

Introduction

In 2008 the MOD's Operational Efficiency Programme identified the opportunity to rationalise the logistics function at Graven Hill in Bicester by undertaking a phased withdrawal and using the value of surplus land to develop a specifically designed, fit-for-purpose logistics hub at Site C.

The Cherwell Economic Development Strategy (2011- 2016), adopted by both the district council and the Local Strategic Partnership, identifies the importance of a strong and resilient economy for the future of north Oxfordshire.

For Cherwell District Council, the preservation of existing jobs, creation of new jobs and security of economic prosperity for our growing town is a

fundamental priority. This document sets out why Cherwell District Council believes this proposal should be endorsed and Bicester should remain the preferred location for the MOD's logistical operation, as follows:

1: Why Bicester?

2: Local support

3: Support offered for bidders

4: Summary and conclusions

Included within this report is evidence of support from all tiers of Oxfordshire's local government; clear examples as to the geographical benefits of choosing Bicester and firm assurances that all relevant and interested parties will work closely with the MOD and external bidders to successfully deliver this vision.

Background

In late 2008, the publication of the Operational Efficiency Programme charged the MOD with looking at its storage and distribution function, along with its occupied estate, to identify any potential opportunities to release funds back to Her Majesty's Treasury. As part of this review, land known as Site C west of Arncott Hill, off Ploughley Road, was identified as a possible solution.

Since 2011 Cherwell has been working collaboratively with both the MOD and DIO in respect of their plans. In May 2013, the Secretary of State for Defence received a resolution to grant planning consent for the erection of the fulfilment centre and associated works on Site C, which would enable the MOD to consolidate its existing logistics operations in the town.

Permission for the fulfilment centre formed part of a wider planning application for up to 1900 self-build homes and amenities to be built at the MOD's existing Graven Hill site, which is also being sold to the council.

Since receiving planning consent, the MOD has undertaken a procurement process to evaluate whether its logistics can be delivered by the private sector and a tender process is now underway with two private sector bidders and an

in-house bidder. As part of this process, the bidder will need to determine where they want to base their operation and Bicester has been included for consideration.

On 21 January 2014, the council received details of the three bidders and as part of the tender process, engaged in various meetings and degrees of dialogues to promote and recommend the Bicester site.

As reported to the February 2014 Executive the timetable is as follows:

Proposed/Estimated ITT Return Date:	22/08/2014
Proposed Issue Date of Contract:	19/12/2014
Proposed Completion Date of Contract:	16/03/2028

While we understand the procurement process is continuing and there can be no assurances given that we will be successful in our promotion of Bicester, we want to reassure all stakeholders of not only the support from Cherwell District Council, but all tiers of local government representing the area.

1. Why Bicester?

Located in the heart of England, Bicester is the fastest evolving town in the UK and has been named as one of the greatest districts within England to run a business.

Traditionally, Bicester is a market town with connections to past and present military operations. Some of these areas are currently in the process of reorganisation while others hold historical value. The Ministry of Defence's Logistics services have long been an important component of Bicester's resilient economy and have in turn, benefited from the town's prime location.



Bicester already offers extensive transport links across road and rail but these are set to be further expanded to accommodate the town's significant future growth. As per Cherwell's submitted Local Plan, Bicester's growth is being delivered from a shared vision with public support and will include more than 10,000 new homes combined with new employment, retail, community and social facilities. This will all be set in an attractive green infrastructure connected into the existing communities.

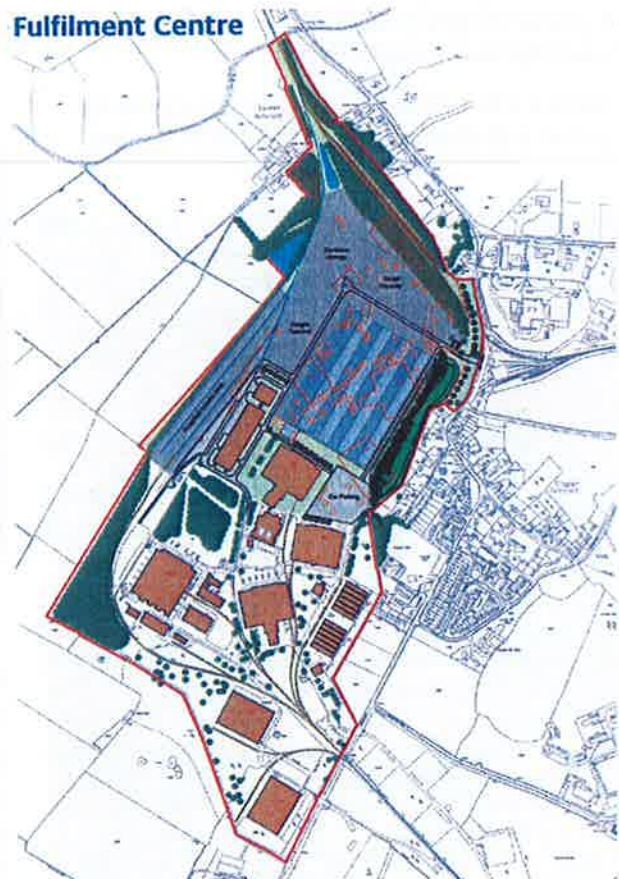
Bicester – within the 'golden triangle' of UK logistics

The South East Midlands is a transport and logistics hub and home to many of the world's most successful businesses and estates. Within

the SEMLEP area, nearly 85,000 individuals work within the Logistics Sector, equivalent to 11% of all workers.

SEMLEP's established regional infrastructure, combined with labour and low property costs, has made logistics the joint number one biggest employer in the South East Midlands (alongside the healthcare sector).

Bicester (Cherwell) features strongly in this sector as shown on the logistics assets map at <http://www.semlep.com/logistics/>. This strength not only includes the operations of the Ministry of Defence but also private sector businesses (Appendix 4) which have located in Bicester and now thrive.



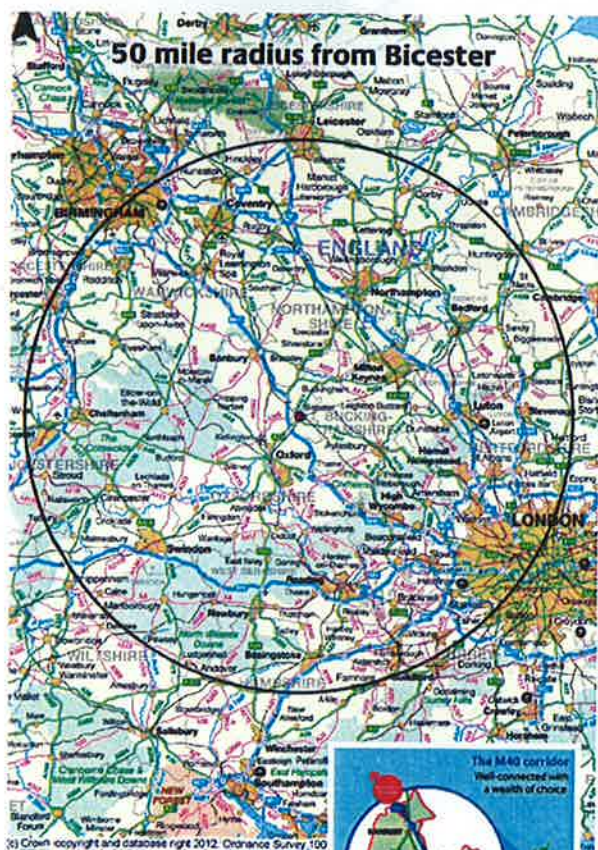
Redevelopment of MOD Bicester
Plans Document, Figure 41, C Site, Strategic Masterplan

Prime Location

- Fastest evolving town in the UK; Bicester offers 1,000 years of innovation and enterprise
- Home to international businesses
- Diverse employment opportunities ranging from food, logistics and commerce, to high performance engineering and leading edge technology
- East West rail link set for restoration
- Home to the Ministry of Defence since 1941
- Centrally located with strong road and rail transport links
- An historic town centre supported by modern redevelopment
- A global shopping destination; home to the world famous Bicester Village
- Named the 11th best district to run a business out of 325 districts in England (Local Futures)

Accessible

- Equidistant London and Birmingham
- 90 mins to South Coast Ports
- 5 mins to M40 Junction 9
- Funding has been put in place for infrastructure improvements including Motorway junction improvements and East-West Rail to help mitigate against significant housing and employment growth.
- Delivering new strategic highway improvements including those on peripheral routes to help improve sustainable movements
- Improvements to the rail network from Chiltern Railways
- The Oxford - Cambridge corridor. This is an initiative to support high growth technology companies in the corridor between the two cities.



Bicester is at the core of an expanding road, rail and air travel network.

Bicester remains the largest of only two remaining defence depots because of its proximity to RAF Brize Norton and its direct rail links to the Military Port at Marchwood, Southampton and the East Coast Ports. It already benefits from a well maintained military international freight terminal as well as the corporate headquarters for defence posts, enabling it to call on resident army units in the event of a major security risk.

All of this means that this will remain an ideal location for the operation of storage logistics and distribution over and above this proposal.

Open For Business

As the fastest growing town in the UK, Bicester is well positioned to benefit from targeted growth. It is one of only two locations nationwide where rail users can travel north – south as well as east – west and is set to benefit from improved transport links with the restoration of East West Rail and improvements to junction nine of the M40.

Following on from its newly regenerated town centre, Bicester is preparing to undergo significant expansion over the next 20 years. The town boasts a pioneering vision for strategic eco development and has major defence land holdings. These factors, along with the extensive expansion and newly regenerated town centre, provide Bicester with a unique opportunity to attract major investment, create new employment and deliver the necessary amenities, all supported by a new highway infrastructure.

In March 2014, an independent report prepared by Montagu Evans provided Cherwell with an indicative value of the private sector inward investment which Bicester had attracted since north west Bicester was identified as a potential eco town. Key findings from this study showed that between 2009 – 2013:

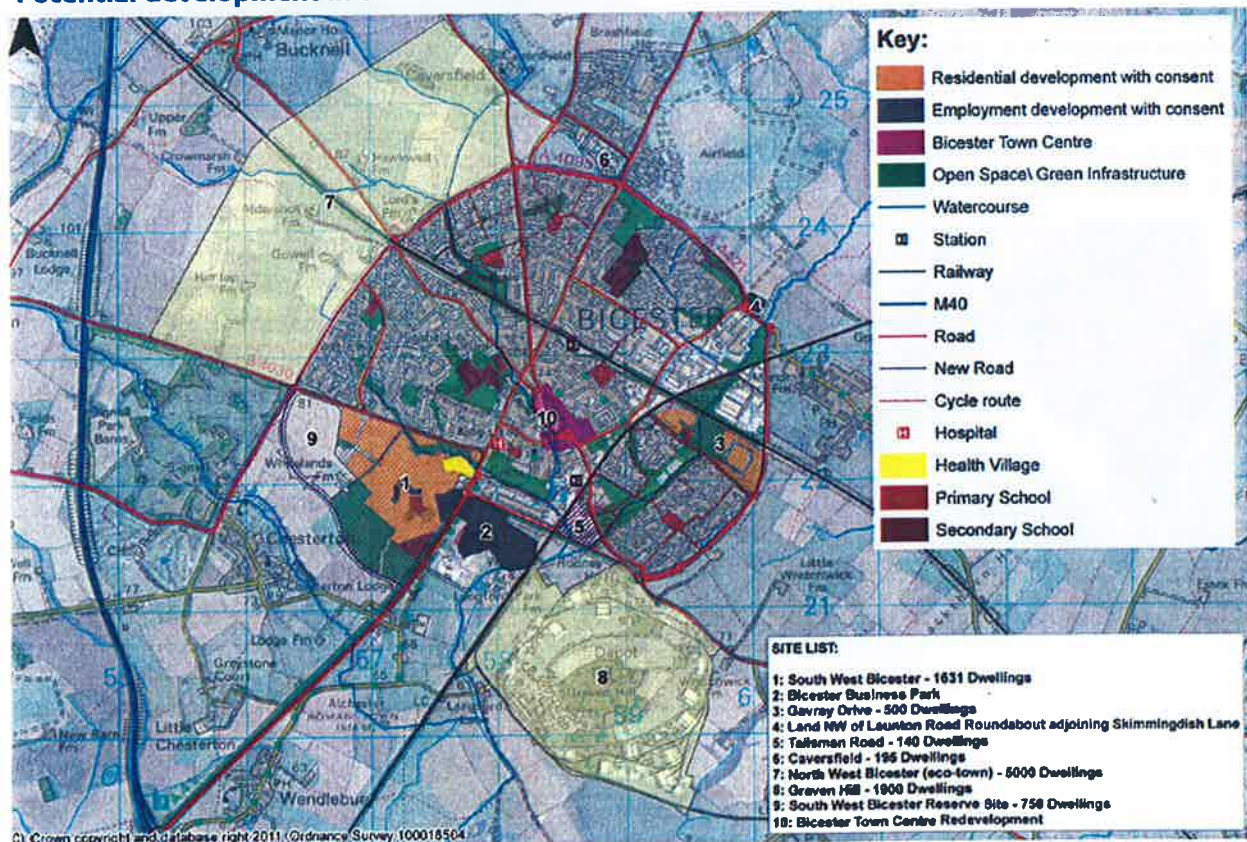
- The total amount of property led inward investment delivered in Bicester 2009 – 2013 is estimated at £183m.
- 365 residential units were completed in Bicester at an estimated value of approximately £79 million
- Approximately 47,000 square metres of commercial floor space was delivered at an estimated value of approximately £104 million (Bicester Town Centre regeneration accounted for £70 million of this)

Independent research undertaken by Local Futures (Appendix 1) found Cherwell ranked as the 11th best district out of 325 in England within which to run a business.

Local Futures' Place Profiles (Appendix 2) are computer-generated reports that provide a high-level analysis of an area and tell a 'story of place'. In this case, Cherwell is examined in terms of its attractiveness to inward investors and businesses considering the District as a location.

- **Economic Performance (very strong)**
- **Human Resources (very strong)**
- **Environment and Infrastructure (very strong)**

Potential development in Bicester



Skilled And Flexible Workforce

The MOD currently employs approximately 420 personnel to deliver its logistics' services across four sites in Bicester. This workforce is seen as being stable and resilient, comprising long serving members of staff, living locally with good industrial relations.

If plans for the fulfilment centre were to proceed as planned for Bicester, the current operations would be consolidated on Site C and create 200 new jobs within the MOD. By remaining in Bicester, the MOD can retain its existing workforce without the disruption and expense associated with a major relocation.

The Cherwell District Economic Study (August 2012) points towards key economic sectors where there is considerable scope for growth:

- Logistics Sector
- Advanced Manufacturing/High Performance Engineering
- Green Economy
- Innovation, Research and Development

There are 67,100 employee jobs in Cherwell with another 8,000 who are self-employed.

Cherwell has a comparatively high proportion of employment in industrial sectors and logistics with 6,300 people (nine per cent) of the district's workforce engaged in warehousing. As such, Cherwell boasts a skilled and experienced workforce supported by training establishments with links to local colleges and universities which help to develop these skills further.



Skills for logistics

Local colleges and universities are already providing the necessary skills which are needed for the workforce of today and tomorrow. The local provision is shown at:

<http://www.banbury-bicester.ac.uk/warehousing-and-logistics-operations-level-2-intermediate-apprenticeship>

Bicester and wider Oxfordshire are highly accessible both nationally and internationally. The area is situated within outstanding countryside and beautiful natural scenery amongst areas of cultural and historical heritage. All of this, together with the district's excellent schools, employment and housing opportunities help to create a popular and desirable place to live and as such, Bicester continually attracts people to the area looking to take advantage of these opportunities.



Practical help for recruitment

The Cherwell Job Clubs have helped many businesses with their recruitment needs, including those seeking specialist skills in the logistics sector. Tailored help has, for example, recently been provided to the 23 Pioneer Regiment in Bicester whereby servicemen facing redundancy have been helped to utilise their driving and construction skills with local employers.

Free promotion of job vacancies is placed on the website www.cherwell.gov.uk/jobclubs and with partners such as Job Centre Plus with the recruitment of candidates helped through job club events arranged to suit. We can therefore assist in filling the new jobs.

2. Local Support

The discussions between Cherwell, the MOD and private sector bidders are being backed by our Local MP, Sir Tony Baldry, Oxfordshire County Council and Bicester Town Council who are all keen to ensure the fulfilment centre and subsequent jobs remain in Bicester.

Sir Tony Baldry,
MP for North Oxfordshire



"I think everyone is agreed that at present there are too many MOD storage and distribution facilities and that they should be consolidated onto a single site.

"In my judgment Bicester is the only sensible place to consolidate MOD storage and distribution. There is a suggestion that Ministers wish to make a decision on this before the end of the year. The case for Bicester speaks for itself. Bicester's geographical location speaks for itself.

"It is Bicester's connection to the motorway network, its proximity to RAF Brize Norton, Bicester's rail connectivity which will be advanced by the East-West rail link. Bicester's proximity to key sea maritime ports such as Southampton, Felixstowe and the Channel ports all compellingly argue that Minister's should pick Bicester to consolidate MOD Distribution and Storage.

"What is clear is that this issue can't drag on forever. Ministers need to make a decision. Not taking a decision is costing the MOD money. The answer is Bicester."

Cllr Richard Mould,
Leader of Bicester Town Council

"Bicester Town Council is in full support of the work being carried out by Cherwell District Council to retain the fulfilment centre in Ancott, to protect the jobs that already exist and to attract many more. Bicester is going through a rapid expansion phase and the provision of employment opportunities will be key for residents both now and in the future."

Cllr Barry Wood,
Leader of Cherwell District Council

"We have now exchanged contracts with the MOD for Graven Hill and a lot of work is taking place behind the scenes to ensure we are ready to hit the ground running once we do acquire the site. But alongside all of this, we are still working to secure the future of the fulfilment centre in Bicester which will not only protect existing jobs in the town, but create hundreds more.

"We are aware the MOD is negotiating between Bicester and a second site within Telford and Wrekin Council to consolidate its operations, but are proactively holding discussions so the MOD is in no doubt about our support for this centre. With thousands of new homes coming to Bicester it is vital we retain existing jobs in the town and ensure measures are in place to provide future residents' with employment opportunities. With our support and the geographical benefits that Bicester offers by being centrally located, we are confident of keeping this centre, and consequently its jobs, in the town. The Council strongly believes Bicester remains the best place for a Defence Depot. It was right in the build up to D Day, and certainly is the right choice now as well."

Cllr Ian Hudspeth,
Leader of Oxfordshire County Council

"The county council is keen for the MOD to stay in Bicester and support the district council in persuading them to stay. The MOD has a long history and a special connection with Oxfordshire and Bicester and there are obvious benefits in them remaining in the area."

Karen Curtin,
Director (Bicester)

"There are 6,300 employees in the logistics sector in Cherwell, this is a representation 34% above the national average. Cherwell is strategically well placed to capture further growth in the sector through its proximity to both the motorway network and large population centres. We have a track record in delivering innovative solutions that deliver growth and economic prosperity for the District. We are keen that the proposed Fulfilment Centre is based in Bicester and I would reiterate that we are willing to consider other requests from the bidders in order to give Bicester the best chance of being the preferred location."

3 – Support Offered for Bidders

Cherwell has been joined by all tiers of Oxfordshire's local authorities in our pledge to work alongside the MOD and private sector bidders to retain the fulfilment centre in Bicester. Cherwell has already delivered on that promise and since 2011, has worked with both the MOD and DIO to obtain planning consent for the site. More recently, that support has extended to proactively engage with the in-house and private sector bidders to promote the Bicester location for the fulfilment centre and all logistics.

Supported by all tiers of local government we have and where necessary will continue to:

- 1)** Provide comprehensive pre-application advice on the outline planning permission for Graven Hill site and the construction of a Fulfilment Centre on 'C' site to form the National Logistics Hub; the scheme aim was to retain 420 existing MOD jobs and provide an extra 200.
- 2)** Approved planning consent on the dual application in May 2013.
- 3)** Entered into robust and comprehensive negotiations in relation to the surplus land at Graven Hill which resulted in the decision to acquire the land.
- 4)** Entered into dialogue with private sector and in house bid teams with a view to assisting the development of the bids required by the August 22 2014 submission deadline.
- 5)** Considered and given informal advice on potential amendments to the current planning consent granted for the Fulfilment Centre in relation to footprint, height implications for automation, alternative locations and delivery models.
- 6)** Promoted Bicester as the logical location proactively and reactively with local media and stakeholders.

In order to show our continual commitment to the promotion of the Bicester location we will offer:

- 7)** continued support for planning issues – informal and/or pre-application advice.
- 8)** business rate incentives (subject to state aid compliance) for the new facility.
- 9)** option on the existing / new commercial units within the Graven Hill commercial area including the evaluation of various delivery solutions – sale, leaseback, turnkey.
- 10)** resource to assist with the planning, construction, transition and recruitment phases of the chosen solution in order to expedite delivery and ensure optimal communications with local stakeholders.

We hope that these proposals continue to show our commitment to the procurement process and welcome the opportunity to discuss any of these proposals with any of the bidders. If any further information is needed, please contact

Karen Curtin,
Director (Bicester) ,
Cherwell District Council,
Bodicote House,
Bodicote,
Banbury,
Oxfordshire.
OX15 4AA

Telephone 0300 0030202
Email karen.curtin@cherwell-dc.gov.uk

4. Conclusion & Summary

In addition to offering logistical and economic solutions, the site at Bicester will retain close links to other military bases and receive the unanimous support and backing of all tiers of local Government.

Geographically, the benefits of remaining in Bicester are far reaching. With a unique rail network serving all four compass points and direct access to the motorway, Bicester already provides exceptional transport opportunities which are set to improve further with the restoration of East West rail and improvements to junction nine of the M40.

Aside from the locational benefits, the MOD will also be able to reap the financial advantages of remaining in Bicester. In addition to the savings associated with retaining its existing skilled workforce, the retention of MOD land will eliminate the need to lease or purchase additional sites to accommodate future growth. Furthermore, as Bicester continue to expand, so will the opportunities for future investment.

While other sites may be able to meet the financial and geographical criteria associated with this development, what sets Bicester apart is the unanimous backing for this proposal. With all tiers of local government proactively working together to secure this development, the MOD and bidders should be left in doubt for its support. As the fastest growing town in the UK, the retention and creation of jobs is vital to the future of Bicester and this is reflected in numerous planning documents.

Bicester has consistently proven itself to be a popular location for logistical companies such as DHL and Fresh Direct while Cherwell has already shown its commitment to the fulfilment centre through its work to assist the MOD in obtaining planning consent. Furthermore, with a track record for delivering innovative projects that generate economic prosperity, Cherwell is experienced, prepared and ready to welcome this development to Bicester.

In considering where to base its operations, the MOD should consider the financial, practical and geographical implications to ensure a profitable and manageable business in a sound location.

BICESTER does more than meet this criteria; it exceeds it.

Supporting documents

Appendix 1 - Business Location Index

The overall analysis revealed that, despite some areas of weakness, Cherwell performs extremely well overall and has the highest Business Location Index when compared to surrounding districts and compares very strongly at an English level. In fact, Cherwell is ranked 11th out of 325 local authority areas:

The top 20 are as follows:

1	Milton Keynes
2	South Cambridgeshire
3	Basingstoke and Deane
4	South Gloucestershire
5	Wiltshire
6	Wandsworth
7	Crawley
8	Cheshire East
9	Warrington
10	Richmond-upon-Thames
11	Cherwell
12	Solihull
13	Winchester
14	Exeter
15	Brighton and Hove
16	Swindon
17	Chelmsford
18	York
19	Cheltenham
20	Trafford

Appendix 2 Local Futures Place Profile and logistics research - refer to the two reports shown as 'Cherwell Inward Investment Report' and 'Cherwell Economic Analysis Study' both shown at: <http://www.cherwell-m40.co.uk/About-the-area/Research.aspx>

Appendix 3 Cherwell Local Plan - <http://www.cherwell.gov.uk/index.cfm?articleid=9803>

Appendix 4: Examples of the local logistics cluster.

Examples of businesses in Bicester utilising the strategic location

DISCLAIMER: Every effort has been made to ensure that details of businesses are accurate. However, Cherwell District Council wishes to make it clear that it cannot accept responsibility for any inaccuracies or omissions in the business listings.

Employee Size Bands

A 1-5
B 6-10
C 11-19
D 20-49
E 50-99
F 100-199
G 200+
U Unclassified

Automotive

Paragon Fleet Solutions Ltd

125 Camp Road
Upper Heyford
Bicester, OX25 5HA
01869 237000
Employees: G

Providers of volume vehicle preparation, de-fleet, logistics & captive fleet management.

Distribution, Storage & Logistics

Defence Storage & Distribution Centre

Stores Division
Ploughley Road
Lower Arncott
Bicester, OX25 2LD
01869 256840
Employees: G

Centre for the distribution of the UK's defence non-explosive material

DHL Mondelez

Charbridge Way
Bicester Park
Bicester, OX26 4ST
Employees: F
Distribution service

Engineering & Machinery

EP Barrus Ltd

Glen Way
Launton Road
Bicester, OX26 4UR
01869 363636
Employees: F

Import & export of garden machinery & tools

Food & Drink Related

Alatoni Ltd

Granville Way
Bicester, OX26 4JT
01869 327788
Employees: E

Production and supply of Mediterranean foods

British Bakels Ltd

Unit A, Granville Way
Chaucer Industrial Estate
Bicester, OX26 4JT
Employees: F

Manufactures & distributes a wide range of food ingredients

Fresh Direct (Uk) Ltd

Charbridge Way
Bicester, OX26 4SW
01869 365600
Employees: G

Fresh food suppliers to the UK foodservice industry

Warburtons

Unit 1, Talisman Business Centre
Bicester, OX26 6HR
01869 241900
Employees: D

Bakery & distribution

Home & Business Services

Morley's of Bicester Ltd

Arkwright Road
Bicester, OX26 4UU
01869 320320
Employees: E

School furniture distribution

TRACT Ltd

Unit E14
Telford Road Industrial Estate
Bicester, OX26 4LD
01869 326300
Employees: E

Office furniture & equipment distributor

Information & Communication

Baker & Taylor

Charbridge Way
Bicester Park
Bicester, OX26 4ST
01869 363500
Employees: E

Supplies multimedia, books, & related information services to libraries & retailers

Polestar Bicester Ltd

Granville Way
Chaucer Industrial Estate
Bicester, OX26 4QZ
01869 363333
Employees: G

*Printing of brochures, magazines
and general commercial
printing*

Huber + Suhner (Uk) Ltd

Unit M2, Telford Road Industrial
Estate
Bicester, OX26 4LD
01869 364100
Employees: F

*Supplier of components and
systems for electrical and optical
connectivity*

Travel Related

Moto Hospitality Ltd

Cherwell Valley Services (M40)
Ardley
Bicester, OX27 7RD
01869 346060
Employees: G

*Provider of motorway service
areas*

Webmart Ltd

Sydenham Suite
Wedgwood Road
Bicester, OX26 4UL
01869 321321
Employees: D

Print management services

Retail Destination

**Value Retail Management
(Bicester Village) Ltd**

Unit 20
50 Pingle Drive
Bicester, OX26 6WD
01869 323200
Employees: G

*Internationally renowned
shopping attraction. Individually
defined boutique stores*

Manufacturing

BRITA Water Filter Systems Ltd

Brita House
Granville Way
Chaucer Industrial Estate
Bicester, OX26 4JT
01869 365802
Employees: F

Suppliers of drinking water filters



Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE