

ENTERPRISE ZONES

APPLICATION FORM AND GUIDANCE

May 2011

Enterprise Zones – Application Form

The application form for selecting 10 further Enterprise Zones consists of 37 questions split into seven sub-sections:

Section A: Summary Information
Section B: Characteristics of the proposed Zone
Section C: Plans for development
Section D: Plans for use of the proposed Zone
Section E: Expected benefits
Section F: Governance and management
Section G: Equality Information
Guidance for Applicants

- The application form should be completed as fully as possible;
- Much of the information requested in this document will need to be provided by local authorities and local planning authorities. The role of the Local Enterprise Partnership Board will be to endorse and sign off the proposals;
- Please read the accompanying guidance notes carefully when completing the form to ensure that all of information required is included;
- Only recognised Local Enterprise Partnerships can bid. Bids are also invited from prospective Partnerships (who envisage being recognised as Partnerships by the deadline for the submission of bids) who have previously expressed an interest in hosting an Enterprise Zone;
- Word limits are indicated in brackets for some questions – do not exceed these limits;
- Please avoid using technical annexes.

The completed application form should be sent to: enterprisezones@communities.gsi.gov.uk no later than 5.00pm on Thursday 30th June 2011.

Section A: Summary Information

A1. Proposal Title

Coventry & Warwickshire Gateway

A2. Name of the Local Enterprise Partnership submitting the proposal

Coventry & Warwickshire LEP ("CWLEP")

A3. Point of Contact:

Name: Denys Shortt

Organisation: Coventry & Warwickshire LEP

Job Title: Chairman

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A4. Key partners and their roles and contributions (200 words)

CWLEP are facilitating a collaborative process involving four key landowners in the area identified as the *Coventry & Warwickshire Gateway*.

Landowners include:

- Coventry & Warwickshire Development Partnership LLP (a joint venture between Patriot Aerospace Group – owners of Coventry Airport – and Roxhill Developments) – total landholding [ha]
- St Modwen Properties PLC – developer of Whitley Business Park – [ha]
- Coventry City Council [ha]
- Severn Trent [ha]

A plan detailing land ownerships across the Gateway site is included at Appendix []

Coventry & Warwickshire Development Partnership LLP is currently leading a process of formulating a development agreement to support the development of land to the south of the A45 in a co-ordinated fashion, while at the same time engaging with St Modwen to ensure as far as possible developments and supporting infrastructure are complementary.

Coventry City Council, Warwick District Council and Warwickshire County Council are fully engaged in the process of developing the *Coventry & Warwickshire Gateway* proposition, both in their capacities as Planning Authorities and members of the LEP. Work is ongoing to develop the key principles and scope of a Local Development Order to support the proposed development.

A5. Proposal Summary - please provide a succinct account of how the proposal will enhance local economic growth; the intended approach for developing the enterprise zone; and how the proposal fits with wider local enterprise partnership plans (300 words)

The Coventry and Warwickshire Gateway will see the development of a £250M economic hub creating up to 14,000 new sustainable jobs over 15 years (over 4,500 new jobs by 2015), in line with Government objectives. It will exploit key links to the A45, M45, M1 and A46, M40, M42, M6, M69.

The vision is to ensure economic growth and sustainability through complementary development projects around the Toll Bar traffic island and its surrounding facilities and business parks.

The site offers quality employment land benefitting from considerable market interest. The scheme is targeted at addressing a shortage of suitable accommodation for SME manufacturing and technology businesses, including grow-on space for businesses currently located in the existing University Technology Parks which otherwise may be lost to Coventry and Warwickshire.

It will include a multi-faceted business park to build the area's role as a distribution hub by enhancing the range of accommodation for companies in the logistics and freight forwarding sectors.

It will also incorporate a cost-effective transport solution to a recognised bottleneck at Toll Bar Island. This will reduce the £150m call on the public purse, bringing private investment forward to resolve a major traffic problem and thereby aid wider growth and investment.

The EZ will support the development of advanced engineering, aerospace, transport technologies, ICT and low carbon sectors identified as sub regional strengths and LEP growth priorities. Provision of a range of high-quality accommodation is a critical factor to facilitate growth of existing businesses and attract inward investment.

Phased delivery will lead to approximately 2million sq ft of new floor space by 2015 and a further 3.2million sq ft by 2028

Delivery of the Gateway will represent a major step in the LEP's ambition of '*creating an environment where it is easy for business to start, locate and thrive*'.

Section B: The characteristics of the proposed Zone

B1. Which local authority area(s) would the zone fall within?

Coventry City Council, Warwick District Council and Warwickshire County Council

B2. What is the size of the proposed zone in hectares and what is the justification for choosing a zone of this size? (200 words)

The overall site covers a total of 150 hectares, with the proposed EZ area broadly reflecting the natural boundary surrounding Coventry Airport, together with a contiguous strategic development site to the north of the A45.

The proposed development programme seeks to address three priorities, namely to:

- Stimulate the development of Whitley Business Park which is currently stalled due to property market conditions (which EZ status would be expected to address directly);
- Facilitate the extension of the established Middlemarch and Stonebridge developments on either side of the airport; and,
- Support the development of Coventry Airport, including the development of high value aircraft maintenance and cargo facilities.

The proposed site has been scaled and configured to facilitate a coherent programme of development over a number of years, with parts of the site available for development immediately (with planning consent in place), while development activities are projected to extend (subject to necessary consents) to 2028.

The site is located adjacent to a major trunk road junction that requires significant investment to address congestion and improve traffic flow and access to the site, the airport and surrounding areas. The proposed Highways Agency solution to Toll Bar (costed at circa. £158million) has been postponed. Development of the scale proposed is expected to unlock sufficient private sector capital to deliver a solution to the highway capacity issue.

B3. Who does the site currently belong to – and would ownership change if Enterprise Zone status was granted? (200 words)

Land holdings are divided between:

- Coventry & Warwickshire Development Partnership LLP (a joint venture between Patriot Aerospace Group – owners of Coventry Airport – and Roxhill Developments) – total landholding [ha]
- St Modwen Properties PLC – developer of Whitley Business Park – [ha]
- Coventry City Council [ha]
- Severn Trent [ha] Head office at Coventry City centre

A plan detailing land ownerships across the Gateway site is included at Appendix [].

No changes are anticipated as part of the proposed development.

B4. Is this a 'clean' site? If no, what existing buildings and structures are located in the site and what land uses exist within the site? Are the buildings and structures operational (i.e. in use) or derelict? (200 words)

The vast majority of the site is clean - a very limited range of buildings (approximately 18 buildings in total) are located within the airport estate, many of which are currently vacant. Collectively these buildings have a total rateable value of approximately £1.5million (half of which is associated with the existing airport terminal building) equivalent to approximately 4% of the total rateable value anticipated across the proposed EZ area once fully developed. These buildings include older aircraft hangars which are coming to the end of their useful life and would either be demolished and replaced or refurbished as part of the proposed development programme.

While the small number of existing buildings within the proposed site currently yield a modest level of business rates, much of this is paid by the Airport given the high vacancy rates. The availability of business rate discounts would provide a significant incentive to potential tenants who may occupy either current, refurbished or redeveloped units on the site. The demand which such incentives generate will, in turn enhance the potential for investment to intensify and improve the quality of such accommodation (through either refurbishment or demolition and redevelopment.)

B5. Where is the site located? – *please provide a map indicating site boundaries and key infrastructure features and postcode details.*

A map detailing the location and context of the proposed EZ site is included at Appendix [- Final map needs to be added]

Key post codes of the individual sites include:
[postcodes required]

B6. What evidence or analysis is available to suggest that the site will meet the needs of the targeted businesses? (200 words)

Since CWLEP announced the site as their preferred EZ candidate location, expressions of interest have been received from major businesses, including an international vehicle manufacturer, specialist vehicle manufacturer and a specialist automotive company, plus two national logistics companies, all requiring in excess of 10,000m² for either B2 or B8 use.

The manufacturing sector has been strongest growth area in the local economy since the recession, and particularly so for high/medium technology based manufacturing businesses. Coventry & Warwickshire has above average concentrations of employment in these areas (6.3% of all employment is in high technology based businesses, compared to 3.7% for England), and forecasts suggest that this sector will continue to grow above trend in the medium term.

Statistics assessed by the CWLEP project team suggest that average growth of 3% p.a. over the next ten years would see around 20,000 new manufacturing jobs created in Coventry & Warwickshire, of which 12,000 can be expected to be in high/medium high technology based businesses (OECD definition).

In the last 12 months the Coventry & Warwickshire inward investment teams have had in excess of 130 enquiries for B1 space, half of which was for space of up to 1,000m² with the remainder for space of up to 10,000m². Over the same period 75 enquiries were received for B2/B8 space of between 5,000 – 50,000m²

B7. Please describe the nature of infrastructure and transport links that are currently associated with the zone (200 words).

A site map detailing key transport links is included at Appendix []

The site is located around the intersection of the A46 (Trunk) and A45 dual carriageway roads. The A46 northwards connects into the M6, linking the area to the West Midlands conurbation, Mid Wales and North West England. This junction also connects to the M69 leading to the East Midlands and on to the M1 and the North East. Southwards, the A46 has good connections to London and the South East via the M40. The A45 eastwards has excellent links to the M1 and west connects to the West Midlands conurbation.

The site is located around Coventry Airport which has unfulfilled potential (with planning permission) to accommodate up to 1 million passengers per annum. It also has capacity and a history of accommodating cargo and private business flights.

There are established water supply and sewerage networks in the vicinity of the proposed EZ, although capacity is unlikely to be sufficient in the context of the anticipated volume of development and will need to be increased, including at the nearby sewerage treatment works at Finham.

B8. What designations of land apply in the zone? Are there any additional existing or potential constraints affecting the zone? (200 words)

A plan showing designations of land within and around the proposed EZ is attached at Appendix [].

Whilst part of the site is currently designated for employment (including the St Modwen site to the North of the A45 and the established airport estate), other land designations include Green Belt, Nature Reserves/ Local Wildlife Sites, Archaeological sites, and a Scheduled Ancient Monument.

While not currently allocated as employment land the majority of the land south of the A45 is previously used and includes a major but nearly redundant sewerage works, land formerly used for Alvis tank testing including a test track of about 26 acres, while both proposed sites currently classified as green belt land would represent extensions to an existing industrial estate/ business park.

Other potential development constraints include areas of land lying within Flood Zones 2 & 3 (medium risk & functional flood plain), contaminated land, Public Safety Zones & Airport Safeguarding Zone, and Air Quality Management Area.

The key potential development constraint is Green Belt designation on land to the north [ha] and south [ha] of the current airport estate. Planning permission will be required before development of these sites can proceed, supported by an Environmental Impact Assessment. The proposed approach to securing such permission is detailed in question C2.

B9. Please provide an overview of the key aspects of the planning history of the zone, and whether there are currently any existing planning permissions which are not yet implemented (200 words).

Coventry:

Land allocated for B-class (employment) development at the Jaguar Whitley site, covering 32 hectares, was taken out of the Green Belt in 2001 specifically to enable development of this site. The remaining undeveloped land was subsequently sold to St Modwen Properties PLC

Of this site, 5 hectares has been completed (8192 sqm), 7.8 hectares has full detailed planning permission (25092 sqm, not started), and the balance has full planning permission that has also not started (and is constrained by an access infrastructure requirement).

Warwick District:

Within the Airport boundary, planning permission was granted by the Secretaries of State for the Environment and Transport in 2006 for an interim passenger terminal with a limitation on passenger numbers at 0.98million per year. In 2007, the Secretaries of State refused planning permission for a permanent passenger terminal on the grounds that the harmful impact caused by the proposal would conflict with sustainability objectives and not be outweighed by the socio-economic and other benefits (Ref: APP/T3725/A/05/1189038). This decision was unsuccessfully challenged in the High Court.

The land outside of the Airport boundary has no relevant recent planning history.

There are no existing planning permissions not yet implemented.

Section C: Plans for development of the proposed zone

C1. Please provide a description of how the proposals will make it easier for businesses to set up in the Enterprise Zone, by specifying the types of development (e.g. buildings, change of use, engineering operations) that would be permitted through the Local Development Order (500 words).

Discussions between CWLEP stakeholders have confirmed that the LDO is expected to extend beyond the confines of the proposed EZ area.

The Local Planning Authorities have agreed that it is the planning decision that establishes the principle of development and that the LDO expands the permitted development rights of land and buildings that can therefore be lawfully developed.

The Enterprise Zone will be brought forward in phases to manage risks associated with large scale development. Phase 1 land around Whitley Business Park is currently allocated in the adopted development plan and has an extant planning permission for employment development.

Phase 2 lies to the north of the airport adjacent to Stonebridge Industrial Estate, does not currently benefit from planning permission and is within the Green Belt and offers the potential for a comprehensive scheme alongside new infrastructure, linking directly to the Strategic Highway network, as well as the airport. Phase 3 which is adjacent to Middlemarch Business Park does not currently benefit from planning permission, and lies within the Green Belt.

An outline planning application is to be submitted in January 2012 to enable phases 2 and 3 to be brought forward, subject to its determination by the local planning authority and referral to the Secretary of State. This will establish the principle of development for phases two and three (with the principle for phase one already established via the extant planning permission)

LDOs will subsequently be put in place for all the EZ designated land and it is planned that as a result the following priorities may be facilitated:

- Business Park developments providing up to 14,000 jobs
- Highway construction and improvement
- New commercial developments that complement the business park and enhanced airport facilities
- Transport sector employment including automotive engineering
- Combination of inward investment and growth of existing firms
- Runway enhancements and safety improvements to enable increased air and passenger carrying capacity of the airport

The LDO will include land occupied by [Jaguar Land Rover], Coventry Airport and sites available for development at Ryton, the former Peugeot car factory.

The major use that will be permitted is B1, B2 and B8 and it is expected that these will predominantly be Offices and light industrial for high technology mixed use buildings providing for transport related businesses mixing activities such as Research and Development, product development and testing with possibly limited production or assembly in each building plus the creation of grow on space for university incubators and science parks. It will be affordable, accessible and sustainable.

There will be ancillary activities including A1, A3, D2 and C1 uses to provide a unique business and commercial eco system.

The existing operational land at Coventry Airport benefit from permitted development rights under part 18 of the GPDO and it is unlikely that these will need more than incorporating into the LDO.

C2. It is expected that Local Development Orders will comply with national planning policy. Please tell us whether there are any significant issues that may pose a risk to achieving this (500 words).

The LDO will comply with National Planning Policy - the Enterprise Zone and LDO proposals demonstrate very special circumstances for the scale and nature of this development serving the sub region and that the land currently designated as green belt should become employment generating.

The land to the south of the airport, while in the green belt, is currently used as a sewerage works. The proposed developments south of the A45 will represent extensions to existing business park and industrial estate sites. An outline planning application will be made to seek re-designation of these areas as employment land. Key milestones in this process include:

- September 2011- submit planning application for A45/A46 highway improvements.
- December 2011 - consent received for highways works.
- January 2012 – submit outline planning application (accompanied by EIA) for master plan.
- April 2012 – submit traffic model for outline planning application
- June 2012 – submission of remaining EIA ecological information in support of the application
- September 2012 – local authority determination of outline planning application
- September 2012 – subject to decision of local planning authority, referral to the Secretary of State.
- October 2012? – publication of the LDO permitting construction in accordance with the master plan.
- December 2012 – anticipated approval from the Secretary of State to grant planning permission for the development.

C3. What additional infrastructural development works or remediation, if any, is required (both on and off site)? *Please indicate how much will these cost and how they will be financed and delivered* (200 words).

The deliverability of the proposed scheme is dependent on a private sector solution to capacity constraints at Toll Bar End (given an indefinite delay to any Highways Agency scheme). A privately funded solution and highways improvements (costing in the order of £30million) have been proposed (supported by a Regional Growth Fund bid) which will allow the proposed development to take place.

Site remediation work is required to both development sites to the south of the A45, including extensive clean up of the former Severn Trent sewerage works. This has been costed as part of the wider development of the site.

Public transport will be charged with providing for 25% of all movements to and from the development, which along with walking, cycling and car-sharing, will mean that no more than 50% of employees will access the development as single car drivers. This is an ambitious target, and in order to ensure it is met, new high frequency bus services will be provided along two key corridors as follows:-

- North-West to and from the City via the B4110 and Humber Road (which is already a well established bus route).
- South and South-West to major destinations including Kenilworth, Leamington Spa and Warwick.

C4 Please describe the scale and nature of proposed development in the Enterprise Zone (to April 2015) – including the total volume (m²), the type of development (industrial, warehouse & distribution, retail, office, other) and the mix between refurbished and new developments (200 words).

B1a and B1c – 37,870 m². A mixture of new buildings ranging from 925m² to 10,000m², with smaller units having multiple occupations from 250m² upwards. This will be focussed around science and technology based businesses (particularly grow-on space for businesses in existing University Technology Parks and other institutions), as well as office space.

B2 & B8 – 125,400 m². A mixture of new buildings from 5,000 to 50,000m². Larger industrial and distribution units with industrial units targeted at key priority sectors.

A1/A3 – 996m² (retail shops, restaurants and cafes) to support the wider development and ensure that it is sustainable - new development.

C1 – 7,320m² new hotels – 120 rooms of 3*/4* ratings to serve the wider development and surrounding economy - new development

Airport – 18,000m². Redevelopment including replacement and new hangarage, aircraft maintenance buildings, freight and cargo premises. Mixture of new and refurbished development to support the development of the airport as a major maintenance and freight hub.

C5: Please provide examples of how the proposals will simplify and better co-ordinate the work of local regulatory services to further reduce the overheads for business in the Enterprise Zone, and integrate these into wider economic planning (200 words).

As the LDO will transcend the boundaries of three Local Planning Authorities, it will

ensure a level playing field within it, hence reducing risk and cutting red tape for businesses.

The partner authorities will investigate the potential co-ordination and simplification and co-ordination of local regulatory services within the area of the proposed Order.

Section D: Plans for use of the proposed Zone

D1. Please provide an estimate of the total number and type of businesses the proposal seeks to attract:

- the best estimate as to the number of businesses in the proposed Zone by 2015. What is the range around this central estimate?
- which sectors or activity types and occupational classification within them?
- what size enterprises?
- the proportion of new and expanding businesses expected
- where will relocating businesses be coming from? (250 words).

Initial modelling of anticipated development parameters suggests that the following numbers of businesses might be attracted by 2015

B1a - (covering a broad range of sectors) – up to 25 businesses
B1c - (including R&D, technology and advanced engineering) – up to 12 businesses
B2 – (general and advanced manufacturing and engineering) – up to 23 businesses
B8 – (distribution and logistics) – up to 6 businesses
Aircraft maintenance and cargo – up to 5 businesses
Retail/ leisure and hotels – up to 4 businesses

The key uncertainty in respect of the above profile of occupiers would be in respect of office and B2 occupiers (with the potential for fewer occupiers of larger units). In particular recent inward investment enquiries from two companies in the automotive sector have sought B2 space of at least 10,000m² - if this size unit were to be typical this would imply only 6 separate businesses. In practice however it is likely that the average size will be smaller than this, while for offices there may be a significant range of sizes from 250m² to anything up to 3,500m².

In terms of average sizes of businesses, initial modelling suggests the following profile (although there may be a significant spread around this average)

	Average employees
B1a	48
B1c	32
B2	71
B8	158
Aircraft maintenance and cargo	41
Retail/ leisure and hotels	32

Marketing will be targeted at both small but growing businesses within the and inward investors currently located outside the LEP area. It is not possible, however to be specific on the anticipated split of occupiers (although the displacement risk is expected to be relatively low given the fact that in the absence of the development many of the indigenous businesses might be lost to the LEP area due to lack of suitable accommodation).

D2. What is the economic rationale for the intended pattern of use detailed above in terms of benefits to the local economy, including (but not limited to):

- barriers to growth in local area;
- labour market conditions and expected employment impacts;
- agglomeration benefits;
- cluster benefits and sectoral focus; and
- other productivity impacts. (250 words).

Please provide or reference evidence and analysis to support the explanation.

The lack of available high quality space to accommodate both growing businesses located in the CWLEP area (particularly high growth technology businesses located in Coventry and Warwick University science and technology parks) and inward investors in the target sectors of technology and advanced manufacturing and engineering has been acknowledged by LEP partners as a key barrier to growth. Provision of a broad range of modern units is expected to redress this balance and enhance the sub-region's offer to investors, assisting to build both depth and breadth of key priority industry clusters and generate agglomeration.

The EZ proposal includes measures to address key capacity and bottleneck issues in the strategic highway network. This follows on from the indefinite postponement of a proposed Highways Agency scheme. If the EZ proposal is approved and infrastructure investment is delivered this will address a key barrier to investment and wider economic development of the sub-region.

The manufacturing sector has been strongest growth area in the economy since the recession, particularly in respect of high/medium technology based manufacturing businesses. Coventry & Warwickshire has above average concentrations of employment in these areas (6.3% of all employment is in high technology based businesses, compared to 3.7% for England), and forecasts suggest that this sector will continue to grow above trend in the medium term.

D3. How is the implementation approach and plans for the ongoing management of the zone designed to ensure that the proposal will succeed in attracting the preferred types of businesses? (250 words).

A CWLEP Enterprise Zone steering group will be established to monitor and oversee the development and marketing of the site. This will include representatives from developers, local planning authorities, inward investment & economic development teams. This will report on a regular basis to the CWLEP Executive Board who will be responsible for overall strategic management of the site, and will review and amend policies determining the development and implementation of the Enterprise Zone as appropriate to ensure successful delivery and maximise local economic benefits.

Marketing activities will be targeted at International and National businesses and high growth regional businesses requiring grow-on space. In addition to the strategic location and high quality facilities, marketing of the site will build on the sub region's highly competitive offer in terms of the existing network of companies, availability of skilled labour and an excellent track record of industry focused research and development at Coventry University and the University of Warwick.

The highly experienced inward investment teams have an excellent track record of working together to profile the sub region for technology based investment both nationally and internationally. Utilising an established sub regional branding 'Winning technology' this programme over the last 10 years has undertaken a series of successful events, websites, publications and overseas missions. The teams will build upon this knowledge and experience to drive forward a programme of targeted promotion to attract further high growth technology based investment to the EZ from both the UK and overseas.

D4. To what extent is the bid for Enterprise Zone status scalable? (250 words)

The proposed Enterprise Zone will be developed in phases, according to the requirement (if applicable) for necessary consents, access works and site remediation/ preparation works, while the pace of development will be also be highly dependent on levels of demand.

Initial phasing proposals are as follows:

Whitley Site: 10,000m² of B1 offices, 12,500m² of B2 accommodation and 20,000m² of B8 space by 2015 with a further 56,000m² of B1 offices delivered between 2016 and 2028.

Airport Developments: 14,500m² of net new hangars, aircraft maintenance and cargo facilities, together with 3,500m² of refurbished/ redeveloped space by 2015.

Science & Technology Park: 27,870m² of B1 (a and c) space, 996m² of retail/ leisure and 120 hotel rooms by 2015, and a further 41,805m² of B1 (a and c) space, 1,494m² of retail/ leisure, a 4,645m² health club and 180 hotel rooms by 2018

Southside (B2/B8 site): 92,900m² of B2/ B8 space by 2015 and a further 185,800 by 2018

D5. Would any other forms of public support be required to deliver the bid, for example capital allowances, superfast broadband, UKTI support? Why? (250 words). *Please indicate the likely scale and nature of this support*

The northernmost part of the proposed site is a former automotive manufacturing plant. EZ status for the area will help CWLEP to achieve its aim of bringing the site back into use as a manufacturing facility, preferably in the automotive sector. Therefore, for this portion of the site, partners wish to consider the use of enhanced capital allowances in order to make the site attractive to manufacturers looking to establish a new base here while UKTI assistance may be beneficial in efforts to market the site to potential international occupiers.

The remainder of the proposed zone is not designated as an Assisted Area, and therefore increased capital allowances may be less attractive than business rate discounts. It is estimated that, based on anticipated occupation by 30 April 2015, approximately £20.4million of rate relief funding will be required from central Government.

Given the importance of Coventry Airport to the Warwickshire Gateway area, businesses in the zone will be in an excellent position to exploit international trade opportunities, and partners would welcome the opportunity to discuss the potential

for UKTI support to assist in maximizing the benefits associated with such opportunities. CWLEP partners are currently in the process of bidding to government in order to bring super fast broadband to the entire sub-region. However, if this bid is unsuccessful or delayed, the provision of super fast broadband infrastructure as part of the proposed development would be an incentive for businesses to locate there (particularly given the technology focus of the proposed developments). As such discussion with government to co-ordinate delivery of such infrastructure would be welcome.

D6. How will the proposal leverage in other forms of financial and in-kind contributions? (250 words). *Please indicate the scale and certainty associated with this support. Relevant impacts include (but are not limited to):*

- *private sector leverage*
- *use of RDA or other public sector assets*
- *alignment of other sources of funding (e.g. ERDF, Regional Growth Fund)*

The success of the EZ proposal hinges upon a satisfactory transport and highways solution. A proposed Highways Agency scheme to address traffic congestion issues around the Toll Bar end roundabout (costed at circa £158million) has been postponed indefinitely. The proposed EZ includes a private sector funded solution for the medium term (costing in the region of £30million) to give reserve capacity in 2024, enabling the employment that will be generated at the EZ while significantly improving the lives of users of the A45 and A46. Public funding of £[] is being sought via the Regional Growth Fund in order to facilitate highway works (including Toll Bar improvements), allowing the developer to leverage finance to complete the major infrastructure required to unlock the development of Coventry Airport and the surrounding area and pump-priming the wider EZ development. Note: the entire undeveloped site requires significant highway works and is only viable if the entire area can be developed - isolated highways improvements do not address the problem and are unlikely to be acceptable.

CWLEP partners estimate that development of the proposed EZ site to the south of the A45 has the potential to leverage up to £250million of private sector funding while estimates indicate that development of the site to the north of the A45 will involve investment in the region of £[].

Partners are also committed to investigating how other sources of public funding such as the current ERDF programme can be used to further develop the offer at the EZ site. In particular, a new significant business support project funded in part through ERDF will be promoted to businesses locating within the development, providing an enhanced offer and helping anchor the businesses within the local area.

D7: All business rates growth within an Enterprise Zone, for a period of at least 25 years, will be retained by the local area, to support the Partnership's economic priorities. How will the uplift in business rates be used? (200 words).

Revenues raised through business rates uplift arising from the successful development of the Enterprise Zone area (estimated at £310million over a 25 year period) will be utilised based on a protocol to be agreed by all CWLEP stakeholders. This could include:

- i. Direct impacts of the Enterprise Zone: funding any abnormal/ exceptional

costs associated with the development that cannot be fully covered by developer contributions. This may entail infrastructure works to support the successful development of the site, and funding to support improvements to public transport to improve links to the site.

- ii. Indirect impacts: providing funding to support engagement, employment and training activities to local unemployed people to help them benefit from the job opportunities created on the site.
- iii. Wider economic benefits: funding to support wider activities across the Coventry & Warwickshire area in line with the CWLEP Strategy (with a particular focus on three key ambitions – *Create an environment where it is easy for businesses to start, locate and thrive*; *Accelerate economic growth through targeted support for key strategic sectors*; and *Tackle skills problems by aligning supply and demand*). Work is also currently underway to explore the potential to align or integrate potential EZ benefits with proposals to establish a CWLEP Investment Fund which leverages a number of potential sources of funding.

Section E: Expected benefits

E1. What level of employment is expected within the proposed Zone by April 2015? Please record relevant assumptions and cross-refer to answers from sections C and D as appropriate. (250 words)

Based on the projected development profile across the proposed EZ site (as outlined in questions C4 and D4, it is anticipated that up to 4,515 new full time equivalent jobs will be created by April 2015, rising to 14,004 FTE jobs by 2028. The anticipated profile of gross employment is as follows:

	2015	2028
• B1a	1,212	5,958
• B1c	380	950
• Airside (maintenance/ cargo)	207	207
• B2	1,638	4,219
• B8	949	2,276
• Retail/ leisure/ hotel/ leisure club	129	394
	4,515	14,004

While no detailed profiling of the likely B1 occupiers has been undertaken at this stage, it is anticipated that a significant proportion will be in the high technology, advanced manufacturing and engineering sectors with a spread of occupiers across size ranges (including SMEs and large national and multinational businesses).

E2. Please describe i) to what extent the job estimate in E1 may be subject to deadweight and displacement; and ii) the proposed strategy to mitigate those impacts? (250 words)

[To follow on Monday 27 June following consideration of the presentation of deadweight effects]

E3. Please outline if and how new employment on offer in the Zone is expected to be of benefit to local people, and any strategies that will be adopted to ensure that local benefits are maximised (250 words).

Local partners have a strong track record in working together around major new developments to help maximise employment opportunities for local people, and particularly those who are unemployed. Good examples include the Ricoh Arena and more recently ongoing work with Ocado in North Warwickshire. This model will be reviewed and utilised again for the proposed Coventry & Warwickshire Gateway development, and involves strong partnership working between local authorities, Jobcentre Plus, universities, community & voluntary sector organisations and local training providers.

A key part of the targeting of the development will be on retaining and growing local

companies, particularly those based in and around University Technology Parks. These businesses are likely to have a degree of affinity to the local area and thus a vested interest (subject to appropriately skilled candidates being available) in providing employment opportunities for local people.

A significant focus on investment in local transport infrastructure and networks will promote the accessibility of jobs to local people with the anticipated catchment extending north to Coventry and south to the rest of Warwickshire.

E4. What impact will the proposed Enterprise Zone have on indirect employment in the Local Enterprise Partnership area, for example, supply chain employment? (250 words)

[To follow]

E5. What other wider economic, social and environmental benefits will the Enterprise Zone bring to the Local Enterprise Partnership area? (200 words)

The development will deliver a number of direct economic, social and environmental benefits including:

- Provision of 14,000 new jobs, the majority of which are expected to be filled by local people, thereby reducing the negative economic and social impacts associated with unemployment;
- Substantial investment in public realm and landscaping to mitigate potential adverse environmental impacts associated with the development, thereby maintaining the quality of the local environment;
- Remediation of brownfield land, including in particular contaminated land associated with former sewerage works;
- Alleviation of flood risk as a result of specific flood risk mitigation measures expected to be implemented as an integral part of the proposed development;
- Substantial improvement in local highway networks including specific measures to alleviate congestion and improve traffic flow on highways surrounding the proposed development, thereby reducing costs associated with congestion and delays (including the impacts of pollution);
- Substantial investment in public transport infrastructure including the establishment of a BRT service to link the proposed developments and the Airport with the city centre and wider bus and rail services; and,
- Potential increase in land values and the national and international profile of the sub-region as a consequence of the EZ status and related new economic activity attracted to the area

E6. What consideration has been given to ensuring the sustainability of benefits arising from the Zone into the future? (200 words)

CWLEP have developed a 5-year strategy focussed on making the local economy one of the best and easiest places to start, locate and grow a business. To this end, private and public sector partners are working jointly to identify, address and remove barriers to growth, which will help make the EZ (and wider) area an attractive place to remain after the incentives available through the EZ end. In particular the availability

of a range of high quality accommodation to meet changing needs over a business' life cycle, together with the attraction of supply chains and supporting infrastructure and enhancement of transport networks and links to national and international markets will help to embed operations.

Activities to engage and work with the local labour force to help maximise employment opportunities, potential support for Apprenticeships, skills and workforce development activity, business support (particularly around innovation and international trade) and a strong commitment to business engagement and after-care support will also all help maintain the attractiveness and sustainability of the site in the future. Partners are also keen to ensure that the full range of support from some of CWLEP's key assets – such as the two Universities, Warwick Manufacturing Group, the Manufacturing Technology Centre and the new automotive Technology Innovation Centre – will all help to attract and retain businesses.

Section F: Governance and Management

F1. What consultation has been undertaken with local businesses, communities and other groups relating to this proposal and what feedback has been received? How do applicants plan to make information about the impact of the proposed Zone available, including publishing data in open and accessible formats? (300 words)

The Board of the CWLEP includes the leaders of Coventry City, Rugby Borough and Warwickshire County councils. The Board also contains directors of significant companies within the sub region (EON, Jaguar Land Rover, RSC, DCS Europe), and the Vice-Chancellor and Deputy Vice-Chancellor of the universities of Warwick and Coventry respectively.

CWLEP operates in an open and transparent way, all Board agendas and minutes (including consideration of EZ proposals) are published on the website and we would wish to detail, for public scrutiny, the plans for the EZ on the website.

The Coventry & Warwickshire Chamber of Commerce, the FSB, CBI and IoD all contribute to ensure that the CWLEP has extensive business engagement. A regular series of meetings with top 100 companies in Coventry and Warwickshire is planned and being implemented.

The governance arrangements of CWLEP include:

- 12 'Focus Groups' that have in total c150 business people and stakeholders engaged.
- Quarterly 'Business Leaders & Stakeholders' open meetings that are well attended
- 'LEP Locals' that take Board members to the 7 different local authority areas to meet local businesses and stakeholders and report on progress and initiatives (including the proposed EZ) that may be delivered by.
- Quarterly 'MP Briefings' that take place in Westminster
- Continuing dialogue with Ministers, officials and MP's.
- Widely circulated newsletters that appear shortly after each Board meeting.

Coventry & Warwickshire Development Partnership, a significant land owner in the proposed EZ area, have undertaken an extensive communication programme and delivered a series of presentations of their plans to local authorities and other local groups over the past 3 months. Overall the perception of the scheme has been positive. It is envisaged that this campaign will be picked up by CWLEP for the EZ as a whole and continued.

F2. Please outline the governance structure for management of the proposed Enterprise Zone and provide the names of key personnel. (200 words)

A CWLEP board sub-committee will be established to oversee the planning, promotion and execution of the proposed development programme. This group will include representatives of local authorities, universities, developers and major employers. In particular this group will be tasked with:

- Ensuring that planning for development of the site reflects the priorities of the LEP;

- Ensuring that marketing activity is focused on key target industrial/commercial sectors, geographical markets and size categories to maximise growth opportunities and minimise displacement, while taking advantage of supporting resources including UKTI and local authority inward investment capabilities;
- Monitoring development and take up activity to ensure the site progresses on schedule and allowing intervention as required in response to any shortfalls in performance
- Liaising with UKTI and other government officials and local authority partners to ensure that support requirements for the proposed site are being met appropriately
- Monitoring outputs to ensure that the benefits of the proposed site to the immediate and wider area are maximised
- Monitoring business rate receipts to ensure that resources available to the LEP to support wider priorities are maximised

F3. What monitoring and evaluation plans are proposed? *Please refer to the approach, timing and resource implications of these activities.* (200 words)

The progress of the EZ will be monitored on a regular basis. Such monitoring activities could include assessment of:

- The effectiveness of marketing activity (number of enquiries/ site visits by quarter);
- Pre-lets secured against planned levels;
- Progress on infrastructure, site preparation and enabling works;
- Build out rates (in comparison with initial development proposals);
- Lettings completed by quarter (including assessment of displacement of activity from within the CWLEP area);
- Business rate revenues generated from lettings against planned revenue streams
- Jobs created by entities locating within the zone and the proportion of such jobs taken up by local people (ongoing reporting requirement);
- Wider economic benefits associated with development (supply chain impacts etc) – ongoing reporting requirement from tenants;

Systems will be established to require developers and tenants to share information on areas including the above issues. Data will be collected at regular (quarterly and annual frequencies) and reported to the CWLEP board to facilitate the effective management of the EZ, while minimising the administrative impact on new tenants.

In addition to the above monitoring systems a formal evaluation of the effectiveness of the proposed EZ will be conducted in May 2015 (following the expiry of business rate incentives).

F4. What risks have been identified in achieving the outcomes of the proposal and what are the mitigation plans? (200 words)

Key risks and potential mitigation measures identified as part of the EZ assessment process include:

- Failure to secure the appropriate consents (including in particular completing the necessary EIA and consultation processes and securing consent for

removal of land from the Green Belt) – in seeking to mitigate this risk the project team will consult extensively with relevant local and Government stakeholders on a thorough and inclusive basis in order to anticipate, identify and address/ respond to issues as they arise

- Development risk (adverse land conditions, unexpected off site infrastructure requirements/ costs or higher than anticipated development costs impact on the viability of development) – in seeking to mitigate this risk CWLEP stakeholders will adopt robust planning and site investigations protocols to ensure no surprises (including consulting extensively with DfT/ Highways Agency partners);
- Demand risk (shortfalls in demand impact on the speed/ extent of development during the period where EZ incentive are available to occupiers - appropriate market testing and marketing activities and effective oversight of approach will mitigate this risk, together with the capacity to adopt a flexible approach to development in response to changing market conditions)
- Displacement risk (appropriate targeting and management of promotion activities should minimise risk)
- Business rates collection risk (robust planning – to develop a robust estimate of likely revenues - and monitoring - to ensure revenues due to the LEP are collected)

Section G: Equality Information

G1. Is it expected that the proposal or its outcomes will have a detrimental impact on any of the groups with protected characteristics as listed in the Equality Duty?

If yes, please describe the impact or impacts the proposal is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s).

No specific adverse impacts are anticipated. CWLEP partners will monitor the promotion and execution of the proposed development programme to ensure that opportunities are available to all sections of the local community