

# Corporate Policy Development and Scrutiny Panel

**Date: Tuesday, 16th January, 2024**

**Time: 4.30 pm**

**Venue: Council Chamber - Guildhall, Bath**

**Councillors:** Robin Moss, Lucy Hodge, Ian Halsall, Oli Henman, Hal MacFie,  
Onkar Saini, Toby Simon, Malcolm Treby and Colin Blackburn



**Michaela Gay**

**Democratic Services**

Lewis House, Manvers Street, Bath, BA1 1JG

Telephone: [michaela\\_gay@bathnes.gov.uk](mailto:michaela_gay@bathnes.gov.uk), 01225 394411

Web-site - <http://www.bathnes.gov.uk>

E-mail: [Democratic\\_Services@bathnes.gov.uk](mailto:Democratic_Services@bathnes.gov.uk)

## NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

### 3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

The Council will broadcast the images and sound live via the internet [www.bathnes.gov.uk/webcast](http://www.bathnes.gov.uk/webcast) An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

### 4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group.

**Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.**

Further details of the scheme can be found at:

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

### 5. **Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

### 6. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505>

## Corporate Policy Development and Scrutiny Panel - Tuesday, 16th January, 2024

at 4.30 pm in the Council Chamber - Guildhall, Bath

### A G E N D A

1. WELCOME AND INTRODUCTIONS
2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS
4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

- (a) The agenda item number in which they have an interest to declare.
- (b) The nature of their interest.
- (c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**, (as defined in Part 4.4 Appendix B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN
6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES (Pages 7 - 12)
8. CABINET MEMBER UPDATE
9. AEQUUS UPDATE (Pages 13 - 28)

The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.

10. SOMER VALLEY ENTERPRISE ZONE UPDATE (Pages 29 - 42)
- There will be a presentation on this item. Presentation slides are attached.

There will be a presentation on this item. Presentation slides are attached.

11. PANEL WORKPLAN (Pages 43 - 46)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on [michaela\\_gay@bathnes.gov.uk](mailto:michaela_gay@bathnes.gov.uk), 01225 394411.

**BATH AND NORTH EAST SOMERSET**

**MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING**

Tuesday, 14th November, 2023

Present:- **Councillors** Robin Moss, Lucy Hodge, Ian Halsall, Oli Henman, Hal MacFie, Onkar Saini, Toby Simon, Malcolm Treby and Colin Blackburn

**24 WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting.

**25 EMERGENCY EVACUATION PROCEDURE**

The Chair drew attention to the emergency evacuation procedure.

**26 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were none.

**27 DECLARATIONS OF INTEREST**

There were none.

**28 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

**29 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

The Panel noted the statement that had been circulated by Councillor Karen Walker (a copy is appended to these minutes).

**30 MINUTES**

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

**31 CABINET MEMBER UPDATE**

The Chair explained that any updates would be contained in the following items.

**32 COUNCIL TAX SUPPORT SCHEME - CONSULTATION UPDATE**

Councillor Mark Elliott, Cabinet Member for Resources (supported by Damien Peak) introduced the report. He reported that overall, the responses have been pretty positive, including that from the Citizens Advice Bureau (CAB). He stated that there were some negative responses from those who would be negatively affected by changes. He further added that a significant minority did not understand the proposals which underlines the need for further and clearer communications.

The officer outlined some of the themes of the responses – he underlined the need for clearer communications to signpost people to financial and mental health support. He concluded that it had been a successful consultation and explained that a full detailed analysis would be reported to Council.

Panel members made the following points and asked the following questions:

Councillor Simon commented that the consultation had done well in reaching hard to engage groups. He noted that Council will make the final decision. The officer stated that responses can be bias depending on how the changes would affect the responder.

Councillor Halsall stated that it was imperative that the message is put across to those affected.

Following a request from Councillor Hodge, the officer set out the numbers on those affected:

2,700 – households would benefit  
1,000 – households would lose out  
190 – household would see no change

The Cabinet Member stated that this is not a cost saving exercise and that the aim is to improve the equity of the scheme and protect the most vulnerable. The officer stated that these aims must be made clear.

The Chair thanked the Cabinet Member and officer.

### **33 DEVELOPING ECONOMIC STRATEGY**

Councillor Paul Roper, Cabinet Member for Economic and Cultural Sustainable Development, introduced the report. He stated that this was an exciting moment as the last economic strategy was 10 years old. He stated that it is refreshingly compact in size and reflects many of the aspirations of this administration. It has been developed with stakeholders and informed by principles of doughnut economics. He further explained that it looks beyond purely economic indicators and has three themes: infrastructure, innovation and opportunity. The Cabinet Member explained that this would be considered by Cabinet in January 2024.

Panel members made the following points and asked the following questions:

Councillor Henman asked how doughnut framing allows BANES to set the economy for the future. The Cabinet Member explained that it allows us to set out our stall as to what we want to achieve.

Councillor MacFie referenced the GVA figures regarding the 3.8% local growth compared to the national figure of 21.8% and asked about the plan to bring up the local growth rate. The Cabinet Member stated that the strategy does not focus specifically on GVA. There is a unique set of circumstances such as – a high portion of (wealthy) residents who do not work; high dependence on hospitality and tourism and lost industrial players (MOD). He stated that the success of the strategy is not based on GVA alone.

Councillor Simon asked if the document was amendable and gave some comments for potential inclusion:

- Electricity supply, maybe include grid connection issues
- Affordable housing – sometimes market price housing is more affordable. Build the right size housing and bear down construction cost growth
- Skills – the role of WECA and the Mayor. The Further Education (FE) sector.
- Riverside innovation corridor

The Cabinet Member noted the above comments. The Director of Sustainable Communities commented that the document is a draft and can be amended.

Councillor Hodge stated that it is a useful document, she stated that the 10 metrics at the end are things we were going to do anyway. She suggested 2 sections are boxed so they are not lost in the narrative.

Councillor Blackburn stated that on first impression the document is a wish list but the 'how' and 'why' are not always answered. He gave some examples:

- Affordable housing is mentioned but no explanation of how this will happen.
- It is stated that BANES is number 1 for micro businesses but does not say why (which could then be learned from).
- South Quays is mentioned but it does not say how effective this has been – there are still empty floors.
- 5G is lacking and is not addressed
- Somer Valley Enterprise Zone (SVEZ) is mentioned but the transportation side of it is not explained.

He stated that he is pleased that there is a plan.

Councillor Treby stated that it was great to have some KPI's (Key Performance Indicators) but only Net Zero is qualitative. He stated that we already have a Climate Emergency Strategy and Ecological Emergency Strategy so the Economic Strategy should primarily focus on growing the economy.

Councillor Saini asked how the strategy incorporates practice for long term economic sustainability. The Director stated that economic sustainability is the aim of the strategy.

Councillor Saini asked about human capital in terms of education and skills programmes. The Cabinet Member explained 'Project Forward' which is a collaboration with Bath Spa and Bath University and developing a syllabus in 4 areas: sustainability/digital/health and employability skills.

Councillor Moss thanked the Cabinet Member, he stated that the strategy is an aspirational wish list. He reiterated the point regarding GVA and being significantly behind the national growth figure and added that it might be useful to include other areas in England and Wales (outside of London). He also suggested that it would be useful to mention that BANES is unusual as it contains an urban hub and rural hinterland. Councillor Moss stated that deprivation is mentioned regarding Twerton and Whiteway but other pockets of deprivation should also be considered such as areas in Keynsham, Radstock and Westfield.

Councillor Moss stated that Tourism is a sustainability and economic issue – many people visit Bath for the day which increases traffic and does not fully support hospitality (hotels). We need to sell Bath and North East Somerset as a 2/3 day destination. Regarding the Somer Valley Enterprise Zone, he stated that he was not convinced that it is the answer to a lot of problems, could it take business away from the high street and is there a more suitable brownfield site.

The Cabinet Member addressed the points raised above – he commented that 'wish list' is a fair statement but that is not a reason not to set out the strategy. He acknowledged that financial flexibility is low but that there still needs to be a plan. He explained that having a strategy gives greater access to success with grant funding. He hoped for a future refinancing of local government. Regarding Bath Quays, he explained that it was close to having the vast majority of units let. He pointed to the 10-point delivery plan and explained that some things were being done already and more can be done with funding. He acknowledged that there were differing opinions on the SVEZ but highlighted the fact that this would bring jobs which helps to address some issues of deprivation. He added that the delivery of the SVEZ is not yet determined in terms of how many units are developed. He also explained that the delay in the decision was due to the consultation being extended.

Councillor Moss stated that some areas of deprivation in the Somer Valley are not solely a consequence of joblessness.

The Chair thanked the Cabinet Member.

## **34 2024/25 MEDIUM TERM FINANCIAL STRATEGY**

Councillor Mark Elliott, Cabinet Member for Resources (supported by Andy Rothery, Chief Finance Officer (151)) introduced the report. The Cabinet Member explained that local government funding is pretty broken and that a number of Council's have declared bankruptcy. He explained that Council Tax covers a third of the operating costs of the authority and other income comes from things we charge for. He stated that the pressure on budgets in social care is enormous. He explained that the budget would be finalised and agreed at Council in February 2024.

Panel members made the following points and asked the following questions:



Councillor MacFie referred to the expenditure in adult and childcare and asked for assurances that this would be addressed. He asked that an item on the budget regarding childcare be brought to the Panel. The Cabinet Member agreed that an item on this aspect of the budget could be brought to the Panel in terms of what can be done regarding rises in this budget area.

Councillor Halsall stated that students who study in the city cannot then afford to live here. He asked if HMOs (Houses of Multiple Occupation) disadvantage the authority as they do not pay Council Tax. The Cabinet Member stated that Universities do add to the city but can be economically detrimental.

In response to a question from Councillor Simon regarding SEND funding, the officer explained that this funding came from the dedicated schools grant which is managed by the Council. The pressure is very high on this – the Council is part of a safety valve programme which is a funding package to help Council's out of deficit.

Councillor Simon asked if there is a regional programme regarding accommodation for looked after children. The officer stated that a regional programme has not been adopted and that Councils are talking about how provision/properties can be brought into use.

Councillor Blackburn asked about the Revenue Support Grant and about what representations were being made in terms of a possible new Government. The Cabinet Member stated that Government funding had reduced from £31m down to £800k. He stated that conversations with potential future government could be more productive than any such conversations with the current Government. The officer explained that the F20 group (a group of authorities) had written to the government and are doing what they can to lobby.

Councillor Blackburn queried the fact that there was no mention of the Commercial Estate. The Cabinet Member agreed that a report on this could come to the Panel. He explained that the Commercial Estate was performing fairly well but not up to pre Covid levels. He added that rental values had fallen in Commercial properties. He is satisfied that officers are doing a good job.

Councillor Hodge asked what the social care contingency is. The officer explained that the social care reserve was put into last years budget so is no longer a reserve. Councillor Hodge asked about budget re basing. The officer agreed across all services. Regarding budget adjustment, he explained that there had been risk assessment around pay.

Councillor Saini asked what the timeframe would be if we cannot close the funding gap. The Cabinet Member stated that the Council has to set a balanced budget every year.

Councillor Simon asked if an increase in planning fees could help. The officer stated that planning caseloads are volatile.

Councillor Henman pointed to the glimmers of hope around heritage services and asked if this income could be enhanced. The Cabinet Member stated that he is delighted that visitor numbers are not up to pre Covid levels but that spend per visitor

is up. He assured the Panel that measures were being considered to sustain and increase this income. He added that the Fashion Museum will add to the heritage offering with its world class collection.

Councillor Hodge thanked the Cabinet Member for the detail in the report. The Cabinet Member credited officers who worked on it.

Councillor Moss stated that it is an extremely difficult time and made the following points (*Cabinet Member/officer responses shown in italics*):

- Regarding the F20 group, can you share the membership with the Panel. *The officer agreed.*
- Welcome a future item on Commercial Estate and business centre.
- Heritage – some concern about simply driving numbers up as this may spoil the experience. *The Cabinet Member agreed that the focus should be on the quality of the experience.*
- Regarding adult and children’s services – it would be great to come up with a solution.
- License levy – scheme in Middlesbrough could be good to look into. Also an accommodation/tourist levy – in Manchester there is a levy for hotel operators. *The officer agreed to look into this.*

The Chair thanked the Cabinet Member and officer.

### **35 PANEL WORKPLAN**

Panel members noted the workplan with the following additions suggested at this meeting:

Childrens Budget  
Commercial Estate

The meeting ended at 5.48 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**

# Aequus Group

## Presentation to Corporate Scrutiny Panel

### Business Planning 2024/25 to 2027/28

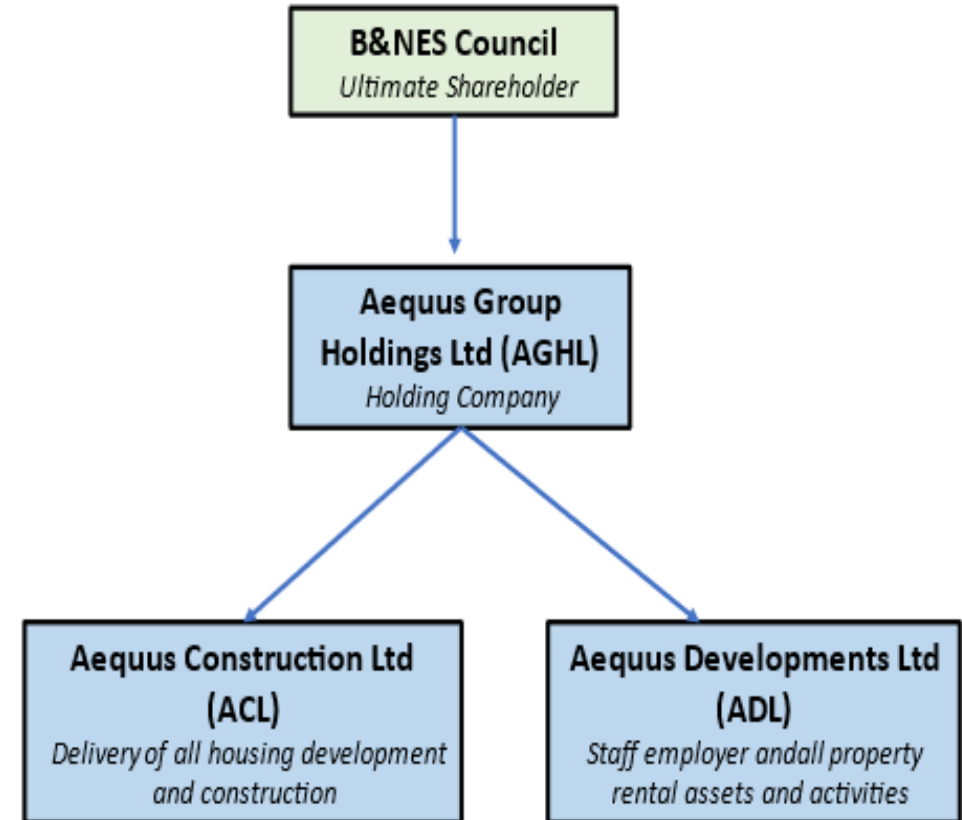
*Commercial in confidence*

*Aequus Group Holdings Ltd is 100% wholly owned by Bath & North East Somerset Council*



# Company Background

- ADL established in 2016.
- Council Controlled – TECKAL compliant.
- Employing Body for staff – TUPE’s Feb 2020
- Asset Holding Company – 51 units
- LAHF delivery – 22 units
- ACL established in 2017
- Council Controlled – TECKAL compliant.
- Delivery of new housing developments
- Pipeline of Council sites (B&NES, South Glos and North Somerset)



# Company Achievements 2022/23

- **Riverside View**, Keynsham (95 Apartments) head lease handed over to Tenant Mgmt Co.
- **Sladebrook Rd**, Bath (9 low energy homes) completed.
- **117 Newbridge Hill**, Bath – 7 Units social housing – completed.
- **Manor Gardens**, Frenchay – SGC – 30 Low Energy Homes commenced.
- **Crescent Gardens Lodge**, Bath – 3 temp accom units – progressing.
- **Theobold House**, Bath (11 temp accom units) progressing.
- **Argyle Works** (8 units) and **Westgate Street** (3 units) social housing gained planning approval.
- **Castle School** and **Charborough Rd** sites – SGC - Initial Business Cases approved.
- **B&NES Shareholder £1M annual return** – delivered.
- **Company Restructure** - AGHL approved.
- **ADL** - Rental void levels <5% and positive tenant survey response

# Company Aims – Updated

- To support our Shareholders one overriding purpose “to improve people's lives”.
- To increase the housing stock for both the tenants and home-owner's market to meet the local housing need.
- To operate in a creative and innovative manner that works commercially.
- To support our local authority partners to tackle their climate and ecological emergency objectives and demonstrate best practice for property development.
- To assist B&NES Council in its delivery of social housing supporting its Corporate Strategy priorities for affordable housing, accessible to local jobs and services.
- To act as a responsible Landlord to our tenants, ensuring our properties are maintained to a good standard.

# Pipeline - B&NES Housing & Regeneration

- 26 Affordable Social Rented homes in Planning and Delivery
- 22 Local Authority Housing Fund Homes progressing
- Proposals for advanced delivery of Affordable Block at Midland Road under consideration (at least 44 units)
- Progressing planning for BQN market housing plots
- Future council land supply key to achieving objectives
- Potential to explore options for Aequus to support future Council Owned housing.
- Striking the right balance between “affordable” and “for profit” activity
- Pipeline under development.

# Pipeline - Partnership Working

## South Glos

- Manor Garden progressing well with completion in 2024 - shortlisted for Bristol Property Awards
- 2 Other sites progressing

## North Somerset

- Very positive discussions with focus on delivery
- Proposals for 3 sites under consideration – same approach as SGC
- Council meeting earlier in January to consider

## Other Neighbouring Authorities

- Some positive discussions – each at differing stages with own companies, internal asset reviews and wider reorganisation challenges – potential for further discussion in future.



# Meeting the Climate Emergency

- B&NES Green Planning Policy
- Continued Focus on AECB Standard / EPC A for new build
- Costs and consent challenges for listed buildings
- Further enhancements including battery storage and Ovo Energy – “zero bills” scheme
- Home buyers more focussed on running costs
- Some evidence that low energy homes achieving a higher sales price

# Efficient Company Structure

- Corporation Tax increased to 25% from April 2023.
- Revised company structure for larger sites may provide opportunities to maintain majority of profits.
- Potential to ring-fence development risk as scale of delivery grows.
- Could provide additional funding for viability challenges, affordable housing, regeneration etc.
- Aequus could explore this further with B&NES as appropriate.
- Any changes subject to future Shareholder approval.

# Sustaining Financial Returns to Shareholder

- Current revenue financial return requirement is £1M per annum – potential to increase from 2026/27
- Has been delivered in full over recent years.
- Rising build costs and increasing interest rates, together with challenging market conditions currently challenging margins.
- Affordable housing activity with no profit element also presents a balance of activity focus.
- Pipeline of market sites for delivery will be key to achievement of this objective.
- Manor gardens only “for profit” site in delivery.
- Partnership working will help diversify reliance on B&NES sites.

# Financials – ACL Forecast P&L

	ACCOUNTING FINANCIAL YEAR			
	23/24	24/25	25/26	26/27
	£'s	£'s	£'s	£'s
<b><u>Company Sales</u></b>				
<b>BANES's</b>				
Bath Quays North Plots 6 & 7				12,000,000
Infill Sites (to be identified)				5,150,000
<b>South Glos</b>				
Malmains Drive (South Glos)	4,839,896	6,615,104		
Charborough Road				7,000,000
<b>North Somerset</b>				
MSN - Dolphin Square				3,000,000
MSN - Walliscote Road				3,000,000
<b>BANE's Affordable Homes</b>	1,202,565	7,119,412	8,357,365	0
<b>Commissioned Services</b>	1,320,594	973,777	449,285	300,000
<b>Total Sales</b>	<b>7,363,055</b>	<b>14,708,293</b>	<b>8,806,650</b>	<b>30,450,000</b>
<b><u>Costs</u></b>				
Development Costs of Sales	-4,118,377	-5,763,070	0	-25,627,500
Affordable Housing Cost of Sales	-1,122,902	-6,656,650	-7,714,136	-100,000
Commissioned Services Costs	-1,236,399	-910,481	-420,081	-280,500
<b>Gross Profit / Loss</b>	<b>885,377</b>	<b>1,378,091</b>	<b>672,432</b>	<b>4,442,000</b>
Overheads & Finance Costs	-570,499	-632,754	-648,573	-664,787
Interest on deposit	58,580	25,000	25,000	25,000
<b>Profit before tax</b>	<b>373,458</b>	<b>770,337</b>	<b>48,859</b>	<b>3,802,213</b>
Taxation	-93,365	-192,584	-12,215	-950,553
<b>Distributable Profit after tax</b>	<b>280,094</b>	<b>577,753</b>	<b>36,645</b>	<b>2,851,660</b>
<b>Balance B/F</b>	<b>1,936,287</b>	<b>1,442,241</b>	<b>1,339,994</b>	<b>736,638</b>
Dividend payable to AGHL	-774,140	-680,000	-640,000	-659,000
<b>Balance C/F</b>	<b>1,442,241</b>	<b>1,339,994</b>	<b>736,638</b>	<b>2,929,298</b>

# Financials – Forecast Returns to Shareholder

<u>Aequus Revenue Returns to the Council</u>	<b>Actual 2023/24 £'000</b>	<b>Budget 2024/25 £'000</b>	<b>Estimate 2025/26 £'000</b>	<b>Estimate 2026/27 £'000</b>
<b>ADL - Borrowing - Interest Charges</b>	226	320	360	341
<b>ACL - Borrowing - Interest Charges</b>		-	-	-
<b>AGHL - Dividend</b>	774	680	640	659
<b>Total Return to the Council</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

Also potential for additional returns from “overage profit” achieved on market housing sites

# Draft Company Objectives (Operational)

Ref	2024-2025	2025-2027
<b>OPERATIONAL</b>		
1	To complete the development at Malmain Drive, South Glos and make substantial progress with the development at Argyle Works, Bath. Subject to planning and financials, to make a start on the Danes Lane, Keynsham development.	To identify and progress residential development opportunities for both the private market and affordable housing, subject to pipeline, planning consents and governance approvals of the relevant local authority partner.
2	To support B&NES Council with delivery of its affordable housing plans, including social housing, identifying suitable opportunities for affordable housing led developments.	To continue to identify suitable opportunities for affordable housing led developments, including social housing, on land owned or acquired by B&NES Council.
3	To deliver energy efficient homes (EPC A rated where practicable) and explore potential to deliver continued improvement in energy and carbon efficiency standards.	To deliver energy efficient homes (EPC A rated where practicable) and explore potential to deliver continued improvement in energy and carbon efficiency standards.
4	To develop our pipeline of sites with our local authority partners to support a sustainable business which meets the aims of the Shareholder	To develop our pipeline of sites with our local authority partners to support a sustainable business which meets the aims of the Shareholder
5	To ensure void levels on private rented homes remains below 5%	To ensure void levels on private rented homes remains below 5%
6	To complete delivery of Local Authority Housing Fund properties for refugees in accordance with the LAHF Agreement	To operate portfolio of Local Authority Housing Fund properties for refugees in accordance with the LAHF Agreement
7	As a responsible Landlord, to respond with 48 hours to all tenant enquiries and report landlord compliance quarterly to the Board.	As a responsible Landlord, to respond with 48 hours to all tenant enquiries and report landlord compliance quarterly to the Board.

# Draft Company Objectives (Financial & Corporate)

FINANCIAL		
8	To deliver the following total revenue financial returns to the Shareholder	To deliver the following total revenue financial returns to the Shareholder (tbc)
8a	•2024/25 = £1,000K	
8b		•2025/26 = £1,000K (site & tenure dependant)
8c		•2026/27 = £1,000K+ (site & tenure dependant)
9	To continue to deliver B&NES commissioned affordable housing schemes at cost and overhead rate only - profit margin to be	To continue to deliver B&NES commissioned social housing schemes at cost and overhead rate only - profit margin to be waived.
10	To maintain a development loan to value ratio below 75% on all developments.	To maintain a development loan to value ratio below 75% on all developments.
CORPORATE		
11	To support B&NES Council as required to explore the appropriate role of the Aequus Group as part of options relating to any future Housing Revenue Account	To support B&NES Council as required to explore the appropriate role of the Aequus Group as part of options relating to any future Housing Revenue Account
12	To continue to support partnership working with neighbouring councils on a 'Sales and Overage' basis and support B&NES in developing partnership opportunities with local anchor organisations.	To continue to support partnership working with neighbouring councils on a 'Sales and Overage' basis and support B&NES in developing partnership opportunities with local anchor organisations.
13	To bring forward with B&NES Council options for structural changes to provide a tax efficient vehicle for the delivery and reinvestment of surpluses into delivery of enhanced affordable housing and regeneration schemes	To lead the delivery of any approved option changes to the Company governance structure to deliver agreed objectives.
14	To attend relevant housing seminars, training and information sharing events to maintain awareness of best practise and future developments.	To attend relevant housing seminars, training and information sharing events to maintain awareness of best practise and future developments.
15	To promote the use of local suppliers when procuring works and services	To promote the use of local suppliers when procuring works and services

# Business Planning Next Steps

**Finalising Shareholder Objectives + Pipeline**



**Consultation with Council Officers / Scrutiny etc.**



**Shareholder Approval (March 2024)**



# And Finally - Examples of Achievements



This page is intentionally left blank

# Somer Valley Enterprise Zone

Policy Development and Scrutiny Panel

16<sup>th</sup> January 2024

Page 27

Bath & North East  
Somerset Council

Improving People's Lives



Agenda Item 10

# Somer Valley Enterprise Zone (SVEZ) Cabinet Decisions -1<sup>st</sup> Feb

## E3486 - Somer Valley Enterprise Zone Local Development Order (LDO)

- Resolution to adopt the Local Development Order

## E3487 - Somer Valley Enterprise Zone Statutory Mechanism

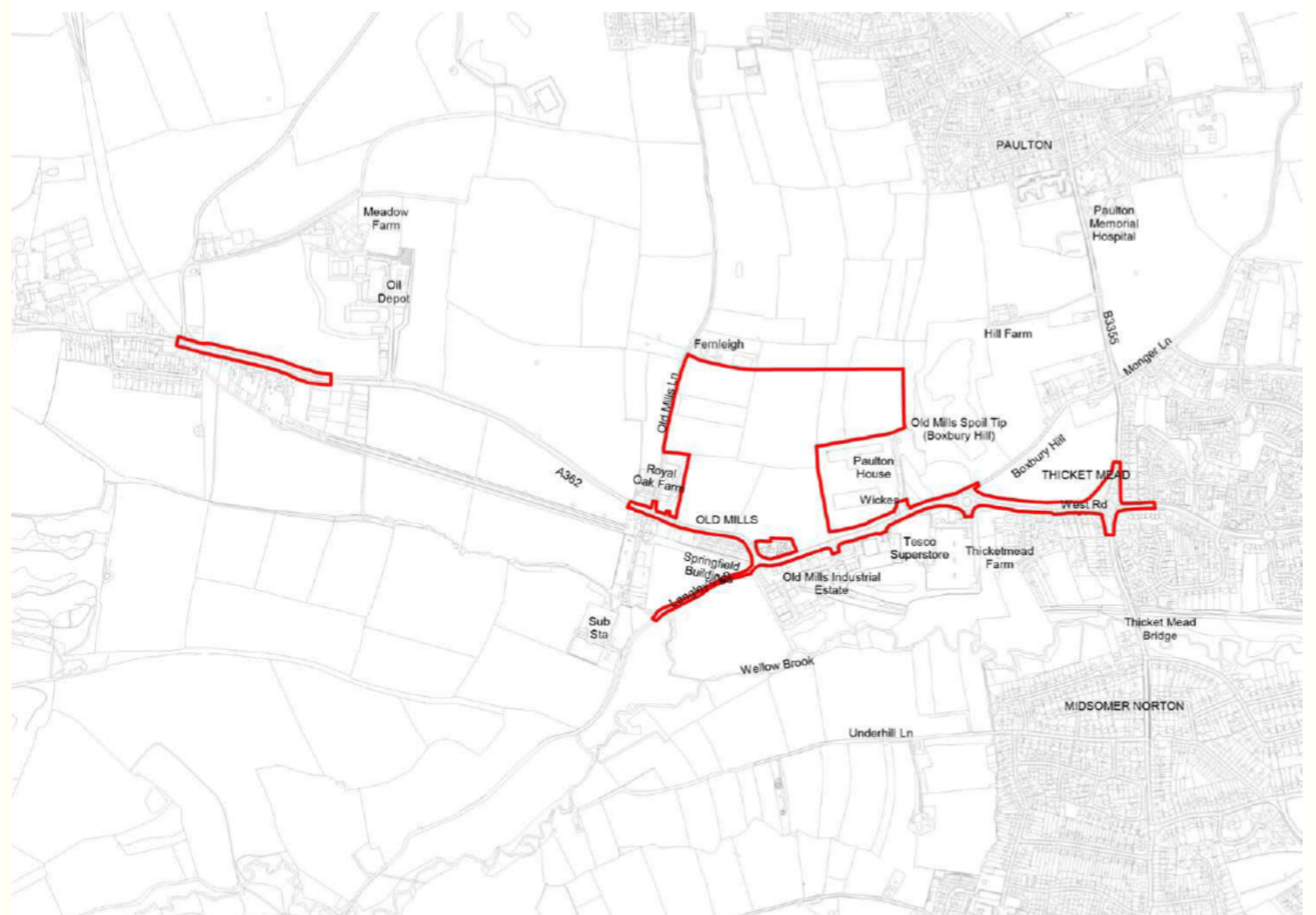
Adopt In-Principle Statutory Powers enabling:

- Land referencing
- Negotiation with landowners

## E3510 - Somer Valley Enterprise Zone Local Development Order Future Ambitions

- Resolution to adopt 8 Council ambitions
- Review progress on the SVEZ and agree further interventions to ensure ambitions are being met

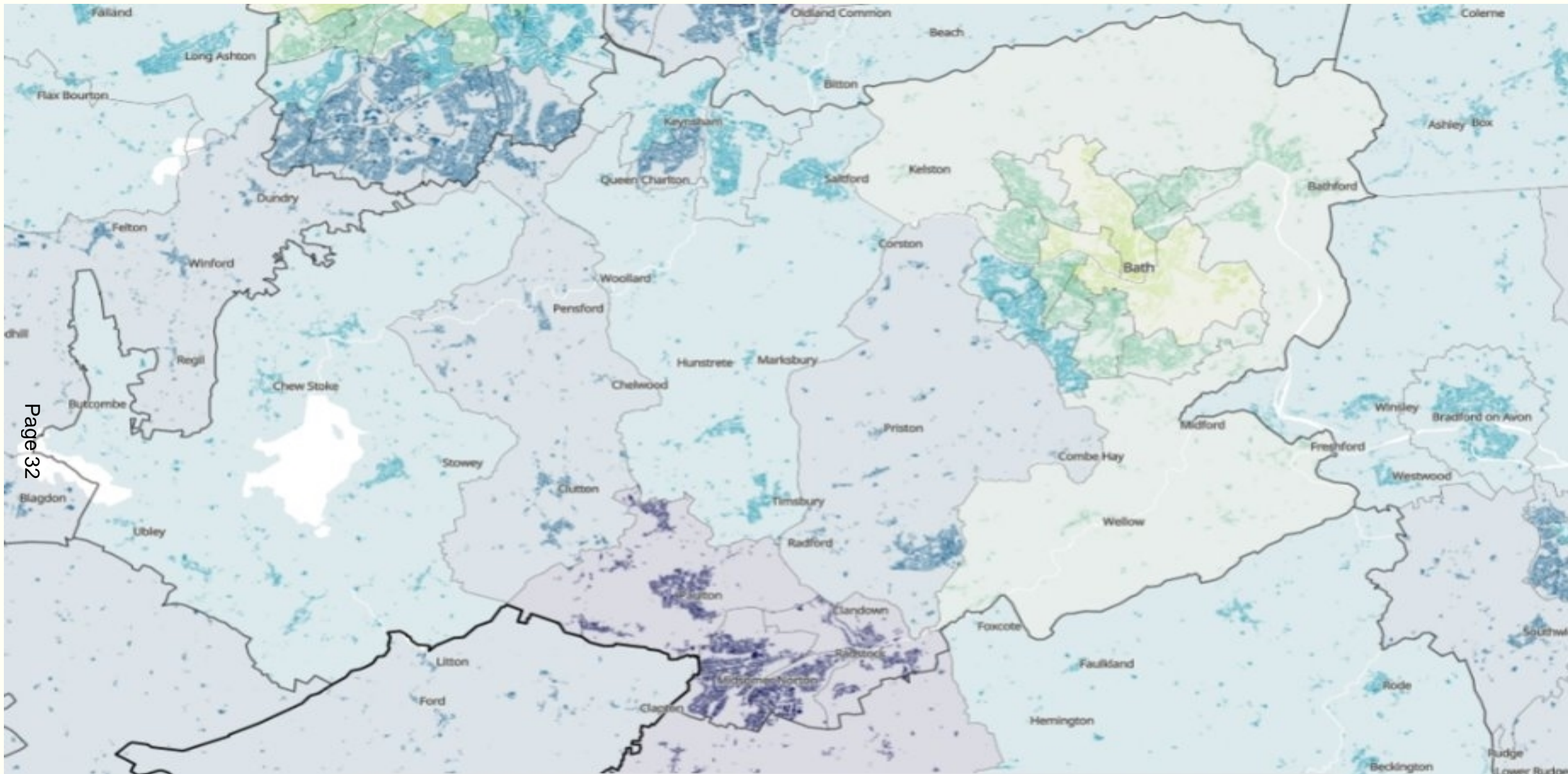
# SVEZ Redline Plan



# SVEZ LDO Illustrative Masterplan







Mode of travel to workplace (2021 census)

Driving a car or van





# Housing within the Somer Valley

Somerset Council

- Housing applications totalling 839 dwellings
  - Includes 584 dwellings on the border to the west of Midsomer Norton/Westfield

B&NES

The Somer Valley currently has committed development of 830 dwellings

# Ecology and Biodiversity Net Gain (BNG)

Since pre-app engagement, the following adjustments have been made:

- Increased the depth of the permitter planting from 10m to 15m-20m
- Creation of wildlife dark corridors to accommodate bat movements

Page 34 The LDO commits to delivering at least 10% BNG which will be delivered on and off site. After delivering Phase and 2, the site will have 46% BNG.

- Conversations are ongoing with the Green Infrastructure and Nature Recovery Team for off-site options
- A Strategic Biodiversity Gain Plan will be a pre-commencement condition for the Council's LDO
- **SVEZ will deliver circa 10 acres of green infrastructure on site, including over 10,000 trees. Offsetting of BNG will further deliver circa 16 acres of habitats locally.**
- **The future ambition of the Council to increase BNG can be accommodated subject to adoption of the LDO and land acquisition. Additional BNG will need to be off set and will impact future land value.**



Keynsham Memorial Park

# Air Quality- Farrington Gurney and Temple Cloud

- All air quality test sites from Temple Cloud to Midsomer Norton showed negligible impact on NO<sup>2</sup> and PM10 concentrations
  - The model forecasts readings <36µg/m<sup>3</sup> NO<sup>2</sup> with or without SVEZ which is below the national target of 40µg/m<sup>3</sup> and aligns with the Manifesto target of 36µg/m<sup>3</sup>
- The Farrington Gurney and Temple Cloud Air Quality Action Plan determined no physical changes to the A37/A362 junction are necessary to improve the air quality in the area; concentrations of NO<sup>2</sup> currently under 40µg/m<sup>3</sup>
- Nevertheless, the Councils LDO proposes to adjust the signal sequencing at the A37/A362 junction to optimise the operation and improve traffic flows
  - A clarifications response has been provided to Environmental Services to address AQ questions

# Statutory Consultation (16<sup>th</sup> January- 13<sup>th</sup> February 2023)

*8 in Support, 294 Objections and 12 Comments*

All objections were subject to a RAG rating which highlighted 3 responses that required further review. All other objections were immaterial or covered by the technical reports provided to the LPA.

• Key themes included:

- Use of greenfield sites and the original allocation of the site
  - The requirement to rejuvenate the high street in Midsomer Norton
  - Traffic and pollution concerns
- Statement of Clarifications prepared to respond to the key points raised within the objections. This was published prior to the revised statutory consultation and the public were advised to read this before submitting new comments.

# Revised Statutory Consultation (22<sup>nd</sup> September- 26<sup>th</sup> October 2023)

*9 in Support, 198 Objections, 2 Comments*

- All responses have been subject to a RAG rating – no material comments from LPA
- Key themes within the objections included:
  - Challenge to the original allocation of SVEZ- Allocation of the site was reaffirmed during LPPU Jan 23
  - Increase in traffic- Extensive traffic modelling was completed and approved by HDC with suitable mitigations being put in place
  - Environmental concerns including habitat loss, development on green fields, BNG, air quality and noise concerns.- BNG Plan to be submitted as a pre-commencement conditions. Both air quality and noise assessments determined no adverse effects would be caused by SVEZ
  - Investment should be made within Midsomer Norton instead- Works are taking place via Heritage Action Zone o regenerate the high street

# Parish and Town Council Responses

## **Farrington Gurney Parish Council – No objection previously, currently objecting**

- Concerns regarding change to retail uses
- Impact of traffic
- Air quality concerns

## **Paulton Parish Council- No objection previously, currently objecting**

- Relaxation of planning controls
- LDO would diminish Parish Council involvement
- Concerns regarding demand

## **Midsomer Norton Town Council- Support previously, now provide comment.**

- Highways safety, traffic and parking
- Scale, overlooking, loss of privacy and dominance of the site
- Noise, dust and flooding

## **Ston Easton and Clapton Parish Council- Comments only**

- Concerns regarding traffic and congestion and surrounding lanes being used as ‘rat runs’

# Demand within the Somer Valley

The Economic Strategy Evidence Base (draft) reports a net floorspace requirement in the Somer Valley, between 2023-2043:

- Office capacity - 8,000 sqm (86,000 sqft)
- Industrial capacity - 27,000-36,000 sqm (290,000 – 390,000 sqft)
- Warehousing & Distribution capacity - 21,000 sqm (226,000 sqft)

This page is intentionally left blank



## CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

*Should you wish to make representations, please contact the report author or, Democratic Services . A formal agenda will be issued 5 clear working days before the meeting.*

*Agenda papers can be inspected on the Council's website.*

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
<b>16TH JANUARY 2024</b>				
16 Jan 2024	<b>Corporate Policy Development and Scrutiny Panel</b>	<b>Aequus Update</b>	Simon Martin Tel: 01225 477407	Executive Director - Resources (S151)
16 Jan 2024 1 Feb 2024 <b>E3486</b>	<b>Corporate Policy Development and Scrutiny Panel</b>  <b>Cabinet</b>	<b>Somer Valley Enterprise Zone Local Development Order</b>	simon_martin@bathnes.gov.uk Richard Holden Tel: 01225 47 7655	Director of Capital & Housing Delivery
6 Jan 2024 1 Feb 2024 <b>E3487</b>	<b>Corporate Policy Development and Scrutiny Panel</b>  <b>Cabinet</b>	<b>Somer Valley Enterprise Zone Statutory Mechanisms</b>	simon_martin@bathnes.gov.uk Richard Holden Tel: 01225 47 7655	Director of Capital & Housing Delivery
<b>23RD JANUARY 2024</b>				
		<b>Budget</b>		
<b>12TH MARCH 2024</b>				

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
12 Mar 2024	Corporate Policy Development and Scrutiny Panel	Performance indicators - outcomes of resident survey	Steve Harman Tel: Mob: 07530263207	
<b>14TH MAY 2024</b>				
<b>23RD JULY 2024</b>				
<b>17TH SEPTEMBER 2024</b>				
<b>19TH NOVEMBER 2024</b>				
<b>ITEMS TO BE SCHEDULED:</b>				
Page 43		Commercial Estate Update		
The Forward Plan is administered by <b>DEMOCRATIC SERVICES:</b> Democratic_Services@bathnes.gov.uk				

This page is intentionally left blank