



**Lambert
Smith
Hampton**

www.lsh.co.uk

Scope of Work & Fee Quotation to provide a Market Compatibility Assessment & Occupier Consultation on proposed IFA2 Enterprise Zone Development

**Daedalus
Solent Enterprise Zone
Lee-on-Solent
Hampshire**

February 2017 (Public Document)

**Prepared for:
National Grid / Fareham Borough Council**

Document Authors:

R C Dickens BSc/ G R Holland MRICS
Lambert Smith Hampton
3 Manor Court
Barnes Wallis Road
Segensworth
Hampshire
PO15 5TH

Tel: 01489 579579
Email: rdickens@lsh.co.uk / grholland@lsh.co.uk
Ref: RCD/GRH/cec

CONTENTS

- 1.0 Introduction – Vision for Daedalus**
- 2.0 Project Brief**
- 3.0 LSH Methodology & Scope of Work**
- 4.0 LSH Credentials & Personnel**
- 5.0 Resourcing Schedule & Draft Programme**

1.0 INTRODUCTION – VISION FOR DAEDALUS

- 1.1 Over many years, Fareham Borough Council have identified Daedalus as being its most significant commercial development opportunity and has proactively engaged with other interested stakeholders to secure funding and enable investment to realise the full employment potential of the site.
- 1.2 In March 2015 the Council acquired 369 acres of the land at Daedalus, principally comprising the airfield and development areas to the East and West. The Vision and Outline Strategy document prepared by Fareham Borough Council clearly explains the ambitions and future intent to create economic growth and prosperity in the Borough and wider Solent region.
- 1.3 “Our vision is for Daedalus to become a premier location for aviation, aerospace engineering and advanced manufacturing businesses, creating many skilled employment opportunities for local people, which is underpinned by a vibrant and sustainable airfield. Building on the existing general aviation uses, the airfield will be an attractive destination for visiting aircraft and will offer the hangars, facilities and service to attract more corporate and commercial aviation activities, allowing it to be self-sustaining in the medium term and contribute positively to the local community”.
- 1.4 In order to attain the vision, the primary objectives are stated as follows:
- To unlock the potential of the airfield’s land and infrastructure assets through new commercial development, providing clusters for aviation, non-aviation and skills/innovation activity, thereby increasing private sector investment and contributing positively to the creation of skilled jobs in the Solent Enterprise Zone.
 - To realise the potential for developing and increasing corporate/commercial aviation activity, whilst continuing to support and grow broader general aviation uses.

- To ensure that the airfield is financially sustainable in the medium to long term.
- To further improve the infrastructure and facilities at the airfield, by enhancing its quality and making it more attractive to visitors and to new business.
- To maintain a safe, secure, efficiently managed and sustainable airfield.
- To generate a sense of local pride by making Daedalus an attractive location for businesses and their employees, for users of its facilities and for the local community, and to be a good neighbour.

1.5 The Council's development strategy for Daedalus East is to comprise three clusters of economic and employment activity, namely:

- A skills and innovation cluster where Phase 1 is successfully completed
- An aviation cluster, comprising small/medium sized hangarage for general aviation and commercial aviation businesses to locate – work in progress.
- A commercial industrial / hi tech development, attracting target-sector based businesses, now available to attract occupiers and designated Faraday Business Park

2.0 PROJECT BRIEF

- 2.1 We fully interpret and understand the purpose of the proposed IFA2 Daedalus and Enterprise Zone Assessment and requirements of the study which is to be objective and qualitative. It will rely and be supported to a large degree by business occupiers' testimony and our extensive market knowledge of handling property transactions in the Solent region.
- 2.2 A resolution to grant planning permission has recently been obtained for the IFA2 development; however there remain perceptions about any adverse effect on Enterprise Zone development (which are intended to be mitigated by planning obligations under a S106 Agreement). One aspect of our assessment will be to assure the adequacy of these mitigation measures and to inform how they are best implemented.
- 2.3 Our approach to the assessment will involve detailed consultation with similar types of occupiers to those being targeted for the Solent Enterprise Zone. The outcome is to objectively establish any extent to which the proposed IFA2 development could be specifically identified as having an impact on the development vision in both a marketing and viability context and to provide recommendations for how to tailor the relevant provision by National Grid of technical liaison resource and funding of FBC business development resource in accordance with S106 planning obligations.
- 2.4 Through our network of UK offices, we have access to consultation with similar occupiers to those considered well suited to the Daedalus proposition and match the profile of those types of occupier Daedalus is aiming to attract. Our study will encompass gathering data and firsthand investigation of comparative property situations elsewhere which will prove insightful and informative to the project brief such as Harwell Campus, Oxford; Advanced Manufacturing Park, Sheffield; Cambridge Science Park; Exeter Science Park; major Sub-Station relocation in Ealing Borough; Thames Tidal Gateway project etc; and other relevant examples originating from our research.

2.5 This research of comparative property situations will assist and inform our Stage 1 element (see 3.4) to assess the practical realisation of the Vision, as examples elsewhere may drive different comparators.

2.6 The results will be thoroughly analysed and recorded to identify any constraints or objections in the mind of a typical occupier considering locating in close proximity to the IFA2 development. These will inform our conclusions and enable a market led perspective on the study proposition.

3.0 LSH METHODOLOGY & SCOPE OF WORK

- 3.1 We adopt a collaborative approach, both with our clients and within our organisation, to fully embrace the client's desired outcomes and to apply our wealth of market knowledge and experience to support and supplement our advice. LSH has put a team together which will deliver the findings required by National Grid and Fareham Borough Council in a timely, professional and user friendly way, by thinking laterally and applying ourselves innovatively.
- 3.2 As evidenced by our extensive number of public sector contracts providing property services and simply the number of market transactions we conduct each year in the South Coast area, we believe that our credibility, occupier engagement and reliance on the quality and depth of our advice is paramount in maintaining our reputation.
- 3.3 Our longstanding network within the local, regional and national business community and involvement with a number of public sector initiatives, allows us a unique insight into the dynamics of the local economy and the potential for growth and job creation which Daedalus can continue to generate.
- 3.4 To undertake this study, we have assembled a core team of senior and supporting individuals to provide a qualitative and objective analysis of the impact and compatibility of the proposed IFA2 development within the wider vision for Daedalus. We have in mind a staged approach (as discussed at the recent workshop with National Grid and Fareham Borough Council) and the first stage will be to identify the target market, assess occupier specific requirements/selection criteria, comment on current market conditions, consider demand sensitivities and highlight how these generic factors apply to our target audience. To include an assessment of the practical realisation of occupation compared with the aspirations of the Vision and Outline Strategy for Daedalus and the Airfield (this, if possible, will recommend the levels and locations of occupancy on the site).

- 3.5 The second stage will form the bulk of our activity in deriving an objective understanding of the issues likely to be raised in high tech and precision based industries in taking property relocation decisions, any mitigation requirements, interference to their operational process, adjoining occupiers' sensitivity etc. This workstream is essential to then devising an investigative pro-forma or interview survey, to enable us to approach a range of appropriate businesses (preferably by face to face meetings or if not, by direct telephone contact) to elicit their concerns/observations and reaction to our proposition. We will in advance discuss and agree with the project team the interrogative survey and basis of questioning to ensure we draw out the relevant information in a consistent and meaningful fashion.
- 3.6 The third stage will involve in-depth analysis and reporting to demonstrate the extent to which major utilities infrastructure may be considered prohibitive to occupiers assessing property locations and also the specific responses to the IFA2 proposals. We anticipate holding regular progress meetings (diarised at the outset) with National Grid and Fareham Borough Council to relay our current activity and to report on occupier engagement, to raised any queries or request technical information to assist our knowledge base. The Arcadis study will be a fundamental element of our work and we would intend to develop a close, productive working relationship with them to add the technical assessment to our analysis.
- 3.7 The principle functions will be delivered from our Solent offices (at Fareham and Southampton) with specialist advice and services (national research, planning and aviation sector) provided by colleagues in London and other LSH offices around the UK as required. The approach of a core team blended with additional resources offers a high level of expertise in the required discipline, clear accountability and a cost effective allocation of resources to the workload demands.
- 3.8 We have a strong local presence with extensive market knowledge and a highly successful track record of securing property transactions allied with the LSH regional and national profile, to support and enhance our market engagement. We utilise the full depth and extent of our

property expertise and industry contacts to identify occupier requirements and to imaginatively promote awareness of the opportunities we are marketing. We have developed a cogent and effective business network, which is essential to our market activity, where we learn of significant local or regional company property needs for sites and premises. This provides a detailed and personal insight into company expansion plans, new projects etc and moreover, has enabled us to establish a good working rapport with many CEO's, MD's, Council Officers and Members within the region.

- 3.9 To identify suitable consultees we will target occupiers in the marine and aerospace sectors at a local, regional and national level, especially those companies looking for large space that are mobile and would benefit from a facility at Daedalus. We will seek out contract led opportunities and companies that have already strong relationships in the area with existing companies.
- 3.10 The following list, whilst not exhaustive, is a selection of target companies that operate in the marine, aerospace, defence or general engineering sectors (locally based or UK wide) with whom we have had previous contact and could also include other target companies identified as a result of Stage 1 work in assessing the key drivers for occupiers. On a selective basis each would be individually contacted to interview and discuss the generality of relocation criteria and specifically in relation to IFA2 proposition and impact at Daedalus.

STS Defence	BAe Systems
EADS Airbus	Saab Seaeye
Rolls Royce	Babcock Industrial
Safran/Turbomeca UK	GKN Aerospace
Cobham	Flight Calibration Limited
Qinetiq	Thales Group
Meggitt	Leki Aviation
Eaton Aerospace	Raymarine
Hants & Sussex Aviation	Percival Aviation
Turbocam	Barnbrook Systems
Folland Aerotech	DKW Precision Engineering
CK Electronics	ARM
Vector Aerospace	Mimtec Limited

4.0 LSH CREDENTIALS & PERSONNEL

- 4.1 LSH is the UK and Ireland's largest commercial property consultancy (a subsidiary of Countrywide Plc) with a national network of 31 offices and over 1500 employees. Along the South Coast we have two offices at Fareham and Southampton both with well established and dedicated Industrial and Business Space departments. We have insightful and comprehensive market knowledge and recently for the tenth consecutive year, have been awarded by the national publication the Estate Gazette, the Most Active Agent in Hampshire and Dorset.
- 4.2 The report will be handled by a specialist and experienced team involving Robin Dickens (Regional Head of Division for Industrial & Logistics – South Coast based), Graham Holland (Head of Office – South Coast), Mark Dodds (National Head of Planning & Development Consultancy) and Oliver De Sautoy (Head of National Research Department).
- 4.3 LSH are a multidisciplinary practice having expertise in industrial, offices, retail, roadside and leisure property. Our surveyors deal with day to day agency and disposals, development appraisals, company acquisitions, investment and funding advice, project management, Landlord and Tenant matters, professional valuations, town planning and property market research. We have undertaken many land use and employment site studies for Hampshire County Council, the MOD, Portsmouth City Council, Havant Borough Council, East Hampshire District Council, the PUSH Authority, J Sainsbury and commercial developers and pension funds such as Segro, Canmoor, Hargreaves, Columbia Threadneedle, La Salle, Legal and General etc.
- 4.4 Notably, the Practice have advised and been instructed to market by private clients / institutional landlords etc, many surplus industrial and office premises in Fareham and South Hampshire generally and has also acted on behalf of both local and corporate companies seeking new accommodation in the region. This has informed from firsthand experience an

insight into the mindset of a prospective occupier and the specific criteria they are looking for when selecting a new building or site. We have gained an in-depth knowledge of the dynamics of the local market and current and past projects have included the marketing of Kites Croft at Titchfield; Voyager Park and Merlin Park, Portsmouth; Trafalgar Wharf and Murrills Industrial Estate at Portchester; the Railway Triangle, Admiral Park and the Nelson Centre Industrial Estates in Portsmouth; Fareham Reach, Speedfields Park, Premier Business Centre and Fort Wallington Industrial Estates in Fareham; and undertaken property acquisitions for companies such as EADS Astrium, Snecma Turbomeca, Babcock International, Scania, Wiggle, Scottish and Southern Plc, Inchcape etc.

- 4.5 In practice, neither the commercial property market, nor occupier's when identifying new sites or premises to relocate to, have any respect for Borough administration boundaries. Locational decisions are likely to be made on road, rail and waterways infrastructure and accessibility, workforce availability, telecoms/internet connectivity, customer base and most importantly, the quality, availability and affordability of accommodation.
- 4.6 We have assembled an experienced and enthusiastic team to deliver this project (apart from working alongside Arcadis on the technical input, we have not enlisted any external support) and the individuals covering the necessary areas of expertise will comprise:

Core Team – Profile Summaries

(Full CVs can be provided if required)

Robin Dickens BSc (Hons) – Project Delivery and Joint Account Holder

Robin provides development and agency advice to local and national business occupiers and property investors.

Robin has 33 years commercial property experience on the South Coast, 30 years within the South Hampshire and West Sussex market.

Robin has been appointed by various national occupier clients to conduct property searches and undertakes pre-planning and marketing advice, disposal of surplus land holdings, restructuring advice and portfolio valuations for various clients who have included Royal Mail, Office for National Statistics, Centrica, B&Q, Serco, The Portsmouth News, Turbomeca (part of Snecma Group), EADS Airbus, Portsmouth City Council, De La Rue Plc, Hampshire County Council, LaSalle Investment Management, Scottish & Southern Energy Plc, SEGRO and Babcock International.

Robin is a graduate of Portsmouth Common Purpose, is a former president of the Portsmouth & SE Hampshire Chamber of Commerce and current Council Board member, a member of the National Industrial Agents Society, Governor at Highbury College 2002-2012 (Vice Chair), founder Director of the Segensworth Business Forum, a member of the Development Group (Shaping the Future of Portsmouth) and a Solent LEP Board member (Land, Infrastructure and Property).

Graham Holland MRICS – Project Delivery and Joint Account Holder

Graham has over 34 years experience in the Hampshire property market, the majority in the private sector, following a period with Hampshire County Council Estates Practice. Graham

heads up the South Coast operation of LSH having previously run his own practice, which merged with LSH in 2006.

Graham is a General Practice Chartered Surveyor with a wide range of experience across the range of property types and covering private and public sectors of the market. Graham is a governor at Southampton Solent University and sits on the Project Steering Group for the campus re-development in Southampton.

Clients include ABP, Test Valley Borough Council, Chemring Group, Hendy Group, The Queen's College Oxford and Hampshire Police.

Dan Rawlings – Business Space Agency & Project Support

Dan provides general industrial and logistics advice to a range of clients across Hampshire on disposals, acquisitions, investments and developments. He will support the team on a day to day basis.

Sarah Monk MRICS –Public Sector Advisory & Project Support

Sarah is a Chartered Surveyor and has a RIBA Part 1 Qualification in addition to an MSc in Property Development for which she won the RICS South East Student Awards 2012 from University for her outstanding work on the course.

Sarah is currently undertaking the role as project support for the Hampshire Police Authority to undertake the acquisitions and disposals as part of the Estate Development Programme. Sarah will assist in research, co-ordination and communication.

Clive Redding MRICS – Aviation Specialist

Clive has over 33 years experience in the aviation sector and joined LSH in 1995 with a diverse client base including airlines, handling agents, operational service providers as well as airport owners.

Oliver De Sautoy – Research

Oliver is Head of National Research at LSH based in London and his activities and knowledge are UK wide, across all sectors.

Mark Dodds BA MRTPI – Planning Advisor

Mark has over 25 years experience and is Head of Planning at LSH operating from London and provides advice to a wide range of institutional, developer and occupier clients around the UK.

5.0 Resourcing Schedule and Draft Programme IFA2 Daedalus & Solent E2 Assessment

Key Activity		Responsibility							Timetable						
		Robin Dickens	Graham Holland	Dan Rawlings	Sarah Monk	Clive Redding	Oliver Du Sautoy	Mark Dodds	TOTAL	March	April	May	June	July	
PROJECT SET UP	Inception meeting / agree detailed methodology	2	2	0	4	2	3	2	15	■					
	Background research / technical resources / planning documents / relevant studies									■	■				
STAGE 1	Define target market and industry sectors										■	■			
	Marketing strategy / generic approach to securing occupiers										■	■			
	Market commentary / supply and demand characteristics	5	2	4	3	3	5	3	25		■	■			
	Occupier selection criteria										■	■			
	Specific occupier concerns and sensitivities										■	■			
Define and justify consultation process											■	■			
STAGE 2A	Apply Stage 1 requirements and selection criteria to Daedalus masterplan											■	■		
	Locational drivers / strengths and weaknesses											■	■		
	Market competition on regional and national basis											■	■		
	What non-conforming uses would deter occupier interest	8	6	2	3	6	0	5	30			■	■		
	Mitigation relation to S106											■	■		
	Due diligence criteria / significant issues											■	■		
Factors influencing decision making											■	■			
STAGE 2B	Devise interview pro-forma and technique											■	■		
	Assemble and understand technical data to impart to consultees	15	10	20	30	2	7	6	90			■	■		
	Perform and record consultation with occupiers											■	■		
STAGE 3	Analysis of consultation results and conclusions												■	■	
	Specific analysis in relation to IFA2 and occupier impact	12	12	4	3	5	0	4	40				■	■	
	Preparing written report submitting draft												■	■	
STAGE 4	Client workshop and project review prior to final delivery	3	3	0	2	2	0	0	10					■	