

Report to: Lead Cabinet Member for Strategic Management and Economic Development

Date of meeting: 26 April 2016

By: Director of Communities, Economy and Transport

Title: Newhaven Enterprise Zone

Purpose: To note the successful application to Government for the creation of an Enterprise Zone for Newhaven, and to consider the creation of a multi-agency Implementation Team to support its delivery

RECOMMENDATIONS: the Lead Member is recommended to:

- (1) Note the successful application, in partnership with Coast to Capital Local Enterprise Partnership, to create an Enterprise Zone on eight key sites in Newhaven to facilitate inward investment and economic growth in line with Government's key assessment criteria for new Enterprise Zones;**
 - (2) Note that the Enterprise Zone will officially commence in April 2017 and that there is a significant amount of preparatory work required as it is a proposal of regional significance; and**
 - (3) Authorise the Director of Communities, Economy & Transport to engage with Lewes District Council and key supporting partners through a multi-agency Implementation Team**
-

1 Background Information

1.1 Enterprise Zones (EZ) are a central pillar of the Government's long-term plan to rebalance the economy. In total, the Government is investing £330 million to support Enterprise Zones to realise their potential as engine rooms of local economies.

1.2 There are now 44 Enterprise Zones across England (including Newhaven) that have been announced. To date, the 24 previously established Enterprise Zones have attracted more than 560 businesses, secured £2.2 billion of private sector investment and created over 20,000 local jobs. Enterprise Zones have been successful in attracting world class companies and their suppliers, as well as stimulating local business formation, clustering and growth.

1.3 It is also worth noting that the Coast to Capital Local Enterprise Partnership (C2C LEP) has agreed that 100% of the uplift in business rates will be retained by Lewes District Council to reinvest in the local area to support the delivery of the Enterprise Zone.

2 Supporting Information

2.1 The successful Enterprise Zone bid covers eight non-contiguous sites and a total of 79 hectares. In this respect Newhaven is unusual, as the majority of Enterprise Zones are on linked / adjoining sites, as noted by Genecon who conducted the Enterprise Zone Proposals Prioritisation for East Sussex County Council in September 2015. Enterprise Zone status is rare for urban centres (typically due to difficulties associated with multiple land ownerships as well as the lack of space for major companies to occupy) and so the achievement in successfully gaining Enterprise Zone status for Newhaven should be noted.

2.2 There are eight sites in the Newhaven Enterprise Zone, the majority of which are privately owned, although significant proportions of both the Town Centre and Avis Way sites are in Lewes District Council's ownership:

- East Quay (19 ha)
- Eastside North (5.2 ha)
- Eastside South (2.2 ha)
- North Quay (13.4 ha)
- Railway Quay (4.6 ha)

- Bevan Funnell (2.4 ha)
- Town Centre (5.9 ha)
- Avis Way Industrial Estate (26.7 ha)

2.3 Lewes District Council has undertaken a detailed analysis of the potential benefits of the Enterprise Zone for Newhaven. This estimates that, commencing in April 2017, EZ status will directly lead to the creation of around 55,000m² of new commercial floor space, refurbish a further 15,000m² of commercial floor space and create and sustain around 2,000 jobs over the Zone's 25-year lifespan.

2.4 Alongside the other Newhaven-focused regeneration activity, the Enterprise Zone therefore has the potential to have a significant positive impact on local residents, businesses and economic growth. Enterprise Zone status also places a strong emphasis on the commercial proposition – ensuring effective place-making and the need for a mix of residential, commercial and industrial development across the eight key strategic sites identified.

Enterprise Zone Governance

2.5 The Government expects all Enterprise Zones to have clear and accountable governance and delivery mechanisms in place prior to the EZ commencing. This includes a requirement to provide regular reports back to Government on progress.

2.6 It is therefore proposed that new governance arrangements are put in place which reflect the Government's guidelines whilst ensuring local partners are engaged to ensure timely delivery. We will therefore seek to revise current Officer meetings – such as the Newhaven Delivery Group – to ensure these reflect EZ designation. This new Implementation Team will oversee delivery of the EZ and will most likely involve officers from Lewes District Council (LDC), Newhaven Town Council, East Sussex County Council, Coast to Capital LEP and representation from the South East Local Enterprise Partnership (SE LEP) as well as key Government departments.

2.7 The C2C LEP is ultimately answerable to Government for the implementation of the EZ, so they will need to have a governance structure that offers them the necessary assurance. Therefore any governance arrangements will need to be agreed by the C2C LEP Board, through a Memorandum of Understanding (MoU). A draft MoU has been prepared by Government and is attached as Appendix 1.

3 Conclusion and Reasons for Recommendations

3.1 The successful Enterprise Zone bid for Newhaven is a positive step forward to the achievement of County Council priorities for driving economic growth. It will enable the development of key employment sites in Newhaven, and will create a significant number of new jobs as well as boosting the area's ability to attract inward investment into East Sussex.

3.2 The successful implementation of the Enterprise Zone will require collaborative working with a great many partners, including the County Council. The Lead Member is therefore recommended to authorise the Director of Communities, Economy and Transport to engage with other partners on the proposed Implementation Team which will have a positive impact on its delivery.

RUPERT CLUBB
Director of Communities, Economy and Transport

Contact Officer: James Harris
Tel. No. 01273 482158
Email: james.harris@eastsussex.gov.uk

LOCAL MEMBERS

Councillor Butler, Councillor Charlton

BACKGROUND DOCUMENTS

None