

Bournemouth and Poole City Region - City Deal Expression of Interest

2013



Dorset
Local Enterprise Partnership

Section A

Summary information

A1. Proposal title.

Bournemouth and Poole City Region (BPCR) – Removing the barriers to deliver economic growth.

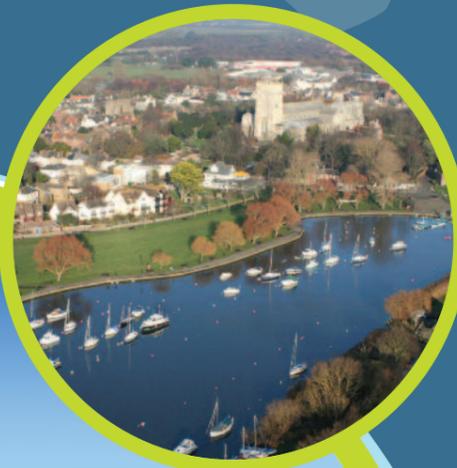
Commissioners (PHC – manages the Port of Poole) and Manchester Airports Group (MAG - owners of Bournemouth Airport).

A2. Key partners involved in the proposal.

Borough of Poole, Bournemouth Borough Council, Christchurch Borough Council, Dorset County Council, East Dorset District Council, Bournemouth University (BU), Arts University Bournemouth (AUB), Dorset LEP (DLEP), Bournemouth & Poole College (BPC), Poole Harbour

A3. Local point of contact.

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Section B

Problem definition

B1. What is the single economic challenge or opportunity that you want to address through a City Deal? Why has this been chosen as the focus of your proposal?

Bournemouth and Poole City Region (BPCR) is high performing:

- Our unemployment levels are below the national average (JSA claimant rate 2.5% compared to 3.8% for GB).
- We have a resilient economy with Financial Services (£1,157m GVA) and Tourism (£1,036m GVA) delivering the highest GVA contributions. We also have strengths and opportunities for growth in a number of

- sectors such as Creative Industries (£349m GVA) and Advanced Engineering (£202m GVA).
- The BPCR Local Authorities have ambitious regeneration plans which include some of the largest schemes in the South West.
- Bournemouth University and the Arts University of Bournemouth have international reputations in the Creative Industries (specifically art, design and media production) with plans for expansion in the BPCR.
- Bournemouth and Poole College is well attuned to the local labour market with innovative initiatives such as Marine Technology, Digital Design and STEM centres.
- Highly regarded LEP wide governance relationship between local authorities, private, voluntary and education sectors, cemented through the DLEP Board.
- A number of existing companies wish to expand and consolidate, but we are unable to offer appropriate sites.
- We have latent demand and high growth potential. Accelerated investment in infrastructure will help the urban area work harder, more efficiently and deliver new jobs.

Both BU and AUB have enduring academic strength in art, design and media production. These areas are a focus for their Centre for Entrepreneurship and Higher Education Innovation Funding (HEIF) investment. The digital economy is vital to the UK as a whole and the BPCR already have economic strength in this area. The potential for growth is huge as long as the right premises are available. Universities have the potential to provide the core of this digital knowledge economy. Making BPCR an attractive hub for a range of small to medium enterprises and particularly to the self-employed and freelance communities, which dominate this sector, is critical to effectively re-attracting graduates once they have gained experience elsewhere.

Infrastructure is the key to unlocking our potential. The conditions are right for growth, with a healthy private sector, ambitious and expanding Universities and Colleges and progressive local authorities. The wider economic development strategies of the DLEP and Local Authorities encompassing skills, enterprise support, sector development and so on are poised to succeed, but without access to employment land and infrastructure, they will falter.

The Opportunity

We can unlock and accelerate these sites with Government assistance. We have companies that want to locate here and we have companies that need to expand and grow. Access to additional employment land and new business premises will generate significant jobs and growth.

In addition to our local employment land issues we would welcome the opportunity to discuss with Government the relevant initiatives from the Autumn Statement which seek to reinforce our Advanced Manufacturing and other key sectors, such as Advanced Manufacturing Supply Chain Initiative; R & D Credits, Infrastructure UK and PF2.

B2. Why can't this be taken forward by the private sector or through existing policy tools?

Our plans for the area are ambitious and need to be undertaken in a partnership between the public and private sector. We need help to inject pace into the plans. Infrastructure investment under current funding models takes too long to deliver change e.g. the concept of a second harbour crossing in Poole was originally raised in the 1970s and the Twin Sails Bridge was finally delivered in 2012. We need ambitious infrastructure investment to deliver and unlock employment sites, we need a more positive approach from Government agencies, in particular the Environment Agency and Natural England to ensure the development occurs in a timely and appropriate manner.

The City Deal will provide the long term certainty over the funding needed to allow the Local Authorities to commit to bring forward these infrastructure projects. We have a buoyant economy but it is 'locked'.



Section C Broad approach

C1. What broad approach do you intend to take to addressing the challenge or opportunity identified above?

We have an extremely strong and effective governance process in place already involving Local Authorities, Strategic Businesses, Chamber of Commerce, Universities, Colleges and Voluntary Organisations through the DLEP. The DLEP Board will oversee the City Deal and its implementation. We will create a BPCR masterplan (which will form

part of the strategic plan for the DLEP) and from that a detailed and funded implementation plan with challenging objectives in delivery for the two strategic sites.

BPCR infrastructure issues:

- No motorway and only 3% of roads are dual carriageway in Dorset
- Lack of employment land and sites - currently we are 95% full, our existing businesses have no where to grow and new businesses struggle to find premises
- We are constrained by the sea, flood plains and various international and national nature conservation designations and hence we have limited opportunities to create new viable sites.

John Twigg, Group Planning Director, Manchester Airports Group
Bournemouth Airport, and its associated business park, represents one of the largest employment growth prospects in the City Region. But fully realising that growth potential continues to be hampered by poor infrastructure. We strongly support the City Deal bid and believe a key output should be a much speedier implementation of the agreed package of road improvements. This will enable us to attract investment, develop new employment space and create jobs. We are committed, as MAG, to be a full and active partner in the delivery of the City Deal.



Cllr Ray Nottage, Leader, Christchurch Borough Council
 “There is strong ambition and commitment from the Council, the Airport and all the other partners to maximise land use for employment. This City Deal provides the necessary assistance to make that happen.”



Bournemouth Airport

Issues

- Outline Consent has been granted for a 42,000 sq.m uplift in floorspace (net of demolition) on Aviation Park West. The first planning application has just been approved to kick-start this development. This is for a 14,727 sq.m manufacturing facility for an existing tenant (AIM Aviation) who currently occupies a number of sub-standard facilities across the site. This new facility will enable them to retain 350 jobs in the local area and give them the ability to increase efficiency and improve their prospects of expansion. It will enable MAG to assemble and market the sites identified in the Outline Consent, for which considerable interest has already been expressed.
- There are, however, concerns about traffic conditions along the B3073 during the peak hours acting as a deterrent to further investment. The obvious bottlenecks are at the Blackwater junction with the A338 and at Parley Cross. Beyond these two points traffic quite quickly dissipates. As part of the permission for the Business Park, MAG has entered into a Section 106 Agreement to make transport contributions of £1.2m based on 4 phases of floor-space delivery. This will go some way, along with other contributions, to resolving issues between the two 'pinch-points' but the cost of delivering solutions to really make a significant

difference is such that the timeframe for their delivery has been pushed out to beyond 2022 for Parley Cross or 2028 for Blackwater.

- To deliver further employment land across the Business Parks significant improvements to the road network will be required to access the site. Whether this is via further improvements to the B3073 and the A338, improving the link between Canford Bottom and Blackwater, or a dedicated access from the A338 combined with a link across the north of the Airport site (currently constrained by operational airport infrastructure and by a local SBI designation) there is considerable risk in securing timely delivery because of funding availability and the intervention of external (often Government) agencies.
- Aviation Park West at Bournemouth Airport is designated as being an area at risk of flooding. We have worked hard to reach an understanding with the Environment Agency about a site-wide approach to ameliorate flood risk - but there continues to be a risk regarding detailed sign-off of individual phases. Again some sensible and proportionate response is required from a Government agency.
- Without additional infrastructure improvements the delivery of significantly more employment land cannot take place.
- Growth can be quickly achieved with Government help to fast track this proposal.



Jim Stewart CEO, PHC

“Poole Harbour Commissioners are fully supportive of the Bournemouth and Poole City Deal bid, which supports enterprise and job creation within the conurbation. The bid provides strong support for the port, airport and University which are all key components of the local economy.”



Poole Port

Following fifteen months of public consultation, Poole Harbour Commissioners have now issued the final version of their Port Master Plan.

This will provide a new deepwater quay (for a variety of port users including cruise ships and short sea shipping), will deepen existing quays and will create an innovative new marine centre. This marine centre will boost facilities for yachts and commercial marine users, provide facilities to enable Poole to host major maritime events and will create an exciting Poole Harbour awareness centre. These projects will assist with UK imports and exports, boost tourism, create up to 300 new jobs and deliver approximately £25m GVA per annum.

Issues

- The current port links are insufficient, causing delays to and from the port.

- There is congestion on the surrounding roads at peak times, particularly the A31. The Highways Agency should be encouraged to bring forward improvements between Ameysford and Merley.
- There is a railway link in to the port but this has not been used for a long time. As part of the unlocking of this site we would like to explore the feasibility of replacing it.

Bournemouth Airport and Port of Poole Solution

We need to improve access to Bournemouth Airport, Poole Port and the associated employment land. We need your help to achieve this in a timely manner and to encourage a more positive approach from the Environment Agency and Natural England. We would also welcome a discussion with the Highways Agency on receiving 10 years of Major Scheme Funding now to fast track infrastructure delivery. This will enable jobs to be created and





businesses to grow. We need to deliver the appropriate infrastructure via a suitable funding package to unlock the land and deliver our potential.

We would create a local growth team with a single voice e.g. Planning, Government Departments, Agencies, Business and DLEP. We would all work together to fast track this project.

Skills and Sectors

The DLEP has prioritised three sectors across Dorset, including; Advanced Engineering and Manufacturing and Creative Industries. Through the unlocking of the strategic sites we will be able to enhance our Advanced Engineering and Manufacturing cluster (with a focus on Aerospace and Marine) and enable our existing companies to grow.

The local economy has strengths in knowledge industries - creative and digital sectors in particular. The BPCR needs to promote these strengths, encourage clustering, new business start ups and attract new business for the region. In providing additional employment space at our two strategic sites we would free up other premises more suitable for the Creative Industries to occupy. This would benefit two of the DLEP's key sectors.

Bournemouth's two Universities and College support this economic advantage, and BPCR would like to reattract graduates more effectively - bringing them back when they have gained experience elsewhere. The Universities have recently produced a joint plan, with a single strategy for development. This will require land to be unlocked, which is the main barrier to their further growth. We would expect the 'Core Package' in the City Deal to help take forward our skills ambitions.

Professor John Vinney, Vice-Chancellor, Bournemouth University

"Bournemouth University fully supports the City Deal initiative. We have a vibrant economy in our area, but there is also huge potential to generate significant further growth. This bid brings together local authorities, businesses and the universities to maximise the value of our region. A key inhibitor to this development is the lack of availability of land for growth and BU looks forward to playing its part in ensuring this challenge is overcome and that our local area continues to grow and remains an exciting place for people to work, live and study."



C2. How can this approach 'do more with less' by delivering greater efficiency in public spend or by leveraging new resources from the private sector?

The approach we are recommending will bring forward currently inaccessible / unused employment land at Bournemouth Airport and the Port of Poole. This will clearly deliver benefits such as improving GVA, increasing employment levels and generate new business rate income.

It will also free up employment sites across the BPCR which will help with our near capacity occupancy rates.

We will look at shared services across the BPCR (building on the successful examples such as the Dorset Local Transport Body, Public Health and Adult Skills and Learning) with a view to driving out inefficiencies in local public budgets.

We can have greatest impact locally if we make the decisions that affect us. We need powers and local control to achieve this. We can promise growth if you empower us with the powers and freedoms to get on and do this.

The benefits of strong governance and working towards the same objectives cannot be underestimated. The City Deal 'label' enables us to get the right people in a room and focused on the task. It will help us deliver our strategic plans.

We will save money through sharing services and having shared priorities. We will invest money locally to greater effect than can be achieved centrally.

Gordon Page, DLEP Chair

"I have been impressed with how the public and private sector and educational establishments have come together in such short order to produce and agree this City Deal for the Bournemouth and Poole area. I would hope that this deal can progress to the next stage so that we can work with Government to unlock the clear opportunities we have for economic growth and job creation."



C3. What local resources do you expect to invest in addressing this problem?

We will invest resources proportionate to the deal. This is likely to consist of: private sector investment, publically owned land, assets and premises, CIL, S106, local business rates, new homes bonus and savings from shared services. We would also investigate if Local Authority Pension Funds could be utilised in some way.

The process of developing a City Deal has also opened up discussions around the potential of a combined authority focussed on economic development. If the deal is a success, with DLEP and Local Authorities Leaders' support, it is likely that many resources could be channelled into delivering jobs and growth for the BPCR.

To finance the infrastructure, we would also explore Local Asset Backed Vehicles (LABV), of which we have experience through the Bournemouth Development Company, localised earn back or even borrowing against future business rates. We are keen to work with you to develop an innovative solution.

Cllr Angus Campbell, Leader of Dorset County Council

“ This is a real chance to enhance the City Region’s infrastructure, leading to economic growth in key industries. Dorset County Council is very much looking forward to working with the Local Enterprise Partnership and other partners in delivering real expansion to the area’s economy and improving future prospects. ”



Section D

Expected benefits

D1. How do you expect your proposal to have an impact on local jobs and growth, and at what scale?

the book value of the Business Park at the Airport
- Expected 100% uplift in business rates.

Poole Port:

- Improving the infrastructure will enhance the use of 25 hectares of employment land
- Latent demand and inward investment will protect and create jobs within BPCR
- The current Port Master Plan is estimating an increase of £25m GVA.

BPCR:

- With Advanced Engineering and Manufacturing companies consolidating out of the centres on to our two strategic sites then with the vacant space there will be clustering opportunities for the Creative Industries
- There will be a positive effect for the BPCR centres, high streets and regeneration.

Bournemouth Airport:

- Introducing access to 60 hectares of unused employment land
- Latent demand and inward investment will protect and create jobs within BPCR
- Bournemouth Airport will expect to generate in excess of 9,800 jobs
- Bournemouth Airport anticipates a significant improvement in aircraft movements and passenger numbers
- The floor space uplift consent would add £56m to

Lawrence Vincent, Principal, Bournemouth and Poole College

“ The Bournemouth & Poole College fully supports the City Deal bid. The bid represents the huge potential that exists to generate significant further economic growth for the region. The bid provides strong support for the development of the port, airport, roads and new land. The College is committed to working with all parties to bring this to fruition. ”



Section E Governance



E1. Over what geographical area will you address this problem? Why?

The BPCR covers Bournemouth, Poole, Christchurch and the urban parts of East Dorset. The City Deal will focus on the bespoke package for the BPCR as this area has the most significant opportunities for economic growth and job creation, maximising the potential of the conurbations assets - its Port, Airport, two Universities and College.

E2. What governance structures will ensure effective, binding and strategic decision-making across the relevant economic area?

We will keep building on the positive working relationships that exist through the DLEP, where Local Authority Leaders and the private sector have established a unity of purpose and mutual support. The City Deal will accelerate the focus of the DLEP and further formalisation of working arrangements will occur. This builds upon other joint working linked to the DLEP such as the Dorset Transport Body which is currently being established. Collectively we are stronger and have already taken tough decisions.

Cllr Spencer Flower, Leader, East Dorset District Council

“ We fully welcome the chance to play an active role in delivering the City Deal. Creating more jobs for local people is an exciting prospect which we are delighted to support. ”



E3. How will you generate momentum in developing a workable City Deal proposal?

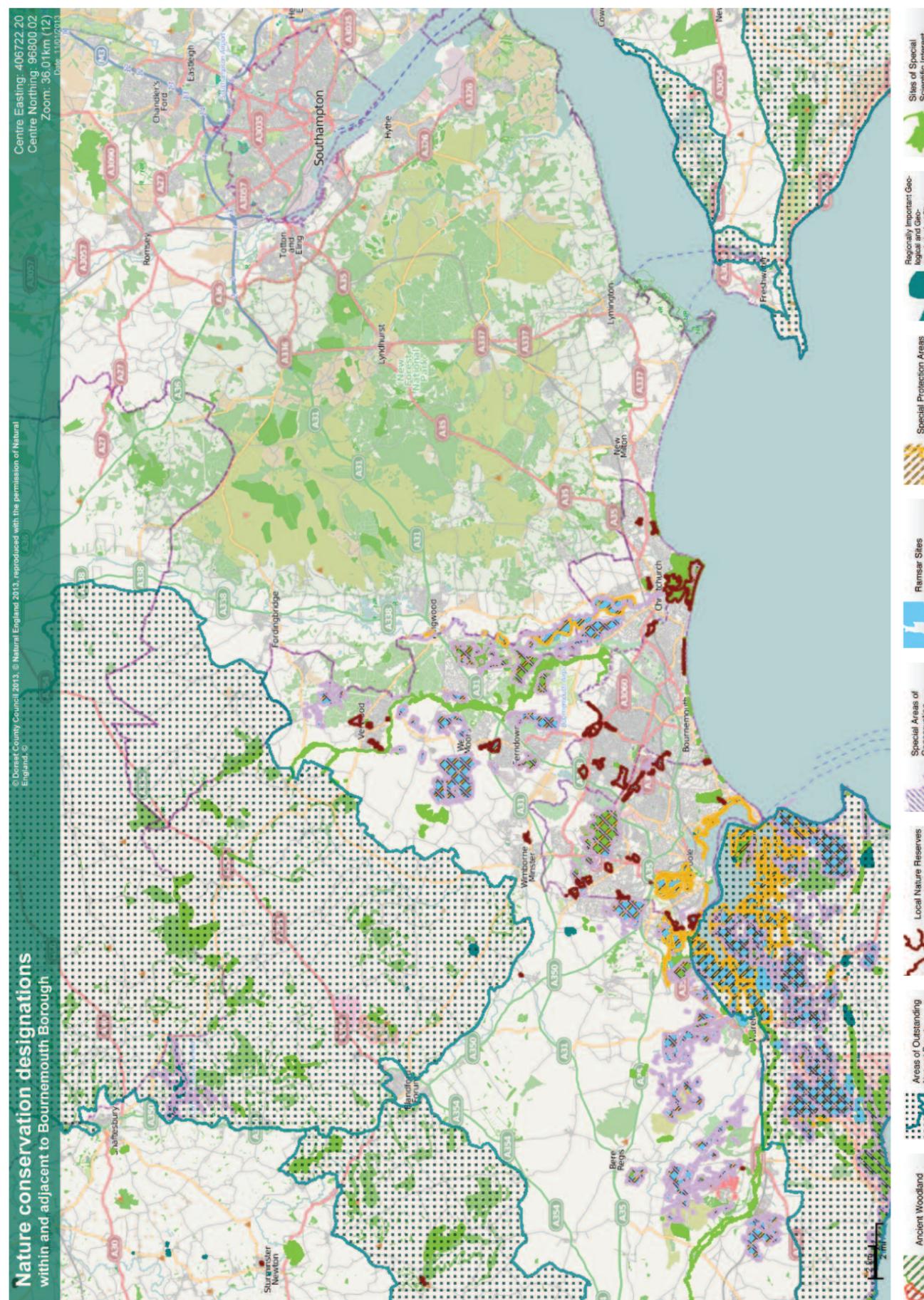
The working party that has produced the Expression of Interest (EOI) has consisted of:

- DLEP Board members
- Poole Harbour Commissioners
- Bournemouth University
- Bournemouth and Poole College
- Local Authorities
- Manchester Airports Group.

The production of the EOI has been managed through the DLEP governance process and momentum is building. Council Leaders are bought into the process and will jointly sign off the deal. We have political and business support to deliver transformational change within the BPCR.

If we are successful in this EOI a sub group of the DLEP will be delegated authority to work closely with you to negotiate the deal to conclusion. We have the ambition and will to deliver our part of the deal. We look forward to working with you to enable us to play our full part in the growth of UK PLC.

Appendix 1



Nature conservation designations within and adjacent to Bournemouth Borough

Centre Easting: 406722.20
Centre Northing: 96800.02
Zoom: 36.01km (1:2)
Date: 11/02/2013

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