

Bath & North East Somerset Council

MEETING	Cabinet	
DECISION DATE:	9th March 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3429
TITLE:	Milsom Quarter Update	
WARD:	Kingsmead Ward	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: King Edwards School - Intervention Options Report (Draft Feb 2023) EXEMPTED ITEM		

1 THE ISSUE

- 1.1 Two issues regarding the Milsom Quarter Masterplan delivery are raised in this update paper:
- 1.2 King Edwards School building: The current poor state of the building has a negative impact on the aims and objectives set out for the area in the Milsom Quarter Masterplan. A listed building at risk, the former school building has been vacant since the school closed in 1986, it has remained in private ownership since 1989 and despite gaining planning consent in 2012 and again in 2021 for conversion to a hotel and restaurant it has now been vacant for 37 years. Cabinet decision E3380 included an instruction to officers to explore options to enable the former school building to be brought back into use in the form of an update report to Cabinet. This report addresses this request.
- 1.3 Old Post Office meanwhile uses: As part of the Milsom Quarter delivery programme a grant funded workstream has been set up to support meanwhile uses in the Post Office building to bring activity back to New Bond Street and generate an income to support the Fashion Museum redevelopment. Meanwhile uses may require units to be let at rents that are below open market rental value because the rent reflects the fact that a. the tenancy is short to ensure future development opportunities can be exploited and b. the proposed tenants are representative of the high quality and compatible uses that this Milsom Quarter project wishes to encourage with other fashion adjacencies. Typically, this could require a case-by-case exemption via single member decision. However, a decision is now sought to approve this in principle to allow this workstream to progress more quickly, building on Cabinet Decision E3380 item 3.

2 RECOMMENDATIONS

2.1 Proposal 1

Confirm the Council objectives with regards to the King Edward's School building as being the following:

- (1) Assist in expediting the delivery of a suitable scheme for the King Edward's School building to bring it back into use;
- (2) Safeguard its listed building status;
- (3) Ensure the building makes a positive contribution to the broader regeneration of Milsom Quarter and Bath city centre in general;
- (4) Avoid excessive cost and risk for the Council.

2.2 Proposal 2

To delegate approval to the Director of Sustainable Communities, in consultation with the s151 Officer, to agree to 'meanwhile use' lettings (as described in paragraph 3.7) of vacant units within the Old Post Office block at less than open market value for regeneration purposes, on the basis that the benefit of the regeneration led meanwhile use proposals outweighs the need to achieve best consideration on a case by case lettings basis.

3 THE REPORT

King Edward's School building

- 3.1 As set out in Cabinet Decision E3380, the condition of the old King Edwards School building is poor and in its current state the building itself is at risk and detracts from the wider regeneration of the Milsom Quarter.
- 3.2 A review of possible approaches to bring the building into better use, including options, risks, costs and other aspects was carried out, with the findings summarised in a report - Appendix 1.
- 3.3 The review covered a range of options which are generally available to Local Authorities to safeguard and bring disused buildings back in to use, these include a range of heritage and town planning interventions and acquisition interventions, specifically:
 - (1) Grants: work with the landowner to identify and bid for heritage related grants.
 - (2) Urgent works notice: applicable by LPA if works are required urgently for the preservation of the building.
 - (3) S215 Notice: applicable by LPA where requirement to improve the appearance of a building if it is considered harmful to the amenity of the area.
 - (4) Repairs Notice: applicable by the LPA to specify urgent works necessary to repair a building.

- (5) Negotiation and acquisition: direct engagement with property owner to persuade the property owner to fully implement their planning consent without further delay or to negotiate to acquire the property on the open market
- (6) CPO: powers of Compulsory Purchase under an appropriate Enabling Act

3.4 The pros and cons of each option were considered, including the risks and costs associated to each and next steps are recommended as follows:

- (1) Agree clear objectives for the Council in relation to the building (see Proposal 1 above).
- (2) Swiftly (i.e. within a couple of months) arrange an inspection of the building with a view to establishing whether repairs to protect the fabric are needed.
- (3) Develop and implement a negotiation strategy with the objectives of incentivising the landowner to make the building wind and watertight, if necessary, to progress improvements and or redevelop the building in line with a suitable scheme or sell the building to enable its use by another party.
- (4) Should negotiations not be successful, to consider the case for acquisition by the Council including by Compulsory Purchase to bring the building back into active use, and make a subsequent decision.

3.5 This proposed strategy is defined in more detail in Appendix 1.

Old Post Office Meanwhile Uses

3.6 Delegated authority is sought to enable Officers to agree short term meanwhile lettings in principle within the Old Post Office Block at potentially less than open market value thereby facilitating meanwhile uses as active uses in an otherwise vacant building whilst a scheme for redevelopment of the Fashion Museum is produced. This would work alongside the arrangements already approved to 'allow surplus rental income from the Old Post Office (after holding costs) to be ring-fenced for use to support revenue costs associated with the Fashion Museum redevelopment project and the cross subsidy of meanwhile use projects which align with the vision and values for the Fashion Museum development' in line with the Cabinet Decision E3380 on 10th November 2022 (Proposal 3).

3.7 Meanwhile use is defined as a temporary use while the development of the development scheme for Fashion Museum at the Old Post Office is underway. Once the scheme is delivered these uses will revert to open market value.

4 STATUTORY CONSIDERATIONS

4.1 The statutory considerations associated with the redevelopment, and any acquisition, to implement the proposals at the old King Edward's School are set out in Appendix 1. These include the suite of compulsory purchase enabling powers, guidance, the Compensation Code, planning acts, National Planning Policy Framework, guidance and Local Plan Policies.

4.2 The Council can choose to lease property at less than best value where there are clear reasons to do so, this includes the delivery of wider regeneration objectives where the benefits deliver corporate objectives.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The proposed strategy will incur additional costs for the Regeneration team, the Local Planning Authority and legal teams in the form of officer time (or equivalent) and the commissioning of external technical and legal support.

5.2 Initial work to develop this proposal will be met from within existing budget from within the Regeneration team, once the resource requirement has been fully defined a funding request for use of the Council's revenue budget contingency reserve will be put forward to the Council's Section 151 Officer for agreement in consultation with the Cabinet Member for resources and Chief Executive.

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.

7 EQUALITIES

7.1 There are no specific equalities issues flagged relating to the proposals.

8 CLIMATE CHANGE

8.1 B&NES Council has declared both a Climate and Ecological Emergency and is looking to provide leadership to enable carbon neutral B&NES by 2030 and enable greater citizen engagement. Any discussions on bringing the building back into use will need take consideration of this and meet relevant Council policies.

9 OTHER OPTIONS CONSIDERED

9.1 The range of options considered for the King Edward's School site are set out in Appendix 1 and summarised in section 3.2 of this report.

9.2 Alternatively, there is a do-nothing option. This option would have the following impact:

- (1) Should the owner not bring the building back into use, this will remain as a vacant building, having a negative impact in the area and on the objectives set out in the Milsom Quarter masterplan. There is also a risk that the listed building may fall further into disrepair.
- (2) If the owner took appropriate action to bring the building back into use in line with their planning consent, the outcome of the do nothing and proposed approach would be the same.

10 CONSULTATION

10.1 The Milsom Quarter Masterplan was subject to stakeholder engagement and public consultation as part of it's preparation (full details are included Cabinet report E3880).

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<p>Background papers</p>	<p>Draft Milsom Quarter Masterplan (Including summary document, summary animation and easy read/accessible versions) www.bathnes.gov.uk/milsomquarter</p> <p>B&NES Cabinet Minutes 10th November – Milsom Quarter Masterplan - Funding and Next Steps https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=122&MId=5530</p>
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