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**Meeting:** Executive  
**Date:** 10 November 2009  
**Subject:** Job Growth Investment Programme  
**Report of:** Cllr Ken Matthews , Portfolio Holder for Economic Growth and Regeneration  
**Summary:** The report proposes priorities for the Job Growth Investment Programme, and seeks authority to progress legacy capital projects.

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**Advising Officer:** Gary Alderson, Director of Sustainable Communities  
**Contact Officer:** Liz Wade, Assistant Director Economic Growth & Regeneration  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/  
exemption from call-in  
(if appropriate)** N/A

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The proposals meet the Council's Priority 3 Managing Growth Effectively

### **Financial:**

The following capital expenditure is proposed:

Flitwick Town Centre Development, Network Rail Progression - £100,000 funded from Growth Area Funding Round 3 (GAF3)

Brewers Hill Road, Dunstable - £100,000 funded from EEDA

Cranfield Technology Park Acceleration - £290,000 to be recouped as the Technology Park develops

There is funding in the Capital Programme for these schemes

It is proposed that three Planning and Development Briefs to be prepared will be funded within the 2009/10 allocated Sustainable Communities revenue budget.

### **Legal:**

The Job Growth Investment Programme relates to the discretionary power of Economic Development. The Planning Briefs would comply with the Planning and Compulsory Purchase Act 2004.

**Risk Management:**

External Fund Management is included in the Economic Growth Service Risk Management Plan and Business Continuity Plan. Risk will be assessed through project tendering processes for the Planning and Development Briefs.

**Staffing (including Trades Unions):**

There are no staffing issues arising from this report

**Equalities/Human Rights:**

Equality Impact Assessments will be prepared for the Planning and Development Briefs

**Community Safety:**

Community safety issues will be addressed through the commissioning of Planning and Development Briefs for specific sites.

**Sustainability:**

Sustainability principles will be embedded into the process of preparing Planning and Development Briefs.

**RECOMMENDATION(S):**

1. **that the Executive gives approval to the following legacy capital projects to proceed:**
  - (a) **Flitwick Town Centre Development Network Rail Progression Project (£100,000 GAF3 funded)**
  - (b) **Brewers Hill Road Dunstable, Remediation Work (£100,000 EEDA funded)**
  - (c) **Cranfield Technology Park Acceleration (£290,000 forward funding recouped from the developers)**
2. **that the Executive agrees the priorities for Employment Site Acceleration as set out in paragraphs 9 to 14 in the report.**

*Reason for Recommendation(s): To enable progress with delivering job growth and new investment in Central Bedfordshire.*

**Background and Strategic Context**

1. There is a major challenge to create new jobs to support Central Bedfordshire's ambitious growth targets set against the background of the current global and national recession. The Council has adopted a jobs led approach to managing growth effectively plan, with the two LDF Core Strategies planning for significant job growth (17,000 jobs in Central Bedfordshire North 2001 to 2026, and 35,000 jobs in Central Bedfordshire

South and Luton 2001 to 2031). A strategic objective for the Economic Growth and Regeneration Service is:

“To provide strategic leadership to ensure a supply of new employment development sites is delivered and renewal of town centres and existing industrial areas is addressed to match the growth aspirations and the carbon challenge.”

To help achieve this there will be a focus on partnership working with other agencies including the two Local Delivery Vehicles (Renaissance Bedford and Luton Gateway), the East of England Development Agency and at national level the Homes and Communities Agency.

2. The Growth Programme Team in Economic Growth and Regeneration is focusing on the following:

- Town centre regeneration and renewal, including the preparation of masterplans and planning and development briefs to encourage and guide renewal and investment
- Reviewing the portfolio of existing employment sites to identify barriers to development and opportunities to intervene to accelerate and bring forward sites and development
- Working with the two LDF Teams and Development Management to bring forward a new portfolio of employment sites
- Working with our partners in the two Growth Areas to deliver the GAF3 funded programmes of development

Appendix 1 provides a summary of the proposed approach.

3. To help us to achieve this the Council has included a £1m per annum Job Growth Investment Programme capital budget over 3 years. The focus of this report is to recommend priorities and a programme for this budget.

### **Legacy Capital Projects**

4. A number of capital investment projects have been brought forward from the three legacy authorities, which provides a firm foundation on which to build, and represents ongoing activity. Appendix 2 summarises the projects and progress to date and includes PIDs for the following projects to enable them to proceed:

- Flitwick Town Centre Development, Network Rail Progression Project (£100,000 GAF3 funded)
- Brewers Hill Road, Dunstable, Remediation Work (£100,000 EEDA funded)
- Cranfield Technology Park Acceleration (Up to £290,000 forward funding to be recouped as the Technology Park is developed)

### **Review of Opportunities for Site Acceleration**

5. Though considerable provision will be made in the two LDF's for new sites, the process for identifying and allocating these is a statutory process and therefore inevitably a lengthy one. In the former Mid Beds area the Site Allocations

Development Plan Document will identify new employment sites. It moves to the Preferred Options stage this autumn, with public consultation planned in early 2010, and final adoption due in early 2011. It is expected that 77ha of new employment land will be allocated through this process. In the Luton and former South Bedfordshire area, the Core Strategy will identify broad strategic employment allocations in the urban extensions, and the specific employment sites will then be identified in Masterplans for each urban extension. The Core Strategy adoption is envisaged in early 2011. It is expected that 120 ha of new employment land will be identified through the process.

6. However, there are a significant number of existing employment sites which are not delivering their full potential, in terms of job numbers, ensuring full and efficient use of the site or that may no longer be fully suitable for future employment use. Equally there are some sites which are yet to be developed despite existing Local Plan allocations or planning permissions.
7. Some of these sites may have issues which could be addressed in the shorter term to help ensure their future suitability for employment, improvements which could be made to deliver improved employment levels, or actions which could be taken to help bring forward the actual development.
8. An assessment has been carried of 22 sites in Central Bedfordshire which were identified from a wider sieve, and this is appended to the briefing note (Appendix 3). From the survey the following barriers to development have been identified.
  - (a) **Sites where owners/developers are unwilling to develop speculatively.** The current economic climate combined with the requirement that owners of empty commercial buildings have to pay business rates on the premises has severely hampered speculative commercial development. CENTRAL BEDFORDSHIRE COUNCIL in partnership with the two LDVs can offer assistance in marketing these sites in order to attract developers, can ensure that they are brought to the attention of appropriate potential inward investors and can ensure contact with the developers so that the sites stay “on their radar” for development as the economy returns to growth, and that CENTRAL BEDFORDSHIRE COUNCIL is involved should any further obstacles become apparent in the future.
  - (b) **Sites where there are infrastructure costs which may act as a barrier to development.** The survey has not so far identified any specific examples, but further investigation and discussion with landowners on some sites may reveal situations where support may need to be considered to overcome such barriers.
  - (c) **Land ownership issues.** Some sites are in multiple ownerships (often in town centres), and here there may be an opportunity for direct intervention by the Council to work with land owners to develop planning and development briefs for the sites, to encourage a comprehensive rather than piecemeal approach to development to the mutual benefit of all parties. In certain circumstances the Council could use its CPO powers to help facilitate land assembly of such sites, but a sound planning policy basis is required in these circumstances.

## Conclusion and Next Steps

9. **Forward funding of infrastructure.** Further investigation needs to take place including discussions with landowners and developers . The principle to be applied would be one of contributing towards essential infrastructure costs required for job creating development where development would not otherwise be able to go forward, subject to an agreement that the Council is reimbursed at a future date linked to the successful carrying out of the new development. It is not proposed to earmark specific capital funds at this stage, pending the outcome of the further investigations and discussions with the landowners/developers.
10. **Direct Delivery.** The Council is seeking to develop an Eco Business Centre to provide space for small and start up businesses. This is likely to be developed in Dunstable, possible sites include the Gateway site and Brewers Hill Road (see para 4 above). Over time there may be scope for more than one such development or some kind of managed workspace type development. A demand study has been commissioned and this should inform the proposed centre and will highlight other such opportunities elsewhere in Central Bedfordshire. It would be premature at this stage to earmark any specific capital funds until a preferred option and delivery mechanism has been identified.
11. **Planning and Development Briefs.** It is proposed to commission briefs on the Smiths Meadow and Land South of High Street sites in Leighton Buzzard as the main opportunity sites in or close to the town centre. The aim is to guide future development on these sites giving landowners and developers certainty in order to prepare planning applications. The same approach should be used on the Brewers Hill Road site in Dunstable and should include the employment area of the Trico site if all landowners are willing to be involved. Project Initiation Documents (PIDs) are attached for these three projects at Appendix 2. There may also be a need to use this approach on one or two sites identified in the Houghton Regis Town Centre Masterplan, subject to further discussions. In-house resources and expertise are not available to carry out this work ( requiring specialist planning, urban design, transport and property consultants). Earmarking £150,000 of LABGI grant should enable 3 briefs to be brought forward. Contributions from other landowners will be sought towards these costs.
12. **Marketing Support.** All vacant properties in the District should be marketed through the Council's website using the Commercial Route property database. The Council should ensure that those sites which have planning permission but where development has yet to take place is included on these if possible. In addition, an investment opportunities promotional document will be prepared to assist with actively marketing the sites. No capital costs would be involved.
13. **Strategic Land Acquisitions** In some circumstances land acquisition by the Council will need to be considered as an option. This might be the case for example in town centre sites, where using our CPO powers is the only means of ensuring assembly of key development sites. There may also be strategic opportunities for the Council to directly intervene where there has been market failure. It is not proposed to earmark any specific capital funds at this stage until specific proposals have been identified.

14. **Targeted Support** A specific issue has arisen in relation to the Grove Park development at Dunstable. Three of the six commercial units adjacent to the Grove theatre remain vacant. The owner (the units are held on a long lease from the Council) is seeking support towards the very high fit-out costs associated with the large units, as this is believed to be putting off potential tenants. Central Bedfordshire College is known to have been interested in one of the units, but the high fit out costs have been an obstacle to progress. It is proposed to liaise with the College to understand the level of support they need towards the fit out costs, and subject to receipt of a business case, to report back to the Executive if a way forward can be found.

**Appendices:**

Appendix 1 – Summary of Growth Programme Delivery

Appendix 2 – Review of Legacy Capital Projects including PIDs

Appendix 3 – Assessment of Employment Sites Acceleration Opportunities including PIDs

**Background Papers:** (open to public inspection)

Economic Growth and Regeneration Business Plan 2009/10

**Location of papers:** Priory House, Chicksands