

Bath & North East Somerset Council

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| MEETING: | Cabinet | |
| MEETING DATE: | 03 November 2010 | AGENDA ITEM NUMBER 12 |
| TITLE: | The 'story' of B&NES and the actions to deliver 'smart economic growth' in B&NES, including the Regeneration Delivery Plans | EXECUTIVE FORWARD PLAN REFERENCE: E 2195 |
| WARD: | All | |
| AN OPEN PUBLIC ITEM | | |
| <p>List of attachments to this report</p> <p>APPENDIX 1 Summary of The Story</p> <p>APPENDIX 2 Local Economic Assessment: This provides the overall baseline economic position of the District</p> <p>APPENDIX 3 Worklessness Assessment: This provides a detailed analysis of people on out of work benefits across the District</p> <p>APPENDIX 4 Summary of Regeneration Delivery Plans for Bath, Keynsham and Midsomer Norton</p> <p>APPENDIX 5 List of Evidence Based Studies informing the RDP's</p> <p>APPENDIX 6 List of potential interventions in the local economy, with examples from other areas.</p> | | |

1. THE ISSUE

- 1.1. This paper sets out the Council's sustainable economic growth agenda for Bath and North East Somerset for the period to 2026.
- 1.2. The Vision/Future work (2007), underpinned by the Ernst and Young business plans, identified the important role of local character and identity (the 'DNA' of place) in attracting investment, shaping growth and delivering long term value. This work recognised the need for local places to be relevant and appealing to the talented and creative workforce needed to drive growth in the higher value 'knowledge' economy.
- 1.3. This is captured in 'The Story' a narrative document that encompasses the journey from Vision to Direction to Action (summary attached as Appendix 1) and is the springboard for the actions set out in this report.
- 1.4. The focus of this paper is the development of successful places, demonstrating the comparative advantage of Bath, Keynsham, Midsomer Norton and Radstock as somewhere for businesses to start and grow, which will lead to a sustainable and

successful economy. This reflects and updates the ambitions of the Economic Strategy for Bath and North East Somerset published in April 2010 as developed by the Sustainable Growth Alliance.

- 1.5. It sets out the proposed direction and the actions that the Council will take over the period as well as setting the agenda for the Local Development Framework which will provide the land usages and planning policy background to help deliver the economic aspirations.
- 1.6. Finally it highlights the Council's related activity in bringing forward and promoting a series of infrastructure projects to unlock development capacity and provide the basis for economic wellbeing.
- 1.7. As a result of the work undertaken to date, this paper recommends a smart growth agenda, i.e. promotion of a higher value economy rather than only volume growth. It will show how we can achieve jobs growth, promote employment in the area and bring forward development to support business creation.

2. RECOMMENDATIONS

The Cabinet is asked to:

- 2.1. Agree that the 'story' (summary attached as Appendix 1) be used as a coherent narrative that records the journey between 2005 and the present and sets aspirations for the future.
- 2.2. Adopt the Local Economic Assessment (Appendices 2 and 3) as required by the 2009 Local Democracy, Economic Development and Construction Act. This also provides an evidence base for our economic interventions and the emerging Core Strategy.
- 2.3. Note the growth aspirations set out in this paper to create 8,500 – 9,000 net new jobs as the Cabinet's Economic Strategy in B&NES to 2026 and our interventions to deliver these, in particular those set out in the Regeneration Delivery Plans (see summaries in Appendix 4) and that these be confirmed and completed together with the 'story' by the Strategic Director for Development and Major Projects in consultation with Cabinet members following confirmation of the Council's agreement to this level of growth when it makes its decision on the Core Strategy at Council in December (for which this paper will provide a background).

3. FINANCIAL IMPLICATIONS

- 3.1. The proposals set out in this report will be prioritised within the budgets and resources agreed by the Council in its annual budget.
- 3.2. Additional capital enabling projects including for example, flood mitigation works, which arise as part of the RDP recommendations will be subject to the Council's established authorisation procedures.
- 3.3. Revenue costs of delivering the RDP's are built into the Medium Term Service and Resource Plan.

4. CORPORATE PRIORITIES

- *Building communities where people feel safe and secure*
- *Promoting the independence of older people*
- *Improving life chances of disadvantaged teenagers and young people*
- *Improving school buildings*
- ***Sustainable growth - a thriving and resilient economy will be a key contributor to achieving the other corporate priorities***
- *Improving the availability of Affordable Housing*
- *Addressing the causes and effects of Climate Change*
- *Improving transport and the public realm*

5. THE REPORT

5.1. Background – Our economic challenges:

5.1.1 The Local Democracy, Economic Development and Construction Act 2009 required Unitary Authorities and County Councils to carry out an assessment of the economic conditions in their area. The Assessment should provide a comprehensive analysis of the local economy which should help to inform future economic policies and interventions.

5.1.2 The Local Economic Assessment for Bath and North East Somerset identifies the following challenges:

- The need to provide more jobs in the private sector. The area has above national and regional average public sector employment (35% compared with 26.4% in England) making the area vulnerable to future government spending cuts, MOD relocations, and related supply chain impacts.
- The need to improve linkages with business and the area's universities to encourage more growth in knowledge based, high value added jobs
- The lack of available employment land and premises, which could hamper future economic growth and result in more commuting out of the area
- Housing affordability exacerbated by a lack of house building - particularly affordable units
- Reductions in the level and nature of local employment in the Somer Valley, coupled with poor transport linkages to the South of the District.
- The need to re-skill an ageing workforce to maintain employment rates and ensure people can continue to take up job opportunities
- 10 wards in B&NES, spread across Bath, Keynsham and the Somer Valley, which have a worklessness rate above the sub-regional average, but only one, Twerton, which exceeds the national figure.
- Those claiming Incapacity or Income Support benefits form the greatest proportion of the workless population with nearly two-thirds having been in receipt of benefit for over five years.

5.2. Planning for future economic growth

5.2.1. Since 2004/5, there has been an increase of 4,400 in the number of B&NES residents employed.

5.2.2. All other sub regions in the West of England have seen higher percentage increases in workplace employment and with more premises available for business expansion in neighbouring areas it is imperative the Council actively intervenes to ensure a continued growth in employment within

Bath, Midsomer Norton, Keynsham, Radstock and smaller rural settlements.

- 5.2.3. Without focused intervention to stimulate “smart” and appropriate levels of economic growth, the quality of life for individuals and families within the District will therefore worsen.
- 5.2.4. As a result we have developed two potential scenarios for jobs and economic growth that have been selected as being indicative of the types of economic return which B&NES can expect for different intervention approaches and to address recent trends.
- 5.2.5. Depending on the mix of interventions and the prevailing macro economic conditions it is possible to deliver between 8,500 and 11,000 net jobs over the period to 2026, adding between £1.5 billion – £1.8 billion of Gross Value Added (GVA) into the economy¹. Without intervention the figure is more likely to be around 6,000 jobs.
- 5.2.6. The table below shows the two potential scenarios:

| | Scenario 1 | Scenario 2 |
|--------------------------------|-------------------|-------------------|
| Number of jobs created to 2026 | 8,500 – 9,000 | 11,000 |
| Annual employment growth | 0.4% | 0.6% |
| Overall GVA growth to 2026 | £1.5 billion | £1.8 billion |

- 5.2.7. Based on current economic conditions, evidence and budget capacity we believe that scenario 1 is deliverable if we act and intervene now as set out below. To achieve this, interventions must be targeted at high value sectors in Bath together with wider employment opportunities in market towns.
- 5.2.8. The higher growth level in scenario 2 may be achievable should macro-economic conditions allow in the future. This would require significant additional economic growth in high value sectors to which Bath in particular can respond.
- 5.2.9. In order to achieve the level of job growth in scenario 1 we will deliver the sort of interventions set out below from 5.3-6.3 as well as set out in Appendix 6.

5.3. Delivering future economic growth

- 5.3.1 In order to deliver what we consider a realistic scenario for growth we are putting forward a programme of intervention that we are calling ‘smart growth’, focusing on several key areas, as put forward by the Sustainable Growth Alliance in the Economic Strategy for Bath and North East Somerset 2010-2026:

Business support and development

¹ Value Added is the difference between the value of goods and services produced and the cost of raw materials and other inputs that are used in production. Gross value added therefore is the sum of all the value added by activities that produce goods and services.

- Refocussed business support to encourage productivity-led growth across all sectors, but particularly encouraging further growth in our base of wealth-generating creative and technology-related activities
- Re-focussed business support to start ups, social enterprise and co-ops

Employability and skills

- Identify, with sector skills councils and learning providers, growth sector skills requirements and develop curricula accordingly, ensuring linkages with relevant commissioning bodies
- Use the evidence emerging in the worklessness assessment to develop employability plans to improve the percentage of the population with Level 2 skills
- Support the Coalition's drive to increase the number of apprenticeships

Business premises and infrastructure (see Regeneration Delivery Plan section below).

- Developing brownfield sites in Bath, Keynsham, and the Somer Valley to make way for place-appropriate housing and employment space.
- Improving the centres of Bath, Keynsham, Midsomer Norton and Radstock

Promoting investment

- Place-appropriate investment and business support strategies to support the development of employment space for existing and new businesses.
- Re-focus our inward investment offer making it locally based rather than sub regional

5.4 The Regeneration Delivery Plans (RDP's)

- 5.4.1 The RDPs describe the development sites that are available in Bath, Keynsham, and Midsomer Norton (including some outlying sites in the Somer Valley), what these sites have the potential to be used for, what actions are necessary to development them and how this contributes to our overall ambitions.
- 5.4.2 The RDPs also provide a basis for bids to national and sub regional funds (for example the West of England Local Investment Plan) that may become available to support development and enable the Council to maximise the potential of its physical assets.
- 5.4.3 Central to our approach to place is the importance of our market towns. In developing the RDPs we have recognised the different economic base of each sub-area and therefore the different responses required.
- 5.4.4 Officers have been supporting the objectives of the RDPs in their ongoing negotiations with landowners on a number of sites across the district.
- 5.4.5 The Regeneration Delivery Plans are based on a series of district-wide strategies and studies produced by the Council. These provide the justification for "smart" development over the period until 2026. The evidence base also provides a number of regeneration objectives in relation to each site (see Appendix 5).

5.4.6 The RDP's and evidence work undertaken will need to be considered as part of the process of developing the Local Development Framework in order that they can have appropriate planning status.

6. THE REGENERATION DELIVERY PLANS

6.1 Central Bath and River Corridor

- 6.1.2 The Bath Regeneration Delivery Plan's aim is to enhance Bath's status both as a World Heritage Site and as one of the economic centres of the sub-region, and the city's ability to attract and retain higher value-added businesses, by helping to unlock brownfield sites in the central area.
- 6.1.3 The main challenges for Bath are a lack of variety and availability of modern office space. Many of the potential development sites are currently restricted by heritage, transport, parking, and flooding constraints.
- 6.1.4 The Bath RDP addresses how these constraints can be overcome, and sets out the decisions required to deliver economic growth.
- 6.1.5 To implement the Regeneration Delivery Plan for Bath, the following actions need to be undertaken:
- Implement flood mitigation interventions to maximise river corridor sites
 - Complete and implement parking interventions
 - Implement proposals for transport interventions to reduce congestion
 - Complete the Building Heights Strategy in order to provide greater certainty to developers
 - Formalise the spatial proposals through the Local Development Framework

6.2 Keynsham

- 6.2.1 Keynsham Town Centre Regeneration Delivery Plan aims to position Keynsham as a complementary commercial location to Bristol and Bath, with a strong retail offer focused on the High Street, enabling people to live and work in the town, and significantly reducing out commuting.
- 6.2.2 The Keynsham RDP identifies the main challenges which face the town such as a high level of commuting, lack of quality large retail space, poor quality public realm and poor pedestrian connections between the High Street, car parks and train station.
- 6.2.3 It identifies three key development areas which look to create new jobs, improve the shopping experience and improve the park. The former Cadburys site – Somerdale, is key to delivering a significant number of new jobs for Keynsham.
- 6.2.4 The Council has already kickstarted the regeneration process by choosing the Town Hall site as the location for its new office development, bringing more jobs and economic activity to Keynsham High Street. The new development will also include new retail units and public space.
- 6.2.5 To implement the Regeneration Delivery Plan, the following actions are required:
- Complete access / movement and parking interventions
 - Support Kraft in selecting the right development partner for Somerdale
 - Ensure detailed brief for the Town Hall responds to the Regeneration Delivery Plan
 - Formalise the spatial proposals through the Local Development Framework

6.3 Midsomer Norton

- 6.3.1 Midsomer Norton Town Centre Regeneration Delivery Plan aims to help the town fulfil its role as the main market town for the Somer Valley, recognising the importance of a strong town centre in attracting and retaining businesses in the area.
- 6.3.2 It identifies the main challenges which face the town centre such as lack of quality retail space, poor quality public realm, High Street dominated by traffic, poor pedestrian environment and sets out a strategy to address these.
- 6.3.3 It identifies four key development areas along the High Street and proposes development principles which look to strengthen the shopping offer, create a mixed use centre and improve local attractions.
- 6.3.4 In addition, it refers to key sites surrounding the town centre where work is underway to develop proposals that can complement and support the town centre as well as creating an employment offer distinct to the Somer Valley
- 6.3.5 The key actions are:
 - Complete access / movement and parking interventions
 - Act as a facilitator for the redevelopment of the high street
 - Develop strategy for delivering a new anchor food store
 - Finalise masterplans and work with developers for key peripheral development sites
 - Formalise the spatial proposals through the Local Development Framework

6.4 Radstock

- 6.4.1 The Council has been working towards a Regeneration Delivery Plan for Radstock. This has included negotiations and discussions with key landowners and the community. Further work on this RDP is required before it is finalised and completed (see recommendation 2.3)

7. DELIVERY

7.1 The role of the Community, Partners and the Council

- 7.1.1 As we develop our plans it will be essential to work with local communities and partners to deliver these ambitions. Working with our partners over recent times, the Council has developed stronger links in particular with the business community through the Sustainable Growth Alliance, B&NES Initiative, Chamber of Commerce, Midsomer Norton Forum, Keynsham Advisory Group, Radstock Task Force, Somer Valley Partnership, Creative Bath, Low Carbon South West and through a range of business events.

8. RISK MANAGEMENT

- 8.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance

9. EQUALITIES

9.1 An Equalities Impact Assessment for the RDP's has been completed

10. RATIONALE

10.1 To safeguard health and wellbeing by ensuring the economy is strengthened in a way that preserves what is best about B&NES.

11. OTHER OPTIONS CONSIDERED

11.1 B&NES is in competition with other areas in a difficult economic climate, and if we do not grasp the challenge and adopt the principle of smart economic growth, our residents and businesses will not be able to take advantage of potential economic growth and wealth creation.

12. CONSULTATION

12.1 Cabinet members; Overview & Scrutiny Panel; Staff; Other B&NES Services; Community Interest Groups; Business networks; Local Businesses; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer.

12.2 The consultation findings from the Futures Vision, Sustainable Community Strategy and Economic Strategy were fed into the development of the Regeneration Delivery Plans for Bath, Keynsham and Midsomer Norton.

12.3 A series of workshops were held with Community Interest Groups on the development of the Regeneration Delivery Plan for Bath City Centre and Western Corridor.

12.4 A series of public exhibitions were held in Keynsham and Midsomer Norton to promote the consultation on the draft proposals, which were also available on the Council's website.

12.5 Cabinet members, Section 151 Finance Officer, Chief Executive; Monitoring Officer were consulted on this report.

12.6 The agreed growth scenario and the Regeneration Delivery Plans will be subject to formal public consultation as part of the Core Strategy and other Local Development Framework documents.

13. ISSUES TO CONSIDER IN REACHING THE DECISION

13.1 Social Inclusion; Sustainability; Property; Young People; Corporate

14. ADVICE SOUGHT

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

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Background papers

*Delivering Sustainable Growth in Bath & North East Somerset,
Council 20 November 2008*

Please contact the report author if you need to access this report in an alternative format