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# **Bath & North East Somerset Council**

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## **Housing & Major Projects Panel 2<sup>nd</sup> August 2011**

**Prepared by the Development and Major Projects Strategic Director - John Betty**

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### **Exemption under Schedule 12a of the Local Government Act 1972**

The following exemption is engaged in respect to the appendices:

*3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

All exemptions under Schedule 12A of the Local Government Act 1972 are subject to the public interest test. We have assessed the public interest issues in this case, and have concluded that the public interest in withholding the information outweighs the public interest in disclosure at this time.

## 1. Overview

- The directorate is focused on delivering Sustainable Economic Growth as set out in the Economic Strategy of April 2010 and the Smart Economic Growth Cabinet paper of November 2010.
- The delivery of this is manifested through Business development and support, Regeneration and Development projects, Housing Delivery and the continued delivery of Capital projects.
- This work is set against a background of significant Government changes to funding and support, continuing macro-economic challenges and increasing pressure on housing.
- The ability of the Council to deliver its priorities and aspirations in this area will depend on the alignment of policies in Planning, Transport and the ability of the Council to influence and encourage growth and development through its asset base and influence.
- There are significant challenges ahead in bringing forward development but there are also major opportunities through Bath City Riverside, Bath Western Riverside, Bath Quays South, Manvers Street, Norton Radstock Regeneration, MOD Sites, Keynsham, Somerdale and Temple Street. All of which could and should have significant ability to help the economic growth and development agenda.
- The Directorate is currently reviewing its capacity and organisation in order to respond to this agenda.
- The requirement to ensure that the agenda is rooted i.e. the administrations requirement to ensure local engagement.

## 2. Housing Delivery

- The Council has published a Core Strategy which seeks to provide 11,000 new homes in B&NES by 2026. This will require a step change in annual delivery rates over the plan period.
- Given the scope of the changes and demands of this the Strategic Director for Development & Major Projects has been given the corporate responsibility for developing a Council-Wide action plan to ensure a corporate co-ordinated approach to the delivery of housing, including affordable housing.
- A brief review of the current arrangements within the council has been commissioned by SDG. The report will cover the capabilities and effectiveness of the organisation and the capacity currently in place and will recommend actions necessary to ensure that there is a co-ordinated approach across the council and accountable to the Strategic Director of Development and Major Projects.
- The report will address:
  - an assessment of current governance structures and future needs
  - priorities for action against Council corporate objectives
  - targets, reporting and accountabilities
  - skills/capacity/gap analysis
  - Current management reporting arrangements.
- The Core Strategy will be subject to an Examination in Public, including the proposed Housing numbers and delivery locations.

### Changing Government Housing Policy

- The Government has put in place the New Homes Bonus. This is a new scheme which provides a financial incentive to Local Authorities for every home built and an additional bonus for affordable homes built
- Bath and North East Somerset received £611,349 in its first allocation

- A new Affordable Rent Model (AR) is also being implemented. Affordable rented homes will be made available to tenants by Registered Providers at up to a maximum of 80% of market rent and allocated in the same way as social housing is at present. Landlords will have the freedom to offer Affordable Rent properties on flexible tenancies tailored to the housing needs of individual households.
- The Homes and Communities Agency is now requiring Registered Providers to submit proposals for a 4 year programme of delivery against which they will allocate funding
- Where AR produces viability issues, the planning authority will need to work with the Homes and Communities Agency to seek additional investment or look at the proportion of affordable housing acceptable to them
- Housing Authorities are required to put in place Strategic Tenancy Policies to manage the affordable housing and tenancy mix

### Track record and targets

- Based on demographic, migration, household and housing market indicators the Bath and North East Somerset future housing growth requirements study concluded that in order for housing supply to absorb demographic change and support economic and employment growth potential it would need to increase by 11,000 dwellings over the Core Strategy period.
- The core strategy therefore sets a requirement to deliver 11,000 houses over the plan period. This equates to 550 per year.
- Between 2006 and 2011 an average of 393 homes were built
- In order to address this backlog and meet future demand the Strategic Housing Land Assessment Analysis sets a target of building a total of 3,626 homes between 2011/12 and 2015/16
- The Council's policy is to focus on brownfield land in delivering these targets in order to protect the quality of life for residents in Bath and North East Somerset
- Sufficient brownfield land has been identified to achieve these targets. However there remain some challenges in delivering these:
  - Working with the MOD and other partners to bring forward sites vacated in Bath
  - Ensuring infrastructure is in place to allow development in Bath City Centre sites
  - High land values in Bath and Keynsham in particular
  - Influencing other land owners to ensure disposal of other key sites (e.g. Somerdale in Keynsham and Polestar in Poulton)
  - Reluctance of some developers to build, given the on-going uncertainty about house prices and availability of credit

## Affordable Housing delivery

- Delivering affordable homes is vital to a sustainable economy
- The Strategic Housing Development Service within the Council's department of Adult Health, Social Care and Housing works with Planning and Development Management to enable the supply of affordable housing on threshold sites. This enabling work aims to influence planning proposals in line with local housing needs, and ensure Section 106 will deliver the intended outcomes in respect of affordability and nomination priority for eligible applicants; that affordable housing will be properly managed over the long term, and secured financially, and if restrictions are lifted for the subsidy to be recycled to secure alternative provision.
- The Council's target is to deliver 610 affordable homes between 2011/12 and 2014/15
- To support this, sub-regionally the Council, along with the other Unitary Authorities in the West of England, has agreed a Local Investment Plan with the Homes and Communities Agency (HCA). This identifies priority locations for the delivery of affordable housing along with the funding required to facilitate delivery. In light of the Government's changes and reducing subsidies and grant from the HCA, it is proposed to complete a review of the LIP by September 2011.
- The Council has commissioned a viability assessment looking at the potential impact of the Affordable Rent Model on the affordability and delivery of affordable housing in different geographic areas and by different house types

### 3. Major Projects Overview

#### Council Direct Projects

- **Keynsham Town Hall**
  - Two stakeholder workshops were attended by over 40 people from local groups and organisations in Keynsham in March 2011 and May 2011. Further consultation and engagement with the local community about the regeneration of Keynsham town centre will take place in Autumn 2011.
  - The timescale for the wider consultation is intended to allow the new Cabinet to consider options about the best way to deliver a well thought out scheme that will support the regeneration of Keynsham, including the Riverside building, take account of Somerdale and provide the best possible value for money for the local taxpayer.
  - The public consultation will cover all elements of the scheme such as building design and materials, new streets and spaces, traffic and parking, and how the scheme will contribute to the wider regeneration of Keynsham town centre.
  - On-going engagement with the Keynsham Civic Centre Community Focus Group will continue over the Summer 2011 as the Council continues to develop the scheme in preparation for the public consultation in the Autumn 2011 with a view to submitting a planning application by the end of the year 2011.
  
- **Radstock Public Infrastructure**
  - In addition to its own funding, the Council has secured investment support worth £800k from the Homes and Communities Agency (HCA) to enable the improvements to the current road network to begin. Work is expected to start in the Autumn and includes:
    - § Replacing the double mini roundabout at the junction of A367 and the A362 with one roundabout;
    - § Allowing two-way traffic on The Street;
    - § Creating a new link from The Street to Frome Road.
    - § Traffic Regulation Orders are currently being advertised.

- **Southgate**

- Station work have commenced and are to be delivered in 2 parts:
  - **Initial works:** Lift & Toilets
  - **Remaining works:** Excavation of ramp & completion of station environment including refurbishment of vaults works due for completion July 2012.
- Counter terrorism measures have been agreed with the police and are to be implemented by end of 2011.
- **Residential Accommodation:** Agreement has been finalised to extinguish existing lease and re-grant.

- **Public Realm**

- **City Info & Street Furniture**

- Civitas funded Wayfinding & Public Transport products now installed within City Centre.
- Full system installation to be completed by September 2011 following Civitas evaluation phase.
- Street Furniture prototypes have been installed at St James Rampire to enable user feedback.

- **Union Stall Street**

- Public Realm programme has been re sequenced to deliver High Street as the first project therefore, Union Stall Street becomes the second project to the end of programme
- Design will commence in August 2011
- Procurement for construction works estimated November 2011
- Construction commencement planned February 2012

- **High Street**

- Original Bath Transport Package proposals for High Street are now to be delivered as part of Public Realm & Movement Project.
- Design changes have been proposed to improve the Public Realm value of the original transport scheme
- Options presented to Cabinet 11<sup>th</sup> July re Taxi solutions.
- Construction works to commence October 2011.
- Planned completion April 2012.



### Children's Services

- **Primary Capital Programme (Batheaston)**
  - 1 week extension has been given to contractor due to severe weather conditions.
  - Landscape works are on-going to the field.
  - Completion date due September 2011.
  
- **Primary Capital Programme (Midsomer Norton)**
  - Due to past programme delays the programme has been reviewed.
  - Handover date has been rescheduled to October 2011.
  
- **Primary Capital Programme (Weston all Saints Primary)**
  - Due to steelwork detailing programme has been delayed, a revised programme has been put together with mitigation measures to rectify this.
  - Temporary classroom to be installed mid-August 2011 to allow for increase of pupils.
  - Handover date due end October 2011.
  
- **Ralph Allen School Applied Learning Centre**
  - Pre-application has been submitted.
  - Team currently looking at providing a bio-mass boiler scheme for the whole school and meeting with architects and planning consultants on how best to take this forward.
  - School are currently investigating funding.
  
- **Wellsway Sports Hall**
  - Pre-planning application was submitted 3<sup>rd</sup> June 2011.
  - Planning submission submitted 15<sup>th</sup> July 2011 for aim of full Planning consent 27<sup>th</sup> October 2011.
  - 1<sup>st</sup> set of tender's now evaluated, tender addendum to be issued.
  - There is a 5 week wait until end September 2011 until planning has been granted and confirmed before appointing a consultant.
  - Landscaping to be revamped with removal of footpaths.
  - Additional parking will be included for the school this will be set out in the tender addendum.

- Handover date due October 2012.
- Additional consultation to be carried out on option of 3 locations, all ward Councillors have been contacted and each issued plans.

- **Oldfield School Bath**

Planning submitted 13<sup>th</sup> July 2011 –expected to hear back end August 2011.

- Interim works expected to commence 22<sup>nd</sup> July 2011 including asbestos works.
- 6 contractors have been shortlisted. Appointments due 26<sup>th</sup> November 2011.
- Fence has been erected to protect the Newts.
- Working to start on site end October 2011.

- **Radstock Schools**

- **St Nicks**

- Portakabin's have now been removed at St Nicks School
- Completion of ceiling work being handed over this month.
- Works to corridor and Assembly hall commence during the Summer holiday's 2011.
- Children's Centre complete end of October 2011 for Children to move in for Half Term.
- Waring's remain on programme and relationships with the school remain good.

- **Trinity**

- Roof on programme, roof works to phase 1 now stripped off. New roof constructed July 2011. Summer holiday's will finish completion of phase 1 including half of corridor.
- Meeting with Waring's and Property Services took place 12<sup>th</sup> July 2011 to review alterations to Children's Centre and how Waring's will programme into their works.
- Landscaping is complete.

- **BWR**

- Infrastructure contract is now in place, works are on programme.
- Residential units are ahead of programme, 95 units approaching completion of 1<sup>st</sup> phase, ready for occupation August 2011.
- Contractor in discussions with Supermarket chain on removal on Gas holders. A proposal is expected to come to B&NES.

- **Somerdale:**

- Kraft is in the process of procuring a developer for the Somerdale site.
- They are currently assessing the Expressions of interest and will be shortlisting a number of developers to work up a more detailed proposal for selection in the Autumn 2011.
- An introductory meeting has been set up between representatives of Kraft, the Leader of the Council and Cabinet Member for Sustainable Development in August.

## Economic Enterprise & Business Development – Overview

The Economy, Enterprise and Business Development Service responds to the Council's priority to deliver sustainable economic growth across Bath & North East Somerset. We do this by promoting employment sites, supporting business need, enabling businesses to start and grow and promoting B&NES as a place to do business. The work of the team falls into three broad categories.

### 4. Economic Enterprise and Business Development

#### 1.1 Sector Support

- **Creative Bath:** The Council is funding Creative Bath this year to deliver a set of networking, training and support events to creative firms. The network has over 1,000 individuals receiving its bulletins. The network recently launched its membership scheme. There are now over 100 paid-up members.
- **Low Carbon South West:** LCSW have signed a 12 month agreement to deliver a range of services to B&NES including a monthly business breakfast covering low carbon services, delivering a business support function for LCSW local members and SME's, facilitating two low carbon conferences and promoting B&NES and its development sites to Low Carbon inward investors.
- **Visitor Accommodation :** There is currently significant interest in the development of additional hotels in Bath. The Visitor Accommodation Study set out a strategic approach to managing the expansion of hotel accommodation in the city and a report has been prepared for Cabinet, proposing consultation on the Study, prior to its potential adoption as Council policy. To compliment this, work has been commissioned to identify the priorities for developing a proactive approach to engaging with hotel operators, developers and site owners.
- **Business Liaison:** The economic development team meets and maintains contact with key growth sector businesses as well as local business networks.

Recent business visits to introduce the Council's work and to gain intelligence include Engineering / Defence; IT / Technology; Creative; Green tech / retrofitting.

Issues discussed at meetings include premises and growth issues, support required, skills issues, and so on. Requests for assistance are taken forward by economic development in consultation with other Council teams (e.g. property; children's services). Recent key meetings / events attended: BathSpark (technology network), Creative Bath summer event, Small Business Focus networking event, Bath and Bristol Enterprise Network Advisory Group. Assistance given on formation of Keynsham Industrial Alliance (businesses on Broadmead Lane).

### 1.2 Business Support

- **Business Matters Website:** A new website is being developed to promote the area as a vibrant business destination; promote local businesses, organisations and partnerships and attract new business opportunities to the area. The website is expected to go live in the Autumn 2011.
- **Property Enquiries:** For the first quarter of 2011, the Council received 24 enquiries for available property in the B&NES area – of the 24, three were identified as local 'growth sector' businesses all looking to expand, and three potential social enterprises.
- **GWE Business West:** As a result of the closure of Trimbridge House, staff from Business West have now moved into Palace Yard Mews. This has proved a positive development and improved working arrangements. The 2011/12 SLA has been agreed and Business West is now delivering a series of business start up workshops for people interested in starting their own business in Bath and North East Somerset. In addition they are operating a programme of coaching for high growth businesses, including a focus on getting investment for growth. We are continuing to work with Business West on the implications of the closure of the regional Business Link offices in November 2011.
- **Business Improvement District (BID):** The Bath BID has been in operation since April 2011. The Council has been collecting the levy on behalf of Future Bath Plus and collection rates have been extremely high. The business-led BID Board has been formed and subgroups dealing with work programmes (for example, marketing and promotion) have also been established with a view to delivering bespoke projects to benefit the business community in the City centre. BIDs may be appropriate in other areas of the District if business support for the concept is demonstrated and the business case for using BID legislation stacks up.

### 1.3 Connectivity

- **Broadband Delivery UK– (BDUK):** the Council is exploring with other West of England Authorities the potential to bid into government funding for funding to improve connectivity in the rural areas. British Telecom continues to roll out a programme of next generation fibre-to-cabinet speeds in areas of Bath, having completed their programme in Midsomer Norton / Radstock. The Council is exploring with BT and other providers their plans for rollout in other areas of the District.

### 1.4 Specific Initiatives

- **Creative / Tech Hub:** the Council held a workshop with key contacts in the creative and technology community who have been lobbying for a “hub” workspace to be launched in Bath to support the growth of this part of the economy. The Council intends to assess the opportunities locally for such a facility and its potential involvement. A hub might also offer facilities for public use (such as bar / café, meeting rooms, exhibition space).
- **Casino :** The Council has commenced the competition for the award of the small Casino licence. Stage one of the competition has been completed and four applications cleared to proceed to stage two where each will be assessed to determine which proposal offers the “greatest local benefit” to the B&NES area. The applications are for the Cattlemarket (2), Manvers Street and Sawclose sites in Bath. Stage two of the competition is scheduled to commence in July with the intention of reporting to the Council’s Licensing Committee in February 2011.

### 1.5 Economic intelligence

- **Local Economic Assessment (LEA):** This document provides an annual overall assessment of the health of the economy in Bath and North East Somerset. The 2010/11 document has recently been updated. The West of England Partnership has also produced a summary of the Local Economic Assessments of the 4 Unitary Authorities. These assessments provide an evidence base for the development of the Council’s economic policy and interventions.
- **Promoting Smart Growth:** Commissioned in conjunction with Planning Services the Smart Growth Report sets out the options and opportunities for achieving higher levels of sustainable economic growth in B&NES. The report has informed the Economic Strategy for

B&NES, the “City of Ideas” growth agenda and the economic growth levels put forward in the Council's Core Strategy. The report's recommendations are also helping to shape the sector and business support work being undertaken.

### 1.6 Redundancy Support

- **MOD** : The MOD has confirmed that it is to vacate all three of its sites in Bath and move 2600 jobs to the Abbey Wood complex in South Gloucestershire. The Council has expressed concerns over the economic and environmental impacts of these relocations and is seeking to address these and the future use of the three sites with the MOD through a Bath Sites Working Group.

### 1.8 Engagement

- **B&NES Economic Partnership (Theme group for Local Strategic Partnership)**: This group consists of key businesses, business networks and HE and FE along with the Council and supports the delivery of the Bath and North East Somerset Economic Strategy. This strategy was launched in 2010 and provides an overall vision and action plan for the economy. The Economic Partnership is in the process of being re-structured to ensure it can feed local intelligence into the West of England LEP and following the departure of a number of public bodies (e.g. The Regional Development Agency and Government Office South West) to broaden representation. Recent issues it has focussed on include broadband delivery, graduate retention and high growth support.
- **B&NES Initiative**: The Initiative, a joint initiative between the Council and the Chamber of Commerce, provides a forum for large employers in the area to meet together to support the Council in delivering its economic agenda. It provides a strong and supportive voice for Bath and North East Somerset into Government and at the West of England. The Council continues to support the Initiative in particular to consult with them on economic policy and delivery.

## 5. Sustainable Development (Regeneration Delivery)

### 2.1 Bath Regeneration

- **Grant Applications - Regional Growth Fund:** In 2010 the Government launched the Regional Growth Fund. This is a £1.4 billion fund over three years to create private sector jobs, particularly in areas with a high reliance on public sector employment. Private business or public/private sector partnerships are eligible to apply, but not public sector only organisations (e.g. Local Authorities). Nationally approximately £250 million was available for round 1 and bids worth £2.78 billion were received. There were 8 applications to round 1 from the West of England, but none from Bath and North East Somerset. 2 bids were successful, both focussed on manufacturing industries. Bath and North East Somerset has strongly supported a bid to round 2, worth £4 million from the University of Bath to develop a Tech Hub for Bath, building on the areas existing strengths in digital and media sectors.
- **Enterprise Area:** The West of England Local Enterprise Partnership (LEP) has determined that Bristol Temple Quarter will be given a new designation as an Enterprise Zone. This means Bristol City Council will need to produce a Local Development Order outlining how they will encourage business to locate there through relaxing planning rules. The Government will also offer a business rate holiday for new businesses starting in the zone and allow the LEP to retain business rates from new businesses. As part of this agreement 4 Enterprise Areas within the West of England have also been agreed. One of these is Bath City Riverside. This designation means that these areas will be the first to benefit from some of the financial gains from business rate retention accrued from the Bristol Temple Quarter Enterprise Zone.

### 2.2 Keynsham Regeneration

- **Business Association:** B&NES EEB officer attending Keynsham Business Association monthly meetings to provide access to support partners and advocacy with the local authority in terms of local business needs and issues.

### 2.3 Radstock regeneration

- **Radstock Economic Action Plan:** This project aims to understand the key strengths and weaknesses of the local economy in Radstock and Westfield, and develop a series of locally owned actions designed to support businesses to start and grow and broader



job creation in Radstock and Westfield. It will include a desk-top mapping exercise of economic data to develop a baseline position, (including: 1.Workplace and economic performance, 2. Business Stock, 3. Labour market supply and demand, 4. Employment land and premises offer, 5.Business support and FE provision) and a workshop bringing together key local organisations to present the findings of the economic research and identify interventions and develop an action plan.

### 2.5 Neighbourhood Regeneration

- **London Road:** For some years, the London Road area has been in relative decline, and its traditional role as a local centre has been eroded, with retail units becoming empty and changing use. The area also suffers from higher unemployment rates than other areas of Bath.

A wide approach to Community Regeneration is being developed.

The Council owns the freehold of three buildings in the area – numbers 2, 3, and 4 Long Acre, which have the potential to contribute towards the wider regeneration of the vicinity. The Council is currently in discussions with Places for People about their wish to extend their lease in 2 Long Acre (Caroline House).

Any decision on the future of the buildings by the Council will take fully into account the potential of these sites to contribute to the overall regeneration of the London Road, the role of the area as a gateway into the city, and the needs of the local community.

## 6. Local Enterprise Partnership

**3.1 Local Enterprise Partnership (LEP):** Following an invitation from Government in June 2010, the West of England Partnership submitted a proposal to Government to form a LEP covering the West of England area on 6<sup>th</sup> September 2010. On 28<sup>th</sup> October 2010 it was announced that the West of England was successful and should proceed with establishing its Board.

The purpose of the LEP is to support the delivery of sustainable economic growth and private sector jobs in the West of England. The role of the LEP Board is to:

- Co-ordinate the approach to economic growth by the private and public sector
- Identify opportunities and linkages across sectors for innovation, to maximise value from limited funding
- Facilitate opportunities for business and private sector organisations
- Influence government programmes and initiatives
- Engage in dialogue and lobby Government

The Board has agreed its priorities in three main areas: establishing a business focussed and joint working approach; removing barriers to business growth; and maximising the West of England's assets. The priorities will form the basis of a LEP business plan.

The Council is actively engaged in the LEP through:

- Board membership by our Leader
- Leadership of the business theme of the LEP on behalf of the 4 Unitary Authorities by Development and Major Projects
- Active engagement with a series of sector sub groups (e.g. creative industries, low carbon, tourism etc)
- Membership of the main project team supporting the board
- Membership of the small business group

## 6. Directorate Recruitment

Update July 2011

Recruitment Update - Jul 2011							
Role	Planned Status	Current Status	Job Description	Grading Assessment	Advertising	Recruitment	Target date / Mitigation
LEP Project Officer	Permanent	New post to manage B&NES approach to Local Enterprise Partnership	û	û	û	Job Description being developed for evaluation	Nov-11
Development Manager	Permanent	Vacancy arising due to Directorate staff changes	û	û	û	Job Description being developed for evaluation	Nov-11