



**Report To:** Cabinet  
**Lead Officer:** Alex Colyer

14 July 2016

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## Cambridge Compass Enterprise Zone

### Purpose

1. To update Cabinet on the designation of land at Northstowe (Phase 1), Cambourne Business Park and Cambridge Research Park, Waterbeach, as part of the Cambridge Compass Enterprise Zone and seek approval to adopt the Memorandum of Understanding between DCLG, GC-GP LEP and South Cambridgeshire District Council.
2. This is not a key decision and was first published in the April 2016 Forward Plan.

### Recommendations

3. It is recommended that Cabinet notes the inclusion of these three sites in the Cambridge Compass Enterprise Zone in partnership with Greater Cambridge Greater Peterborough Local Enterprise Partnership and adopts the draft memorandum of understanding.

### Reasons for Recommendations

4. The designation of enterprise zone status and attached benefits will bring forward sites for business growth and employment opportunities which in turn will help new communities to develop. Whilst the financial impacts of entering into the EZs are still being worked through the memorandum of understanding is initially in place until 2020 in order to ensure that the council can review its position.

### Background

5. Development of the business park at Cambourne has been slow, with no new buildings constructed in the last ten years. We have learnt from this, and are now working with the HCA and Gallagher to produce an Economic Strategy for Northstowe that we hope will deliver early occupation of commercial land in contrast to the case at Cambourne and Orchard Park.
6. When the government published its prospectus for Wave 2 Enterprise Zones, this seemed a good opportunity to promote and support commercial interest and investment at our new settlements. Therefore we submitted a bid that included employment land at Cambourne, Northstowe and Waterbeach (in the parish of Landbeach). Government wanted sites to have planning consent and therefore the chosen locations were Northstowe Phase 1, and the existing business/science parks at Cambourne and Waterbeach. In all three instances, there will be further employment land in the new settlements, and therefore it is intended that Cambridge Compass EZ will act as a catalyst for raising the profile of these sites, and encouraging investment in the new towns.

7. Implementation of the Cambridge Compass Enterprise Zone launched on 1 April requires a partnership approach with LEP, LA partners, business and statutory consultees. As well as three sites in South Cambridgeshire District area Cambridge Compass features locations in Haverhill and Ely. Full details are in **Appendix 1**.
8. Incentives offered include local retention of business rate growth with a business rate discount for occupiers and a commitment from the local authority of a simplified planning approach through planning performance agreements (preferred South Cambridgeshire approach) or Local Development Orders.

### **Governance**

9. The structure of the governance arrangements are set out below, with the LEP appointing an EZ Project Director to act as a dedicated resource to the enterprise zones. There will also be an Enterprise Zone Advisor to the steering group with specialist advice provided by the Science, Innovation & Industry Council. The delivery framework will reflect:
  - GC\_GP LEP Board is the responsible authority for delivery of Cambridge Compass.
  - A “Cambridge Compass” Enterprise Zone Steering Group, formed to provide strategic direction for the delivery of the EZ within parameters established within the Memorandum of Understanding between the GC\_GP, Local Authorities and site owners.
  - Individual site project boards will set the specific strategic direction for each site.
  - EZ Enquiries Team, to ensure frequent communication to address business enquiries, collate performance data and provide progress reports

The roles of each of these bodies, terms of reference, proposed composition of the steering group and project board are outlined in **Appendix 2**. The Memorandum of Understanding is attached at **Appendix 3**.

### **Considerations**

10. The appointment of officers and members to the roles identified on the steering group and for sites within South Cambridgeshire. Each of the local site project boards will require nomination of an elected member. This could be addressed at the Council AGM where appointments to outside bodies are considered.
11. The Memorandum of understanding as drafted is included at **Appendix 3** for approval. Whilst the position around retention of business rates and pooling and the effects of devolution is uncertain it has been agreed that initially the MoU will stand until 31 March 2020.
12. Each site board is finalising its Investment and Delivery Framework which sets out the key issues, challenges and interventions needed to deliver successfully. The framework will be consolidated into a 5 year delivery plan to be submitted to the Secretary of State and used to inform quarterly monitoring data on employment and business activity. Any investment plan will require approval of council expenditure upon consideration of the costs, benefits and option appraisal.

13. Approval of the discretionary business rates discount for new businesses locating within the EZs. A benefit to business basing themselves on an EZ is the 100% business rate discount which they may be able to access (worth up to £275,000 per business over a five year period, subject to the EU de minimus level). Whilst this is fully funded, as Government reimburses the Local Billing Authority, it is still a discretionary discount and therefore needs to be formally approved. A policy is currently being drafted and will be taken to the Finance portfolio holder for sign off.
14. Given that the main benefit to business will be in the form of rate relief it will be necessary for the NNDR team to have additional software to make the necessary calculations and records. Provision of this need is to be explored in terms of funding the cost of an additional module to the finance package.
15. Adoption of policy to prevent displacement and development of procedures with the NNDR team for the administration of queries and occupation of the EZ sites is also to be developed. The principles of this are included within the Memorandum of Understanding to be signed between the LEP, ourselves and local developers.

### **Options**

16. If this is not progressed then we will fail to provide a stimulus to the development of the selected business parks and growth may be slower.

### **Implications**

17. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

#### ***Financial***

18. Business rate growth from the EZ will be retained and will be split with the GCGP LEP with South Cambs retaining 70% for the first 5 years and 50% for the remaining term of the EZ.

#### ***Legal***

19. Government have designated the sites with Enterprise Zone status subject to the agreement of the Memorandum of Understanding.

#### ***Staffing***

20. None

#### ***Risk Management***

21. We have negotiated a review of the memorandum of understanding to manage potential risks around the Business Rates Retention 2020, details of which are currently unknown.

#### ***Equality and Diversity***

22. None

#### ***Climate Change***

23. None

### **Consultation responses (including from the Youth Council)**

24. Not consulted

## **Effect on Strategic Aims**

### **Aim 1 - Corporate Aim**

25. Connected Communities Support and strengthen communities with an approach that sustains prosperity.

### **Background Papers**

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Wave 2 Enterprise Zone Application – 7 August 2015 South Cambridgeshire District Council  
Expression of Interest

Report to Economic Development Portfolio Holder Meeting: 9 September 2015

Report to Economic Development Portfolio Holder Meeting: 25 January 2016

Report to Economic Development Portfolio Holder Meeting: 15 March 2016

**Report Author:** Susan Walford  
Telephone: (01954) 713124