. SBP needs to be able to provide a wide range of opportunities to maximise the benefit to all in our communities.
- 2.6 West Suffolk has an inclusive growth agenda. Many of our businesses are already engaging with schools to get young people business ready; working with our colleges including WSC on bringing apprentices on board; and developing business ready skills. This is the type of business culture we would like to promote for our area. We will encourage companies to recognise that investment in their workforce will pay dividends for them and for their staff. SEBC is willing to take an active role in helping to encourage good proactive companies and this supports our belief that West Suffolk as a place is a good place for businesses to locate to and grow.
- 2.7 Probably one of the biggest issues we face is the ratio of average earnings to average house prices. This ratio tells us how affordable our local housing is for local people. The average salary is approximately £28,000 per annum and therefore the average (semi-detached) home is 8 or 9 times the average annual income. We know that lenders are reticent to provide mortgages for more than three times an annual income. Among other initiatives to improve

affordability, it is also important for us to start to improve the average income to reduce the affordability gap.

- 2.8 Finally, the evidence shows us that without intervention the growth of Bury St Edmunds is likely to be in public services; manufacturing; finance/insurance; and logistics/distribution. With other sectors there are opportunities to increase wage levels, for example there are currently job opportunities in the Agritech sector (in Norwich) which range from £31,000 to £38,000 per annum.

3. Vision for Suffolk Business Park

- 3.1 Firstly, it is important to mention that the vision this paper is seeking to promote is not a replacement for the visions set out in the local plan, the masterplan or any other documents adopted by the Local Planning Authority. This report assumes all of those documents are read and will be adhered to. Ostensibly the aim of the Local Planning Authority is to create a high quality, sustainable business park and this vision is not only completely in tune with that - it aims to build on this land use aspiration. This vision is more about what goes on within buildings and across organisations/companies in collaboration.
- 3.2 In addition to the evidence base set out above, it is important to consider the opportunities. As well as being a great place to live and work, Bury St Edmunds is located close to Cambridge, Norwich and Ipswich; and relatively speaking it is also close to London. Suffolk Business Park itself is a key asset. It is an extensive piece of employment land with easy access to the A14 Trunk Road and it is ready for development – with all of the infrastructure (utilities etc.) being in place. It is also an asset to have two commercial developers working to bring additional attention to the park with the ability to build new bespoke buildings for growing companies.
- 3.3 Bury St Edmunds is set to grow considerably over the next few years. There are five strategic residential extensions planned for the town all of which have developers working to bring them forward. The town could grow by 5,350 new homes which is over 10,000 additional people in the next few years. This is an important factor for companies looking to relocate or to expand locally.
- 3.4 Given the opportunities we have; and recognising the challenges we face; the first role of SEBC is to set a clear vision that others can sign up to. The following factors are integral to the vision we have for the park:
- A range of offer across the park – land for sale; design and build; ownership and leasehold options (including short term).
 - A range of spaces – start up (incubation); move on; units ranging in size and adaptability of uses.
 - Opportunities for larger companies to consolidate or expand into bespoke units – the creating of headquarters or regional centres.
 - Building on existing sectoral strengths (such as food, farming and Aristech) and promoting new/growing sectors such as the digital/creative sector.
 - The use of the Enterprise Zone as a catalyst for new and/or innovative

- companies – such as Treatt Plc.
- Opportunities for local people and their strengths/skills whilst also collaborating with business and education providers to promote new skills and thereby opportunities.
- Using an incubator space to facilitate collaborations between companies; to inspire young people; to provide opportunities for business support; and to create space for developing industries such as healthcare.
- Strengthening links with Cambridge and other regional centres – targeting companies who are successfully growing and understanding what role SBP can play in that growth. For example a company may prefer to locate its research and development function on one of the science parks in Cambridge but may have the opportunity to locate its manufacturing element in Bury St Edmunds. Likewise, there may be a role for SBP in supporting the growth of the supply chains that are themselves feeding growing companies.
- Improving our marketing approach, working with partners to create a clear, concise and compelling message to attract new companies to the area in support of our strengthening sectors.

3.5 Some of the above elements will be achieved by the proposed and planned developments currently being brought forward by the two developers. Others on the list above will require SEBC to be the driving force. Whilst we do not own either of the sites we believe in being strong about our aspirations for SBP and will continue to work in partnership with landowners/promoters for the site. This vision will be an important lever in providing confidence to businesses. Further, there may be opportunities for us to directly invest and thereby to take control to see the outcomes we want.

3.6 This vision is needed to deliver the long term employment needs of our residents; to encourage the right mix of jobs and innovation (such as engineering, tech and high end manufacturing) to increase salary levels and aspirations. All of this is work in progress and it will develop over time. The important thing is that SEBC is driving SBP to be the best it can.

4. Conclusion

4.1 There is no doubt that SBP will be developed. There is interest from existing companies and alternative uses. The local economy would benefit from the growth of SBP regardless of how it comes forward. However, it is the main employment allocation for Bury St Edmunds for the foreseeable future. It is therefore a precious resource and our main opportunity to influence the growth and importance of our local economy to the benefit of our local communities.

4.2 The vision set out in this document has been informed by the evidence base gathered specifically for Bury St Edmunds and also by the opportunities presented by the town and Suffolk Business Park itself. It is clear that there is a role for SEBC to influence the outcomes from the development of the park to the benefit of our local communities.

