

Minutes

Overview and Scrutiny Committee

6th December 2017



Present

Councillors	Present	Councillors	Present
P Barlow (Vice Chairman)	Yes	G Maclure	Yes
Mrs. M Cunningham	Yes	Mrs. I Parker	Yes
Mrs. D Garrod	Yes	R Ramage	Yes
J Goodman	Yes	B Rose	Yes
A Hensman	Yes	P Schwier	Yes
P Horner	Yes	C Siddall (Chairman)	Yes

24 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

In accordance with the Code of Conduct, all Councillors remained in the meeting and took part in the debate and decision when the Item was considered.

25 **PUBLIC QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

26 **MINUTES**

INFORMATION: It was agreed by Members to amend the Minutes of the meeting of 22nd November 2017 to include details on the Government's Autumn Budget proposals to simplify the planning process for applications to convert retail and other commercial premises to housing.

It was also agreed by Members that should they have any further comments or questions regarding the reports on the North Essex Garden Communities Employment and Demographic Studies and the North Essex Garden Communities Economic Narrative publication that these should be directed to Emma Goodings, Head of Economic Development and Planning Policy and that reference to this should be recorded in the Minutes

DECISION: That subject to amendments the Minutes of the meeting of 22nd November 2017 be taken to the next meeting of the Overview and Scrutiny Committee being held on 31st January 2018 for approval and signing by the Chairman.

SIXTH EVIDENCE GATHERING SESSION INTO EMPLOYMENT SITES AND PREMISES

INFORMATION: This was the sixth evidence gathering session of the work programme for the Committee's Scrutiny Review into employment sites and premises.

The session provided Members with an insight in to businesses in the District and where they felt the Council may be able to assist with growing businesses. Andy Mayne, Managing Director of Milbank Concrete Products LTD had kindly agreed to participate in the Scrutiny Review and attended the meeting to present information and to answer Members' questions

- Milbank Concrete Products, previously known as Milbank Concrete Floors had been trading for a little under 100 years.
- The company was originally set up in Chelmsford, up until the customer base had increased so significantly that the premises could no longer accommodate customer demands.
- In 1985 Milbank leased a seven acre site at Earls Colne airfield which was a perfectly suited facility with good access in and out and were able to provide a large area of office space
- Up to the late 1990's the company were looking to expand and were ideally looking for an area opposite their current plot on the airfield. During this time there were around 168 staff employed by Milbank who were all living locally, within 15-20 miles away from the premises and many of the staff cycled to work the Council were very supportive at the time and an agreement was reached to expand on the airfield, however the application was later denied.
- Following the refusal to expand on the airfield, and as a result of there being no other grown on space available in the area, the company moved to Brandon in Suffolk.
- It was reported that investment in the site was close to £20 million, and the company's turnover had increased from 22 million to nearly 40 million. A large proportion of money was invested in updating kit and equipment, and during this period all money was invested in to the site at Brandon with the Earls Colne taking more of a back-seat during this period as it was restricted by its size. The site at Brandon had now become the prime site.
- During the recession in 2008, the number of houses being built by Government decreased from around 200,000 homes a year to 80-100,000 homes, this meant that the company went from turning over around 3-4 million a month to around 1.4 to 1.5 million a month. The company employed around 350 people during this time. Following the drop in income the company struggled to keep up with overheads and unfortunately lost the business.
- Following the liquidation of the business Sean Milbank along with Andy Mayne went to the banks to see if they could borrow the money to reestablish the business in Earls Colne and continue to trade they were successful in doing this.
- Over last 8 years they had successfully rejuvenated the business. Milbank currently employed 168 people. Of these, 121 were based at Earls Colne, the

remaining 47 were travelling around Essex, Hertfordshire and London. The money that had been generated was invested into new machinery, and the current commitment was to remain on the site offering a premium service and emphasis on offering something different.

- From the income that had been generated over the last 2-3 years, Milbank decided to purchase other business, one of these was Cadmans Crane Hire, based on Moss Road, Colchester. In their first full year of ownership they had doubled profit.
- It was reported that Cadmans Crane Hire business would need to vacate their current and so they were leasing a site in Hanningfield but were desperately looking for another site to house the remaining cranes and also set up some offices and workshops. There was no big crane depots in the area, and Andy Mayne advised that he would like to develop this however there was no available premises to facilitate this, so instead they had set up several smaller depots to house cranes in various sites.
- The other company purchased by Milbank was Sui Generis, a fiberglass company based in Colchester, who currently employed 50 staff. It was reported that this was a good company with lots of potential to develop. The diversity of the company was good and the products ranged from fibreglass and crop sprayers to seating for airports. The current site was very small and had grown to capacity. There was no car parking available and staff were renting spaces off the main road.
- Andy Mayne hoped to look at areas to develop further, and saw this also as an opportunity to develop more skills in the area. They had previously found difficulties in recruiting apprentices, although they had been successful this year. Andy Mayne had also attended schools to talk about the business and potential career paths.

In response to Members questions the following answers were provided;

- There were no incentives to move to Suffolk, the land was cheaper however this was to be expected and the price of the land was not really relevant.
- In respect of the planning application being initially approved and then later refused, it was reported that the Council were very supportive towards the application, which was to develop the area behind the Marks Hall Estate. At the time, John Milbank, Managing Director, had spent thousands on noise surveys, amongst other things to ensure the application was successful. When the application was taken to Committee it was initially approved however this was later refused and the reasoning for this was not clear. It was believed that the objections that had been received were from residents on the main road who had concerns that the increase of cars on the road could cause road traffic accidents.
- Milbank had previously hired cranes from Cadmans, and they had built up a good reputation. The previous owner had approached Andy Mayne when he wanted to retire to see if Milbank would be interested in purchasing the business. Milbank had provided Cadmans with around 38% of their work as they were local and served local companies, but since purchasing the company Milbank had not increased their work load, as it was recognised that Cadman's could earn more money carrying out specialist work with other projects, Cadmans were considering

purchasing new machines to meet demands, however they had nowhere to store them

- The Companies that were purchased were selected in order to diversify the business and invest in something not linked to housing, so that if there was another downturn they would be better prepared. Members were advised that all the main companies that had taken out contracts with Cadman Cranes had predicted several high build numbers for next year. Sui Generis had no links to the construction industry, but it was recognised that Milbank' could offer the business a lot, such as enabling them access to finance department, better health and safety regulations and monitoring, as well using HR for recruitment and marketing. Andy Mayne explained that it often helped if someone could offer a different perspective, even in a well-run business. Cadmans was a good established brand and was an automatic fit, even though only 51% of crane hire business was focused on construction, with the rest being in water, dock yards and power supplies which created further diversity
- Andy Mayne explained that Milbank was almost at its limit in terms of number of employees, but could possibly take on another five.. Sui Generis had around 50 employees and could not take on anymore as the current location was completely at its capacity. Milbank provided all of the training for their employees and skills were developed onsite. The Cadmans site had 23 cranes, and therefore 23 drivers, they had recently hired five new supervisors and in addition to this they also had 4 people in maintenance., Andy Mayne went on to explain that Cadman needed about an Acre and a quarter, and Sui Generis need around one Acre.
- With regard to Sui Generis, Andy Mayne advised that they would employ locally as its part of their strategy and that currently many if the employees were local and did not have to travel far. Cadman's did not want to move outside of Colchester as a large proportion of their work was carried out solely in Colchester, they did branch out slightly in London and Cambridge but would not exceed this and , and they would not look to employ outside of the area.
- For Cadmans a base in Braintree would be a good link and they had previously considered the airfield, and they had recently purchased an acre across the road, but it would need significant investment make the site fit for purpose. However the main problem with the site at Earls Colne airfield was that the bridge at Marks Tey had a 60 tonne weight limit and could not support the cranes this would restrict access of the cranes and become counterproductive Cadman's were currently planning to place seven cranes at a site in Hanningfield, which would mean that three of the drivers would have to travel further than that of the previous site, and an agreement had been made that any additional costs would be covered.
- Andy Mayne advised that in terms of Milbank he was not looking to expand, and currently the aim was to focus on the current site. Sui generis had the ability to double in size and so it was the primary focus in terms of expanding, but they had just purchased a new building and so it was not an immediate priority but it was inevitable that expansion would be necessary. The Milbank site at Earls Colne could not be moved as the cost for relocating the site would be several of millions. Andy Mayne explained that Cadmans could grow also, and were currently replacing old cranes with newer ones, with a view of expanding in around a years' time.

- Mr. Mayne advised that land area was the most important thing in terms of helping businesses stay in the District. Milbank had been attempting to find a good area of land by contacting local agents, but were unsuccessful.

The Chairman thanked Andy Mayne for his contribution and explained it had been useful.

Members were advised that the survey on Employment Sites and Premises had been circulated to businesses across the District and currently 15 responses had been received. The deadline for businesses to respond to the survey had been extended to 17th January 2018 in order to allow for more time for businesses to respond. The results of the survey would be brought to the next Committee meeting being held on 31st January 2018, and a further push for responses would be emailed to businesses to encourage more participants.

Following the Evidence Gathering Session, Councillor Hensman made the point that there was a conflict between the growing need for housing in the District and the growing need for employment sites. There had been a number of sites developed for employment land which had been given up for residential development in order to meet housing targets and this had been evident in the Local Plan. It was concerning that when an area of land became available the primary use for this land would be residential in order to maximize return, it was however recognised that although the same initial return may not be seen from employment sites the District would benefit in other ways, in terms of business rates collected, attraction of companies to the District and overall beneficial to the local economy. It was agreed by Members that this was a growing issue and should be reflected in the final report.

28 **TASK AND FINISH GROUP UPDATE**

INFORMATION: Members were updated on the progress of the Task and Finish Group.

Members were advised that there had not been a meeting of the Task and Finish Group since the last meeting of the Overview and Scrutiny Committee. The next meeting of the Task And Finish Group which was the fourth evidence gathering session and was being held on the 14th December where Members would be joined by representatives from a travel company based in Halstead.

29 **DECISION PLANNER**

DECISION: That the Decision Planner for the period 1st January 2018 to 31st April 2018 be noted.

Before closing the meeting Councillor Siddall reminded the Committee that, subject to the decision of Full Council's on 11th December 2017, this was his last meeting as Chairman, but remained as a Member of the Committee as Vice-Chairman with Councillor P Barlow taking the Chair. Councillor Siddall thanked Members for their support and work during his chairmanship.

The meeting commenced at 7.15pm and closed at 8.38pm.

Councillor C Siddall
(Chairman)