

## Central Bedfordshire Council

COUNCIL

26 April 2018

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**This report relates to a decision that is Key.**

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### Purpose of this report

1. Outline the significant opportunity to regenerate the strategically important site at RAF Henlow.
2. Seek endorsement for Central Bedfordshire Council to explore options to transfer or purchase ownership of the RAF Henlow site from the Ministry of Defence (MOD).

### RECOMMENDATIONS

The Council is asked to:

1. **support the exploration of options to transfer or purchase the RAF Henlow site.**

### Overview and Scrutiny Comments/Recommendations

3. This report has not been considered by Overview and Scrutiny Committee or Executive due to the urgent nature and need for Council to provide a strategic steer. Should the decision be made to proceed with transfer or purchase of the site then future reports will be taken to the relevant Overview & Scrutiny Committee and Executive. As there is currently no provision for this expenditure within the Capital Programme, a report will also be made to Council requesting the necessary inclusion.

## **Background**

### **RAF Henlow Site**

4. In September 2016, the MOD announced that RAF Henlow would close by 2020. It is currently home to a number of military lodger units, all providing support direct to operations at home and overseas.
5. The RAF Henlow site is strategically significant, located in the heart of the Cambridge – Oxford Growth Corridor, with the potential to create a world-class aerospace/technology cluster attracting £100Ms of investment in business and job creation.
6. RAF Henlow is a freehold approximately 220 hectare (ha) site located within the Parish of Henlow and close to the village of Stondon. It includes an extensive air field and Henlow Camp to the South East which is a small settlement that has a number of local amenities including Derwent Lower School, shops, golf course and dog racing track. MBDA an established, world renowned business supplying complex weapons, to the Royal Navy, Royal Air Force, British Army and overseas nations is also located here.
7. The site comprises the following main areas:
  - a. North Site – 178ha grass airfield and technical areas. There is no military flying, except for a Volunteer Glider Squadron (VGS) and a commercial flying club. The technical site consists of a number of hangars and other military facilities. The hangars, which are Grade II listed were constructed at the end of the First World War.
  - b. South Site – 21ha technical location consisting of typical Single Living Accommodation, Service Family Accommodation, Officers Mess and office accommodation of varying types and ages. The Officers Mess dates from 1933 and is Grade II listed.
  - c. Sewage works – 2.1ha site isolated from main Station areas.
8. The Defence Infrastructure Organisation (DIO) is responsible for all MOD estates and infrastructure, and is accountable for the disposal of RAF Henlow, with the objective of maximising receipts and meeting housing delivery targets.
9. In Spring 2016, the DIO submitted the RAF Henlow site late into the Council's call for sites exercise to inform the Strategic Housing Land Availability Assessment process for the Local Plan. DIO's subsequent formal representations to the regulation 18 and 19 consultations on the Local Plan also reaffirmed their aspirations for residential development.

The site is now a draft strategic allocation for 130ha of specialist high technology, science, research and visitor economy uses in the submission version of the Plan which will be submitted to the Secretary of State for Examination on 30 April.

10. Central Bedfordshire Council has been working with the DIO to develop regeneration plans for the site that prevent it from becoming “mothballed” resulting in significant delays to its regeneration and the subsequent decline in the local area that would result. There is an opportunity for valuable joint place shaping to deliver regeneration at pace. The current preference from DIO is for the majority of the site to be released for housing.

### **Strategic Fit**

11. Central Bedfordshire Council has been developing a strategy to create a sustainable, mixed use redevelopment including a world class science and technology park to utilise its strategic location and create a thriving, sustainable community that builds on industry related manufacturing base already located on the site.
12. The site, its location and industrial heritage is too important from an economic perspective to be almost wholly used for delivering housing. Moreover, the constraints outlined in more detail in paragraphs 17-19 below render a commercial led redevelopment more feasible than a residential led approach. The safe guarding area required by a site based commercial activity (which is of national importance) effectively sterilises a proportion of the site and a significant housing development on this site is, without significant mitigation, going to have a detrimental impact on the local traffic pressures in this area, principally on the A507. Whilst an element of housing may be appropriate as part of a mixed use sustainable approach, the site offers a tremendous opportunity to develop and showcase some exceptional and ground-breaking technologies which also offer Central Bedfordshire and UK Plc wide benefits.
13. The mixed use regeneration of RAF Henlow fits with the national *Industrial Strategy: building a Britain* for the future, this recognizes the importance of investing in science, research and innovation and states that as the UK prepares to leave the EU the government remains committed to maintaining and building on our strengths in Research & Development (R&D) to continue attracting world class people, skills and foreign investment.

### **Opportunities**

14. Central Bedfordshire Council has been approached by several companies interested in locating at RAF Henlow, giving a strong indication of commercial interest for the site.

Significant discussions have been had with four international businesses who all possess massive growth potential in the global high-performance technologies and R&D sectors. We are also seeking to secure the future of existing businesses on the site. There is a real risk that as all have global connections they could easily switch operations to anywhere in Europe.

15. There is also a dis-used centrifuge foundation within the site which has attracted interest from a key growth sector company. This opportunity has the potential to gain a return for the original MOD investment in the asset.
16. Central Bedfordshire Council has developed an indicative phasing plan for a mixed-use redevelopment that would work in synergy with the MOD plans for decanting the site. Enabling development to move at pace will reduce the possibility of the site becoming stagnant and unused.

### **Constraints**

17. Technical assessment to date has however demonstrated that there are some key constraints in term of housing led development. MBDA has a safeguarded area around it where the land should remain undeveloped. It is likely that this use will remain on site so the safeguarded zone will therefore need to be excluded from any housing development potential.
18. There are four large hangars to the south of the air field that are listed buildings so these would have to be retained as the buildings and their settings are protected. These would be suitable for potential conversion into commercial uses.
19. Substantial residential development would mount further strain on Highway capacity around the site on the A507 and local roads. Additional residential trips would exacerbate peak hour flow movements which cannot be controlled by planning conditions. A commercial use will have more irregular traffic movements which would assist in spreading any increase of traffic flows throughout the day.

### **One Public Estate**

20. One Public Estate (OPE) is an established national programme delivered in partnership by the Cabinet Office Government Property Unit (GPU) and the Local Government Association (LGA). It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners.
21. In November 2017, Central Bedfordshire Council submitted a bid to secure OPE funding to support early stage work. The bid was successful in securing £170K, the highest single amount from the programme round.

22. The funding can be used to enable Central Bedfordshire Council and the DIO to jointly develop regeneration plans for the site at pace. The objectives are to:
- a. Explore options to create a new sustainable, resilient and thriving mixed –use redevelopment of the site;
  - b. Secure and Integrate substantial residential provision on the greater site to help meet DIO and Government targets
  - c. Generate significant capital receipt for redundant MOD land
  - d. Create a significant place and development which is central to the Oxford -Cambridge Growth Corridor and presents a “UK Plc” offer;
  - e. Testing viability of different options for the site including interested companies.
  - f. Meet the needs of the local community, providing jobs, homes and a sense of place in a timely manner (building up the site at the same time as RAF winds down operations).
23. Progress of the OPE programme has been slower than anticipated, due to the differences of each organisation’s remit, priorities and focus.

### **Why Full Council support is needed**

24. Full Council support to explore options to transfer or purchase the site is required given its strategically significant location within the heart of the Cambridge – Oxford corridor, its status as a key employment site within the Local Plan to support developments along the A1 corridor and the impetus to move at pace to keep the site active throughout the decanting process.

### **Council Priorities**

25. The future regeneration of the RAF Henlow site will support the objective of enhancing Central Bedfordshire. Ensuring the mixed use regeneration of the site supports the delivery of planned new homes for residents, new commercial opportunities and the creation of strong, sustainable communities.

### **Corporate Implications**

### **Legal Implications**

26. This report is seeking a mandate from Council to proceed with the exploration of options for the RAF Henlow site and Central Bedfordshire Council leading its future redevelopment. As options are developed and subsequent recommendations made legal advice and consideration will need to be provided to inform final decision making.

## **Financial and Risk Implications**

27. There will be significant financial implications concerning all of the options available to the Council. The extent and nature of these implications will become clearer as the options are developed and subsequent recommendations made.

## **Equalities Implications**

28. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
29. Good planning and effective regeneration can improve environments and opportunities for communities experiencing disadvantage. Planning which does not adequately engage with, or consider the needs of, local communities is unlikely to improve their life chances and may further entrench area-based disadvantage.

## **Conclusion and next Steps**

30. Following advice from central government, Central Bedfordshire Council is in the process of commissioning research that examines the economic value of a hi-tech cluster within the context of Cambridge - Oxford Growth Corridor and to support the proposed policy in the Local Plan.
31. We seek to continue engagement with the OPE and directly with DIO to assesses options that enables regeneration of the site through a development partnership, land transfer or acquisition by Central Bedfordshire Council.