

## Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	10th October 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2388
TITLE:	Development, Regeneration, Skills & Employment Agenda	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> Appendix 1 – Indicative Development programme Appendix 2 – Emerging proposal for implementation of the Bath Enterprise Area		

### 1 THE ISSUE

- 1.1 This Cabinet paper sets out how the Council will seek to ensure every individual has their economic capabilities recognised by bringing together the development, regeneration, skills and employment agendas into specific focus.
- 1.2 The paper seeks endorsement from Cabinet to this new approach and the priorities of the new Agenda.
- 1.3 It also provides new clarity, given that this agenda will be led as part of the Sustainable Development portfolio but also has decision making in other portfolios.

### 2 RECOMMENDATIONS

Cabinet are recommended to:

- 2.1 Agree to the underlying principles and outcomes the Cabinet are seeking to achieve by pursuing their Development, Regeneration, Skills and Employment agenda in accordance of the Council's refreshed Corporate Plan, Vision and Priorities;
- 2.2 Note the change in focus and priority of the Development, Regeneration, Skills and Employment agenda;
- 2.3 Endorse the programme and priorities for action (see 5.23);

- 2.4 Agree that engagement with the business community, developers, investors, universities, colleges, heritage and conservation bodies and cultural organisations should be carried out to ensure effective delivery of the agenda and integration with the City Identity project;
- 2.5 Agree that specific and focussed capacity is directed to driving forward the agenda through the Service Action Plan process (see 3.2);
- 2.6 Agree that financial papers be developed to support specific proposals at the appropriate stage (see 3.3).

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The Council will need to in principle (subject to identification of available funds and appropriate decision processes) be prepared to:
  - Allocate funds to invest in the Development Agenda, especially sites within the Enterprise Area. Such funds would need to be considered as part of the Councils established budget processes.
  - Negotiate and apply for third party funds such as the LEP Revolving Infrastructure Fund (RGF, Growing Places, etc.), Homes and Communities Agency funds, DWP Flexible Support Funding etc. where available and applicable for the implementation of the programme, again subject to individual proposals being considered as part of the Council's established budget framework.
  - Utilise some assets in new and proactive ways to bring forward developments.
- 3.2 The service resources required to drive forward and deliver the agenda will be determined through the Medium Term Service & Resources Plan and 2013/14 Service Action Planning process, which is currently underway, and in due course will be considered in setting the Council's budget framework.
- 3.3 In addition there will be a funding requirement for the future potential initiatives, indicated in the Development programme (**Appendix 1**). The costs and sources of funding for future potential schemes are not currently identified with sufficient accuracy to seek a budget decision. The process to identify funding and resources will be undertaken as specific developments / projects come forward, within the Council's normal annual financial, service and resource planning processes. This includes Project Initiation and Capital Strategy review, then reporting as required to Cabinet and Council, to ratify inclusion on the Councils Capital programme through the annual budget setting process.

### **4 CORPORATE OBJECTIVES**

- 4.1 In accordance with the Corporate Vision and Objectives, the proposed agenda will help to "Make Bath & North East Somerset an even better place to live, work and

visit”, having particular impact on the achievement of all three Corporate Objectives:

### **Creating neighbourhoods where people are proud to live**

- The Housing Delivery programme will contribute to improving access to decent affordable homes in private and social sectors
- The approach to regeneration projects will support revitalisation of neighbourhoods and focus on outcomes for people
- Bringing forward exemplar low carbon developments to support communities to adapt to changes in our climate, and which are not dependent on high carbon energy.
- Development schemes will be delivered in a way that involves and engages communities.

### **Building a stronger economy**

- Key development sites are delivered to increase the number of local jobs and support skills development, including apprentices during and after construction
- Facilitating & building the infrastructure for an economy with a range of employment opportunities,
- Develop the Bath ‘City of Ideas’ Enterprise Area which will unlock the development of key employment sites
- Enable growth of the low carbon economy by promoting key development sites to support local businesses
- Implement a ‘Creative Hub’ in Bath to support our creative industries
- Support a diverse low carbon economy, identifying growth in the knowledge creative, sustainable energy, environmental and ICT industries and supporting business start-ups.
- Invest in areas of lower economic performance to boost economic performance and secure additional investment (e.g. Keynsham Regeneration project)
- The quality of the environment in places are enhanced and maintained (e.g. infrastructure and public realm improvements) to improve yields and private sector investment
- Develop local action plans for Radstock, Westfield and Midsomer Norton that identify opportunities for development to support/sustain the economic growth in the Somer Valley

## **Promoting independence and positive lives for everyone**

- Through the creation of modern, adaptable 'Homes for Life', in mixed communities older people are supported to live independently.
- New development will provide activities and opportunities to help young people to make a positive difference to their lives and communities.
- New employment and training opportunities will support people in realising their potential.
- The new developments will provide additional opportunities to participate in sports, leisure and cultural activities.
- Ensuring new developments address the outcomes sought from the Public Health Framework to ensure everyone has the opportunity to enjoy a healthy lifestyle.

## **5 THE REPORT**

### ***Development, Regeneration, Skills & Employment Agenda***

#### ***National Context***

5.1 The Government has set out, in a series of statements over the last 2 years, its agenda and strategy for the restoration of the economic health of the Nation. A key aspect is the Government drive for growth and the rewards for doing so through New Homes Bonus and Business Rate retention. These measures are designed to encourage development and to stimulate investment in infrastructure to unlock development and provide transport and communications capacity to drive economic growth.

#### ***Bath & North East Somerset Context***

5.2 Bath and North East Somerset Council has, since 2005, been evolving its vision for the area. This process has included the 'Future for Bath, Keynsham and Somer Valley visions' which, through a process of consultation, business planning, research, and verification, influenced the development of the following policy documents:

- The B&NES Local Strategic Partnership's Sustainable Community Strategy, 2009-2026;
- The refreshed Economic Strategy for Bath & North East Somerset Council 2010 – 2026, endorsed by Cabinet in November 2011;
- Economic Regeneration Delivery Plans;
- Draft Core Strategy;
- Smart Growth Report;

- The Council's Vision, Objectives & Values, including revisions in February 2012.

5.3 This body of work has resulted in a clear Corporate Plan to enable a balanced and sustainable economy to support the future prosperity and wellbeing of the area. The aspiration behind the plan has been articulated in the Treasure and Transform 'story' (Our Route to Prosperity) and related exhibition (Jan 2011) and brings together the economic, spatial, social and cultural aspirations for the benefit of residents, businesses, visitors and students.

5.4 In February, the Cabinet and Full Council agreed a new vision and priorities for the Council. The Corporate Plan was also refreshed and agreed by Cabinet in June. The emphasis has changed to putting people first and communities at the heart of everything the Council does. Three objectives are:

- Promoting independence and positive lives for everyone;
- Creating neighbourhoods where people are proud to live;
- Building a stronger economy.

5.5 Since this time the policy, legislative and economic circumstances have continued to evolve. These changes and impacts can be summarised as follows.

### ***Drivers for Change***

5.6 The Joint Strategic Needs Assessment (JSNA), Local Economic Assessment (LEA), emerging Labour Market Study (LMS) and Census 2011 data together with emerging Government priorities provide the Council with several significant drivers for change namely;

5.7 Legislative changes (Raising the Participation Age and Increasing the Retirement Age) mean there will be an ageing workforce with less opportunities for young people to enter the labour market.

5.8 Continued economic recession and reductions in the public sector mean that given the current economic profile B&NES faces downward pressure unless our economy can grow, particularly in key sectors within the private sector.

5.9 To support growth in the right business sectors requires intervention in the delivery of office, employment and enterprise space to address market failure in the current employment space provision; i.e. too many vacant offices. In addition by maintaining and improving the skills within our labour market to ensure peoples skills meet those demanded by growing businesses.

5.10 Sub regional governance is changing with the LEP becoming more established. Government has also accepted a proposal from the West of England Unitary Authorities (Bristol, Bath & North East Somerset, North Somerset and South Gloucestershire) to establish a City Deal with extra incentives to reward each authority for economic growth. The City Deal will be considered by Council in Summer 2013 and will potentially involve an arrangement to pool business rates growth across the West of England, with a principle to be applied that each local authority be better off under this arrangement, with 100% rates retained locally

and greater investment in growth across the sub region including Government commitments to support this growth through transport and other funding.

- 5.11 With increased global competition it is necessary to distinguish the District from its competitors by producing a clear identity and 'offer' and an advocacy strategy to deliver this including clarifying our comparative offer to Bristol and the rest of the sub region.
- 5.12 Our geographical location with Somerset and Wiltshire calls for a development strategy that recognises travel to work and travel to study movements.
- 5.13 The introduction of Universal Credits will assist the Council to have a clear approach to worklessness and getting people ready and into work is a priority given if B&NES is to grow it needs to use our existing under-utilised labour market if we are to avoid in-migration and additional pressure on housing and transport.
- 5.14 A national and local priority is the implementation of the Connecting Families initiative with its inter-dependencies on the European Social Fund (ESF)/Worklessness initiatives within Development, Regeneration, Skills and Employment Division and importantly how this shapes up over the next three years in changing the public sectors delivery to our most vulnerable residents with the consequence of pooled/aligned community budgets across the public sector.
- 5.15 The financial crisis still impacts on the nation's ability to grow; this is felt particularly in the development industry with the traditional approach to speculative and commercial development being inappropriate moving forward; hence the need for new models of development, new finance mechanisms and new collaborations (especially in respect of housing partnerships). Government is responding to this situation with new schemes such as the Regional Growth Fund, Growing Places and Revolving Infrastructure Fund.
- 5.16 A continued demand for the right kind of housing in the right places and in the right numbers necessary to support our economic and social needs requires new collaborations, interventions and models to deliver what we need.
- 5.17 The Government agenda is increasingly focussed upon the need for growth with a significant requirement in the district for affordable housing, business space provision, skills development and job creation. To support this, the Council is now seeking to bring forward economic growth by championing physical regeneration and development for housing and business space alongside the development of the skills needed for a strong economy and the development of an enterprise culture. Significant opportunities exist on a number of key sites in our area and they should be coordinated as a whole programme to optimise the potential for growth– **Appendix 1** outlines the potential Development Programme.
- 5.18 Most significantly for business growth in Bath, in June 2011 the West of England Local Enterprise Partnership (LEP) gave Enterprise Zone status to Temple Quarter in Bristol, together with Enterprise Area, (EA) status to Bath City Riverside, an area considered important for new and existing businesses. This will become a key zone for economic growth, with the ability to deliver up to around 9,300 new jobs over the next 25 years. It will provide a focus for public and private sector investment in Bath. A proposal for establishing the EA was agreed by Cabinet in November 2011. **Appendix 2** outlines indicative proposals to take forward the Bath City of Ideas Enterprise Area.

## **Organisational Response**

- 5.19 The Council Leadership team have been developing proposals for the Medium Term Services & Resources Plan (MTSRP), the outcome of which requires a new approach to delivering the council agenda through matrix working and collaboration.
- 5.20 Existing relevant functions of the Development & Major Projects Directorate have been transferred to the Director for 'Place'. These include Development, Regeneration, LEP support and administration, Economic Strategy and Business Support. This will create areas of focus for the team to drive and deliver the development agenda.
- 5.21 The Divisional Director of Development, Regeneration, Skills and Employment will have a matrix, cross directorate accountability for the above (reporting principally to the Strategic Director of Place but with work accountability to the Strategic Director of People and Communities also). The DD will also be required to seek Resource Directorate support in respect of Property Services and Finance functions in order to reflect the impacts, benefits and risks to the Council of advocated approaches and specifically where Council property is involved in securing necessary approvals.
- 5.22 This adjustment responds to and aligns with the People, Place and Resources organisational change agenda, whilst retaining a unit, with capability and capacity to undertake and deliver the required programme of work.

## **Programme and Priorities**

- 5.23 The Division will establish initiatives and projects relating to the following programme and priorities;
- a. Worklessness with a tie in to the Connecting Families agenda and ESF
  - b. Skills related projects with a tie into schools, into Education Employment and Training (EET), colleges, the Skills Funding Agency (and City Deal alternative) and ensure local provision reflects future business needs (i.e. addressing skills gaps that are preventing our businesses growing)
  - c. Physical regeneration of key development sites to address market failure in the office, employment and enterprise sectors and allow our 'growth business sectors' to expand and grow as well as providing required infrastructure (such as ultra fast broadband, and housing – please refer to a more complete list at **Appendix 1**) . Significant regeneration sites include;
    - Bath Enterprise Area Sites:
      - Bath Western Riverside
      - Bath Quays South
      - Manvers Street,
      - Green Park station/Homebase
      - Bath Press
      - Bath Quays North
    - District Wide Sites:
      - Somerdale Keynsham

- Keynsham Town Centre
  - London Road Bath
  - MoD sites Bath
  - Radstock Town Centre regeneration
  - Midsomer Norton Town centre regeneration sites
- d. Economic development activities that support promoting the area for investment, supporting enterprise through business support and events
- e. Housing projects that support new partnerships and collaborations over key housing sites
- f. A Competitive Identity project with a range of partners that enables the effective marketing of the area
- g. Public Realm programme in Bath to enhance the City as a place to live, work, play and invest

5.24 In terms of governance, the proposals respond to and service the new Cabinet and reduce the current number of existing individual development project boards.

## **6 RISK MANAGEMENT**

6.1 The Development, Regeneration Skills and Employment service maintains a risk register, updated and reported regularly to corporate standards, which captures, assesses and seeks to mitigate all project and operational risks. This would be applied to appropriate projects and programmes of work.

## **7 EQUALITIES**

7.1 Equality Impact Assessments are completed on specific development projects as they come forward.

7.2 This revised agenda with a greater emphasis on skills and employment is aiming to support those most economically disadvantaged in our communities with the ambition of allowing individuals to become more economically active.

## **8 RATIONALE**

8.1 There is a need to translate the Government's economic growth and housing delivery agendas and align them with regional LEP opportunities into a Development, Regeneration, Skills and Employment Agenda for Bath & North East Somerset. The purpose of this paper, therefore, is to set out the Council's direction of travel for the achievement of that agenda.



**9 CONSULTATION**

9.1 The proposals in the paper have been shaped through dialogue with Cabinet members; Housing & Major Projects Policy Development & Scrutiny Panel; Economic and Community Development Policy; Development and Scrutiny Panel Staff; Other B&NES Services; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer

**10 ISSUES TO CONSIDER IN REACHING THE DECISION**

10.1 *Sustainability; Property; Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate;*

**11 ADVICE SOUGHT**

11.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

<b>Contact person</b>	Jeremy Smalley, Divisional Director for Regeneration, Skills and Employment, 01225 477822
<b>Sponsoring Cabinet Member</b>	Councillor Cherry Beath – Sustainable Development
<b>Background papers</b>	<p>The Plan for Growth, March 2011: <a href="http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf">http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf</a></p> <p>National Infrastructure Plan 2011: <a href="http://www.hm-treasury.gov.uk/national_infrastructure_plan2011.htm">http://www.hm-treasury.gov.uk/national_infrastructure_plan2011.htm</a></p> <p>B&amp;NES Local Strategic Partnership’s Sustainable Community Strategy, 2009-2026;</p> <p>Economic Strategy for Bath &amp; North East Somerset Council 2010 – 2026;</p> <p>Smart Economic Growth Inc. Regeneration Delivery Plans (Cabinet Report, Nov 2010)</p> <p>Delivering Sustainable Economic Growth in Bath &amp; North East Somerset (Cabinet Report, Nov 2011)</p> <p>Regional Infrastructure Fund (Council Report, Sept 2012)</p> <p>Draft Core Strategy: <a href="http://www.bathnes.gov.uk/corestrategy">www.bathnes.gov.uk/corestrategy</a></p> <p>The Council’s Vision, Objectives &amp; Values</p> <p>The Council’s Corporate Plan</p>
<b>Please contact the report author if you need to access this report in an alternative format</b>	