

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cllr Dine Romero, Leader of the Council & Cllr Tim Ball, Cabinet Member for Planning Housing and Economic Development	
MEETING/ DECISION DATE	On or after 25 January 2020	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3187
TITLE:	Decision to enter funding agreements with Homes England to fund infrastructure and enabling works at Bath Quays North and Englishcombe Lane development sites in-line with grant funding awards	
WARD:	All	
AN OPEN ITEM CONTAINING EXEMPT APPENDICES		
List of attachments to this report: Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption Exempt Appendix 1 – Funding Agreement Summary BQN Exempt Appendix 2 – Funding Agreement Summary Englishcombe Lane Exempt Appendix 3 – Short Form Funding Agreement		

1 THE ISSUE

Homes England, the Governments housing enabler have awarded B&NES Council, Local Authority Accelerated Construction (LA-AC) grant funding to support the acceleration of housing through the Council's regeneration and housing company priorities.

Bath Quays North is the Council's flagship regeneration project, creating a new business district for the city, providing 240,00sqft of offices, hotel, new public carpark, public realm and 92 residential units on the site of the Avon St carpark and coach park.

Englishcombe Lane is a new residential scheme proposing 37 homes with a mix of housing types being brought forward by Aequis Development Ltd (ADL) the Councils wholly owned housing company.

2 RECOMMENDATION

2.1 The Cabinet Member for Planning Housing and Economic Development in consultation with the Leader, Director for Economy and Growth and S151 Finance officer is asked to enter Funding Agreements with Homes England to fund enabling works and infrastructure in respect of Bath Quays North and Englishcombe Lane.

2.2 Amend the Council Capital Programme on receipt of entered funding agreements:-

- (1) Approve an addition of £3,519,000 to 2020/21 Bath Quays North budget.
- (2) Incorporate a new provisional scheme for Englishcombe Lane Site Preparation 2019/20 £150,000 and 2020/21 £1,054,597.

3 THE REPORT

- 3.1 The Council have been awarded Homes England Accelerated Construction Housing Grant in respect of the redevelopment of Bath Quays North (presently the Avon Street car and coach park), to assist with delivery of 92 new homes, and in respect of land at Englishcombe Lane, to assist with the delivery of 37 new homes. The funding is awarded to help unlock the development sites and increase the speed of housing delivery through investment in infrastructure and enabling works.
- 3.2 Under the terms of the grant the Council are obligated to deliver the residential outputs set out within the grant agreement for each site delivering:
 - (1) At **PACE** (*the development will be delivered at a pace faster than the local market average for similar schemes at a rate of construction of 4.5 units per month for BQN and 3 units per month for Englishcombe Lane*)
 - (2) Using **MODERN METHODS OF CONSTRUCTION (a 100% panellised system)**
 - (3) Utilising **LOW & MEDIUM VOLUME BUILDERS**
 - (4) Comply with the agreed **PROGRAMME MILESTONE and SPEND PROFILE**

4 STATUTORY CONSIDERATIONS

- 4.1 Local Authorities have the power to promote the economic wellbeing of their area and to establish mechanisms to help achieve this.
- 4.2 The Council intends to enter into the funding agreements with Homes England pursuant to its general power of competence, section 1 Localism Act 2011 and invest in this development pursuant to section 12 Local Government Act 2003 and to dispose of its landholding interests to developers at market value pursuant to section 123 Local Government Act 1972.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Council's current Capital Programme does not include these grants from Homes England. The Council's financial regulations allow for in-year approval for schemes which are 100% grant funded.
- 5.2 Provision for infrastructure work to the value of £3,519,000 is included in the BQN development agreement with Legal & General. Current project work is to develop the detailed proposal and viability model of the scheme.
- 5.3 Englishcombe Housing proposal is subject to planning approval, an approved business case and development agreement with ADL. This grant will provide funding for specific site works before land transfer. Future development costs will be provided by Council Loan to ADL, with a proportion of units to become available as affordable housing.
- 5.4 The Council considers this initial funding of land and infrastructure enables the purposes of delivering additionality to the provision of affordable homes.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. The Development Agreements will include an assumption of the Home England Grant conditions. Seasonal factors will influence implementation timescales.

7 CLIMATE CHANGE

- 7.1 The Council's aspiration is to deliver zero carbon new developments to respond to the climate emergency. The residential accommodation at BQN will provide an EPC rating of A/B, provide a 20% reduction in regulated carbon dioxide emissions over and above the requirements of Part L of the building regulations, all car parking spaces will have full passive provision for electric vehicle charging and provide two covered cycle stands per unit to encourage active travel.
- 7.2 The residential accommodation at Englishcombe Lane will be delivered to AECB Silver standard for a low energy housing solution exceeding the requirements of current planning policy and building regulations compliance in line with ADL's mandated obligations. The funding will support the delivery of biodiversity nett gain as part of the planning obligation of the development.

8 OTHER OPTIONS CONSIDERED

- 8.1 The Council considered the other options available to safeguard the delivery of new homes as part of Bath Quays within the previous Decision E2680, E2838 & E3122
- 8.2 Do nothing: The Council allows the market to deliver the homes and provide a mix of units and pace of delivery that is dictated by the market.

9 CONSULTATION

This report has been prepared in consultation with the Leader of the Council, the Cabinet Member for Economic & Community Regeneration; the Section 151 and Monitoring Officers; the Strategic Director and the Director for Economy & Growth.

Contact persons	Simon Martin
Background papers	Council Decisions E2680, E2838 E3122
Please contact the report author if you need to access this report in an alternative format	