

**Housing, Major Projects & Delivering Sustainable
Economic Growth**

20th September 2011

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including Housing Services Update – Graham Sabourn**

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Sustainable Development 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.
- The Directorate is responsible for providing a co-ordinated and integrated approach to the provision of Housing, Jobs, Business growth and Economic activity.
- There are significant challenges ahead in bringing forward development but there are also major opportunities through our Enterprise Area -Bath City Riverside, Bath Western Riverside, Bath Quays South and Manvers Street. Also Norton Radstock Regeneration, MOD Sites, Keynsham, Somerdale and Temple Street. All of which could and should have significant ability to help the economic growth, development agenda and Housing delivery.
- 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 in the Administrations requirement to ensure local engagement.

Part 1. Housing

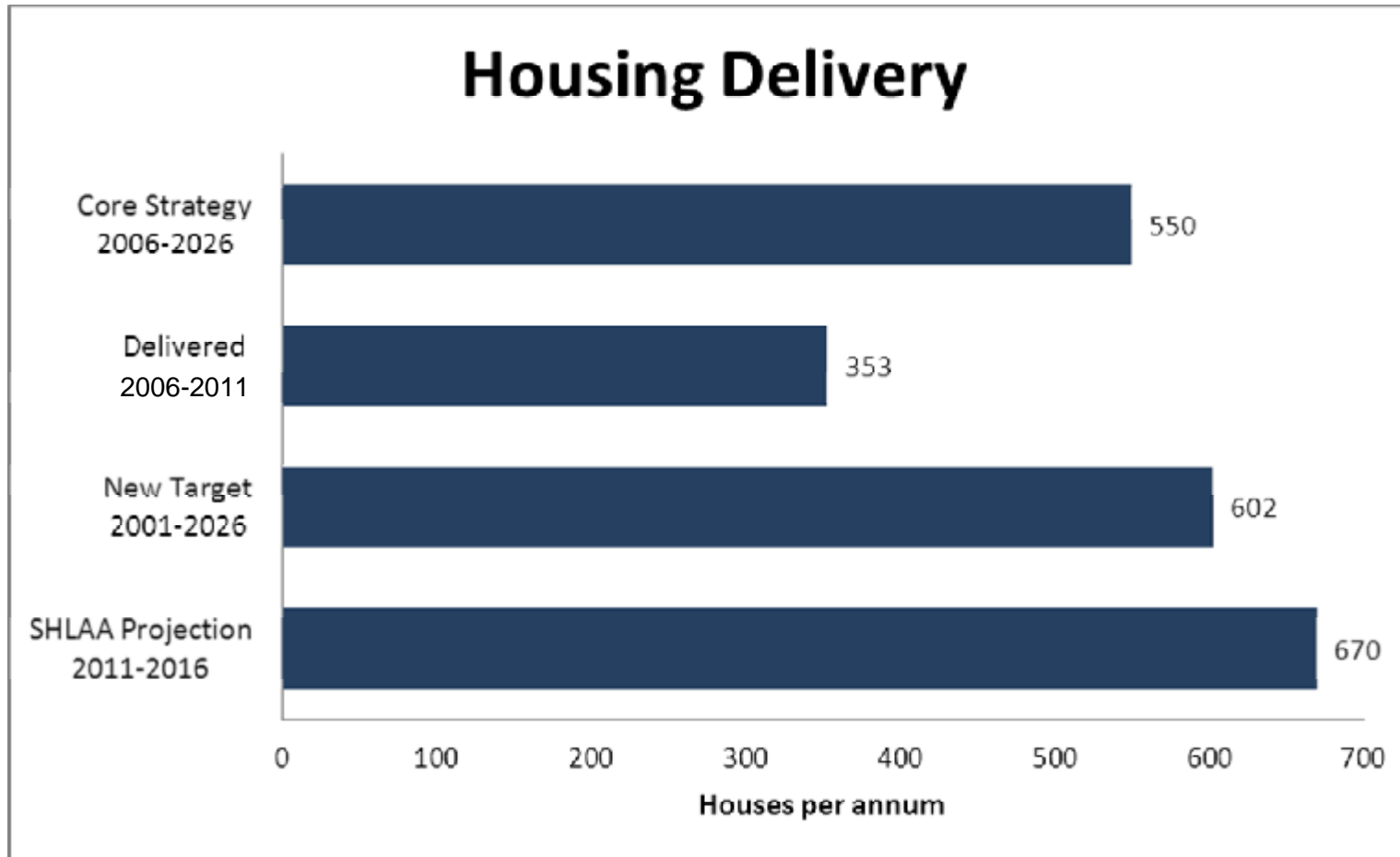
1.1 Housing Delivery

- **Commitment**

- 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 from 393per annum (2006-2011) to achieve the required average of 550pa. (Core Strategy Target 2006-2026)
- 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 in January 2012, including the proposed Housing numbers and delivery locations.

- **Delivery update 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.
- Between 2006 and 2011 1967 homes (an annual average of 393 homes were built. This leaves 9,033 homes to be delivered over the next 15 years at an annual average of 602 per annum. This results in a requirement for the next 5 years of 3011
- The Strategic Housing Land Availability Assessment considers that 3,346 homes could reasonably be expected to come forward 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 delivery:
 - § 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 (including Bath Western Riverside)
 - § 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.



Major sites coming forward (e.g. BWR, MoD, Keynsham) will assist delivery

- **Positive Key issues in relation to Housing:**

- **BWR** - Phase 1 underway. 60 homes expected in 2011/12. Remaining 240 between 2012/13 and 2014/15. 'Strategic Housing Land Availability Assessment' (SHLAA) expects phase 2 to begin to deliver from 2015/16.
- **Somer Schemes in Bath** – progressing well and in line with SHLAA trajectory.
- **MOD** – MOD proposing to dispose of sites by March 2013. SHLAA forecasts first completions from 2016/17 (i.e. nothing within the next 5 years). Significant planning policy and development management stages to be progressed in advance of redevelopment of sites. Dialogue established with MoD and HCA. Concept Statements being prepared by BANES to inform sale/ value of the sites.
- **South West Keynsham (K2)** - Planning permission for 285 homes granted at appeal. Decision received July 22 2011. Essential to SHLAA housing delivery trajectory that the Council now progresses its part of the site and that it begins to deliver within the next couple of years.
- **Somerdale** – Sale of site progressing. Scope for development towards end of current 5 year period.
- **NRR** – Linden Homes intent on progressing redevelopment after road works have been implemented. Extension to Planning consent currently pending.
- **Polestar Phase 1** – Major elements delivered but development of final quadrant of site (c.30 flats) has been delayed.

- **The effect of Government Policy on viability to deliver**

- **Community Infrastructure Levy (CIL)**

- § The CIL allows local authorities to raise funds from developers undertaking new building projects to provide key infrastructure needed as a result of development. The new system has been introduced to overcome the perceived inadequacies of s.106 agreement and once adopted it offers a more transparent and simplified system.
 - § We are in the process of appointing a specialist for the provision of economic viability assessment evidence and recommended approach for the CIL.

Timetable:

Commence	July 2011
Public consultation on Preliminary Draft Charging Schedule	March-April 2012
Public consultation on Draft Charging Schedule	September 2012
Submission	December 2012
Hearings	March 2013
Adoption	September 2013

- **New Homes Bonus (NHB)**

- § 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.

- **Grant Applications - Regional Growth Fund (RGF)**

- § 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. 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. In round 2 nationally 492 bids were received with a combined value of £3.3bill. The outcome of the applications will be announced in the Autumn.
- § A work stream entitled “Planning for the future, Financing the future” is being commissioned to study the interrelated effects of CIL, NHB, RGF and Homes Communities Agency (HCA) Funding including the Affordable Rent model.

1.2. Housing Services Update: Graham Sabourn

- The Localism Bill, which is expected to receive Royal Assent in November, introduces a number of housing reforms and flexibilities which will affect some of our housing activities around homelessness, housing allocations and tenancies. One of the key proposals is the requirement that Councils produce a 'Strategic Tenancy Policy' (STP) which RPs¹ "are to have regard in formulating policies". The STP should articulate the Councils view on the kind of tenancies that RPs should use and how they should be operated. There may be merits in using the STP as a vehicle to articulate a more comprehensive view of our housing policies, including guiding principles, RP asset management, housing allocation priorities, housing advice and how we will monitor and review the policy.
- The majority of the housing reforms provide Local Housing Authorities with greater freedoms. The use of these freedoms requires a clear view on our corporate priorities. This initial briefing aims to highlight the key changes, the emerging evidence and the issues around competing priorities that will need to be considered before formulating and agreeing our policies. A future report, later in the financial year, will bring the proposed STP and housing allocations policy to this panel.
- The proposed housing changes include:
 - Introducing the option to offer social tenants flexible tenancies and at a rent of up to 80% of local market rents, known as Affordable Rent.
 - Allowing significantly greater freedoms for the Council to decide who is eligible to join the housing waiting list & how they are prioritised.
 - A requirement to produce and publish an STP which RPs "are to have regard in formulating policies". The STP should articulate the Councils view on the kind of tenancies that RPs should use and how they should be operated.
 - Abolition of Housing Revenue Account, which although a significant change has no effect for 'Large Scale Voluntary Transfer' LSVT authorities such as Bath & North East Somerset which no longer own their own stock.
 - Enabling authorities to discharge their homelessness duty through accommodating a household in the private rented sector.

¹ RP – Registered Providers of social housing.

- Changes to the system governing complaints about social housing providers.
- It should also be noted that these changes are being implemented in an environment where a number of other changes are, or will be, impacting upon the local housing market, notably changes aimed at reducing the housing benefit bill.

Affordable Rent Tenure

Background

- An alternative to the existing “social rent” tenancy. Gives RPs the option to offer fixed term tenancies to new tenants at rents of up to 80% of market rent. The higher rents can only be introduced after an RP has reached a development agreement with the HCA.² The minimum fixed term tenancy is 2 years although “lifetime” tenancies are not precluded. Affordable Rent will be covered by the Local Housing Allowance. End of term requires a tenancy review which may result in the tenancy being renewed, altered or notice to quit given. In the later case RP would be required to provide housing options advice.
- We understand that our largest housing providers, including Somer, Knightstone & Guinness have all reached 4 year development agreements with the HCA and so will be introducing this new tenure type. As part of this agreement we expect between 40 -50% of future voids within the existing stock will be converted to the affordable rent model when they are relet.
- The Government is assuming that this new tenure type will have a positive impact on development viability by allowing RPs to borrow against the increased future rental stream. This is expected to counter the significant reduction in Government subsidy for the development of new affordable housing and sustain future investment, in part supported by strategic asset disposal.
- The Government has made it clear that all affordable housing, including Affordable Rent properties, should continue to be let through a Choice Based Lettings Scheme, like our existing Homesearch system, with a continuing emphasis on the reasonable preference categories. It would therefore be difficult to prioritise Affordable Rent properties for a particular client group.

² HCA – Homes & Community Agency, the Government funding agency for housing development.

Evidence

- To understand the local impact of this new tenure on planning policy, development viability and affordability Planning & Housing Services jointly commissioned independent research³. This report is due to be published as part of the Core Strategy process. In addition Housing Services have consulted with a number of local RPs and a random sample of 300 Homesearch applicants.
- Affordable rents at 80% of market rents are likely to be around 20 – 50% higher than the typical social rent on a new property. In financial terms this ranges from a monthly increase of £50 for a studio flat in Norton Radstock to over £200 for a 4 bedroom property in Bath. These increases will be slightly higher when new Affordable Rent properties are compared to existing social rents.
- It is generally assumed that for housing costs to be affordable and sustainable they should not exceed 25% of household income. As such, and assuming the household was not in receipt of housing benefit, the research indicated household income for Affordable Rent properties would need to range from £17,000 for a 1 bed flat in Norton Radstock to £42,000 for a 4 bed house in Bath.
- Emerging evidence from the Homesearch sample survey suggests that around 50% of applicants are on full or partial housing benefit and 75% of those not on housing benefit have a household income of less than £20,000. However, overall only 25% of respondents said they would not bid for Affordable Rent properties. It should be noted that at the time of writing this was based upon a very small sample size and so the sampling errors are potentially significant. Over the coming months we will improve upon the accuracy of this data.
- The Affordable Rent model has the potential to increase the deliverability of larger properties, particularly in higher value areas. Conversely smaller properties, particularly in low value areas become more challenging to deliver.
- Nationally and locally there is evidence to suggest that a significant proportion of RP properties are under-occupied. Flexible tenancies provide a tool to ensure that under-occupancy is kept to a minimum and that the social housing resource is targeted to those in greatest need. Emerging evidence from the Homesearch sample survey suggests that around 30% and 55% of respondents believe that tenancies should be for 5 years or life respectively. Most local RPs state that a “default” tenancy length should be 10 years. There is also significant evidence to suggest that households who perceive themselves as having a long

³ Ark Report: The Impact of Affordable Rents on the Viability of Residential Development with Affordable Housing Planning Obligations (July 2011).

term stake in the area tend to invest more social capital into the area creating more sustainable communities and neighbourhoods.

Emerging Issues

- There is tension between RPs using the affordable rent model at 80% and affordability. This is a particular issue for family housing. It is likely that we will wish to encourage landlords to moderate the rent for larger family properties in high value areas, or else the emerging evidence is that only households on housing benefit will be able to afford these properties. However, it is important to realise that this approach would impact upon deliverability.
- There is tension between the most effective use of the social housing stock and providing households with long-term tenancy security and creating a sustainable community.

Housing Allocations

Background

- The coalition government has previously encouraged local housing authorities to make best use of the flexibilities within current legislation, including *Fair & flexible* statutory guidance published under the previous government. The Localism Bill has now taken this a step forward by removing the need for local housing authorities to maintain waiting lists that are “open” to all residents who meet a national residency requirement. In effect local housing authorities can now restrict access to the housing waiting list, that is, move to a “closed” list.
- It is likely that many authorities may wish to restrict access to those applicants with a local connection and below a certain household income. However, priority on the waiting list must still be given to those meeting the “reasonable preference criteria”, that is, homeless, those needing to move on medical or welfare grounds, overcrowded and those occupying insanitary housing.

Evidence

- There are currently around 11,000 households on Homesearch, the Council's housing waiting list. In 2010/11, a particularly good year for allocations, we allocated 704 properties, of which 151 were sheltered accommodation. During the period October 2007 – February 2011 we housed 1,839 households. Of these 2.6% had no local connection with Bath & North East Somerset; 26% were existing RP tenants; 62% were assessed as in priority need; 20% were aged under 25; 27% were aged 55 or older.
- Demand, expressed as a percentage of stock, ranges from 14% for a 3 bedroom property in Batheaston to 2500% for a 1 bedroom property in Chew Magna.
- During meetings with the RPs they have expressed concern over any attempts to overly restrict access to the waiting list. This is due to two principal concerns. Firstly, to ensure sustainable developments they seek to ensure a relatively broad cross-section of households. If the register was restricted to those solely in greatest need then it could affect the social balance of their communities. Secondly, an overly restrictive register could result in no one bidding for low-demand properties. This is evidenced by the fact that 38% of properties since 2007 have been accessed by non-high priority households.

Emerging Issues

- There is tension between the desire to reduce housing waiting lists and the desire of RPs to have an ample supply of households who can ensure that vacant properties are promptly let and with a balance around housing need.
- The Homesearch system is highly automated and as such can be maintained by 5 FTE. However, a policy which required significant input at the application stage, for example having to verify complex application details, or resulted in a large number of disputes, would dramatically impact upon resources. This is apparent when it realised that at present 2 FTE staff are expected to process between 200 and 300 applications per month, that is, between 10 & 15 new applications each day.

Strategic Tenancy Policy

Background

- Local Housing Authority required to produce a strategic tenancy policy (STP) which RPs “are to have regard in formulating policies”. The STP is required to be place within 12 months of the Localism Bill receiving Royal Assent. The STP should articulate the Council’s view on the kind of tenancies that RPs should use and how they should be operated. The government has made it clear that the STP must be based evidence based.
- The author expects the STP to include the following sections:
 - Guiding Principles – our overarching principles
 - Allocation Scheme – who are we prioritising and how this meets our strategic objectives
 - Flexible and Introductory Tenancies – how should these operate in practice
 - Use of Affordable Rent Tenancies – what proportion of stock should be subject to this tenure type
 - Homelessness Prevention –what services should the RPs & the Council provide to those whose tenancies come to an end
 - Asset Management – on what basis will we support the disposal of RP assets
 - Monitoring & Review – how we will monitor compliance with the STP

Emerging Issues

- As part of the HCA 4 year bidding process the RPs have already agreed their overarching use of ART. As such there is the potential for conflict between our STP and local RP practice. However, given that our strategic aims should broadly align then it follows that our STP will broadly align.

- Once each of the West of England authorities has developed their draft STPs we can investigate any potential overlaps. A WofE wide policy is likely to be more influential than a single authority STP.

Changes to the system governing complaints about social housing providers

Background

- The Localism Bill will change the jurisdiction and role of the Housing Ombudsman and the way social housing complaints are handled, with effect from 1 April 2013. There are three main changes, these being:
 - Complaints against local authorities as social landlords (as well as their ownership and management of leasehold housing), which are currently considered by the three Commissioners for Local Administration in England (the Local Government Ombudsmen), will be transferred to the Housing Ombudsman.
 - The Secretary of State will have the ability to enable the Housing Ombudsman to apply to a court to have his determinations enforced when necessary.
 - Tenants of registered providers will no longer have direct right of access to the Ombudsman; instead, they will have to request that their complaint be referred to him by the MP, Councillor, or tenant panel after the matter has been dealt with locally by first completing the internal complaints procedure of the landlord. This is known as the Democratic Filter.

Emerging Issues

- Local Councillors will have a new role as “democratic filters”. It will be important that Councillors are fully supported in this role, including having an understanding of the internal complaint procedures of the main local RPs.

Homelessness Duty

Background

- The homelessness legislation places a duty on local authorities to secure suitable accommodation for homeless families with children and those who have a priority need for housing. Currently this duty can only be discharged under very specific circumstances and even though suitable accommodation is available in the private sector it can only be used to discharge this duty with the applicant's written consent.
- The consequence of this is that households, who are owed the main homelessness duty, can insist on an offer of social housing, and under housing allocation legislation; they must be given reasonable preference for social housing.
- The proposal is to give local authorities the discretion to decide whether to offer social housing or whether suitable accommodation could be provided within the private rented sector. The homelessness duty could then be discharged with an offer of an assured short hold tenancy of a minimum of 12 months.

Evidence

- Housing Services has established a very positive relationship with the private sector. Through the Homefinder scheme almost 300 tenancies have been created in the last five years for homeless and potentially homeless households, who have accepted them voluntarily.
- Currently we have 29 households in temporary accommodation, although some of these will be waiting a formal decision the majority will be owed the main homelessness duty and are waiting for social housing.

Emerging Issues

- This is likely to be relatively uncontroversial and it would allow us to be more creative with the available housing in the area. It may also discourage households from using the homelessness route to access social housing and so create a fairer system.

Part 2.

Major Projects & Development Overview

2.1 Sustainable Development (Regeneration Delivery)

- **Affording the Future**
 - The Council needs to understand the impact of the new financial regimes brought in by Government, which moving forward place more emphasis on delivering housing and employment growth, and how these might impact on the Authorities revenue and capital funding streams. Grant Thornton have been appointed to undertake a pilot study to develop a delivery and funding model based on Bath City Riverside. The work will be overseen at Director level and monitored through BELG.

- **City of Ideas & Enterprise Area**
 - Earlier in the year, the West of England Local Enterprise Partnership (LEP) determined that Bristol Temple Quarter would 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. A MoU between the Local Authorities is currently being prepared to articulate exactly how this will work.
 - Work has started to articulate the scope of the Bath Enterprise Area. Key activities have been:
 - § Starting the development of a financial model to establish the overall viability of the Enterprise Area. This will be based on an examination of all available and potential funding mechanisms (e.g. Community Infrastructure Levy (CIL), New Homes Bonus, Tax Increment Finance, leverage, feed in tariffs etc). This work will start in September and report later in the year.
 - § Work has begun on a Competitive Identity project with key members of the local business community to better promote the area as a business location. In addition the Council is about to award a contract to re-design the business facing website so that it promotes the district more effectively to businesses
 - § Within the Enterprise Area Bath Western Riverside phase 1 will deliver climate change adaptation through flood alleviation measures, sustainable transport routes and a district heat grid ready to use when the first homes are occupied in January 2012

- § On-going discussions are taking place with potential developers on key sites within the Enterprise Area.
- § The Bath and North East Somerset Urban Regeneration Panel has discussed the Enterprise Area and put forward proposals for how it might work.

- **Keynsham**

- **Keynsham Business Association (KBA):** Consultation on the regeneration of the Town Hall site will begin on 23rd September 2011 and will run until 10th October 2011. Further information at www.bathnes.gov.uk/keynshamregen
- B&NES Economic Enterprise & Business officers are 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.
- Referrals have recently been made to the 'Improve Your Resources Efficiency' (IYRE) programme to deliver match funding for sustainable business practices.
- Keynsham Industrial Alliance (KIA): B&NES EEB officer supporting the setup of a industrial business association aimed at developing local procurement opportunities, access to business services, and increased Keynsham business – business services. A representative from the KIA will be attending the KBA monthly meetings.

- **Radstock**

- **Radstock Economic Action Plan:** See Council Connect article in autumn 2011 edition. 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 set of workshops bringing together key local organisations to present the findings of the economic research and identify interventions and develop an action plan.
- On the 12th September 2011 over 25 representatives from both Radstock & Westfield local businesses, political leaders and support partners met for a session covering a presentation on the economic makeup of the area, and breakout sessions aimed at informing the development of the economic development action plan.

- The first draft of the action plan will be taken to Cabinet in Sep/ Oct for sign off, after which a second public consultation will be undertaken to further help shape activity to best suite local business issues and needs.
 - It is expected that the finalised action plan will be launched in January 2012.
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- **London Road:**
 - Following extensive recent local consultation on the issues and potential solutions for addressing problems in the London Road area, Council officers are now considering the activities which could form a Regeneration Action Plan, and the funding which is available / which may be necessary to take such activities forward.
 - 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.
 - During July and August the Council invited Expressions of Interest from community groups and from the open market for numbers 3 and 4 Long Acre. Officers are now reviewing responses. Any decision on the future of these buildings by the Council will take fully into account the potential of these sites to contribute to the overall regeneration and community needs of the London Road, and the sustainability and deliverability of any proposal.
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- **Midsomer Norton:**
 - The Economic Regeneration Delivery Plan for Midsomer Norton was agreed by Cabinet in March 2011. This outlines the potential development sites within the town centre. Officers will be meeting with the Chair of Midsomer Norton Town Council with Councillors and other representatives within the next month to discuss future work on the proposals.

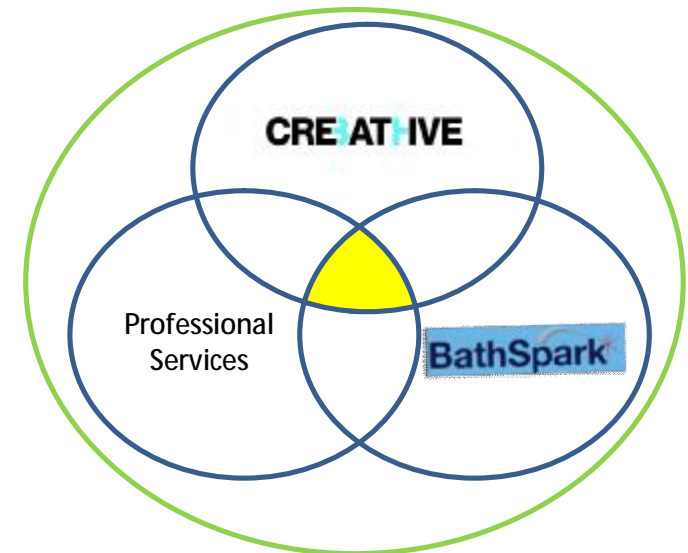
2.2. Economic Enterprise & Business Development – Overview

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. Ultimately the aim is to create more jobs for local people. The current economic climate makes this work particularly challenging, with latest UK figures showing slow growth and rising unemployment.

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 200 paid-up members.
- **Creative / Digital economy:** We are supporting one of our most successful and important sectors of the economy by enabling the development of an integrated support ecosystem. The key elements of this will be continued support for Creative Bath and engagement with other emerging networks such as Bath Spark, to support innovation and the creation of new ideas, the creation of a professional and business services network linked to the creative networks to support business development and growth, and taking forward proposals for a creative/digital "hub" workspace for co-location of creative companies. This will provide a clear pathway of support for people starting and growing creative companies from start up to high growth within the district.

Professional . Digital . Creative . Bath



- **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 'Small & Medium Enterprises' (SME's), facilitating two low carbon conferences and promoting B&NES and its development sites to Low Carbon inward investors.
 - LCSW has recently been engaged with a local social enterprise, planning to set up a waste wood reclamation project.
 - Two low carbon business education/ support and networking events are planned for early 2012.
- **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, the Hotel Solutions consultancy have been appointed to :
 - critically assess current market interest from operators
 - identify the priority brands / offers that the Council should approach to promote on-going dialogue
 - develop promotional material and site specific information to attract and support dialogue with potential hotel operators and developers.
- **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).

April – August 2011 the EEB team has attended over 45 business visits and networking events. This has included engaging with Ascentrix to support their apprenticeship development aims. Cross manufacturing where after undertaking a business liaison visit, UK Trade and Investment have been engaged to support export into India. Support for the development of the Small Business Focus – & B&NES Enterprise Club.

Business Support

- **Business Matters Website:** As part of the project to deliver a new website to promote the area as a vibrant business destination; promote local businesses, organisations and partnerships and attract new business opportunities to the area, a procurement exercise was undertaken to appoint a company to build the site in which over 40 applications were received. It is expected that an appointment will be made mid-September 2011.
- **Business and Property Enquiries:** Along with its business partner, GWE Business West, the Council received 540 business and, or property enquiries for the first quarter of 2011.
- **GWE Business West:** Monitoring of the 2011/12 SLA shows that in quarter 1 Business West provided advice to 500 pre-start and established businesses and recorded 43 new business starts and are currently on track to exceed the annual targets under the Agreement. We are continuing to work with Business West on the implications of the closure of the regional Business Link offices in November 2011 and how this will affect service delivery under the SLA. To assess the future priorities for business support an Evaluation Report is being commissioned which will look at the demand for and effectiveness of business support services and inform any continued Council support for service delivery.
- **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. A number of projects are underway which benefit the city centre and businesses operating within the BID area, including a new team to enhance street cleaning; new promotional campaigns to support retail and leisure businesses for the Autumn / Winter period, and free advice on carbon efficiency for levy payers.

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, which is being allocated via Broadband Delivery UK (BDUK). The Government has allocated the West of England £1.43m to improve broadband infrastructure; however, match funding is required from Council or other bodies in order to access this funding. British Telecom continues to roll out a programme of next generation fibre-to-cabinet speeds in areas of Bath, Midsomer Norton and Radstock. The Council is exploring with BT and other providers their plans for rollout in other areas of the District.
- **Casino:** There were 4 stage 1 applications received all of which were cleared to proceed to the next stage of the competition. The applications were for the Cattlemarket (2), Manvers Street and Sawclose sites in Bath. Stage 2 of the Casino Licence competition has commenced and applicants have until the 3rd October to submit proposals. The Council is in the process of appointing an Evaluation Panel to assist Council officers in assessing stage 2 proposals and producing a report for the Council's Licensing Committee in February 2012.

Economic intelligence

- **Local Economic Assessment (LEA):** This document provides an overall assessment of the health of the economy in Bath and North East Somerset. The 2010/11 document has recently been updated and will form the main evidence base for a review of the priority actions in the B&NES Economic Strategy which it is proposed to report to Council in November. The next major update of the LEA will be undertaken once the data from the 2011 Census is available.
- **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.

Redundancy Support

- **MOD:**
 - The MOD has now confirmed that all staff relocations from Bath to Abbey Wood in South Gloucestershire, affecting some 2,800 personnel, should be complete by March 2013. It is likely that the relocations will result in job losses arising partly from the associated closure of the three Bath MOD sites, existing MOD personnel seeking early release and the on-going Strategic Defence Services Review. In addition it is estimated that the moves will create up to 2,300 additional commuting movements each day.
 - 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. Officers are currently lobbying for a meeting of the Working Group in September to establish a joint working protocol and forward programme and to provide more detailed information on affected staff so more complete economic and environmental (transport) impact assessments can be carried out.

Major Projects Panel Delivering Sustainable Economic Growth

- **Welton Bibby Baron:** Despite trying to assist the company in helping to stay in the local area, Welton Bibby Baron, a major packaging manufacturing company based in Midsomer Norton, have announced to their workforce that they are looking at a new site in Westbury, Wiltshire as part of an expansion plan.

Welton Bibby Baron employs 300 people on their current site and although it may be too early to understand the effect this will have on the area, the EEB Team is working with WBB to ensure that impact on the workforce and any local supply chains are mitigated.

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.

2.3 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 6th September 2010. On 28th 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. Current priorities include:

- Supporting the submission to Government of the 5 West of England transport schemes
 - Supporting the development of the Enterprise Zone and Enterprise Areas
 - Supporting local bids to the Regional Growth Fund
 - Understanding broadband provision
 - Advocating on behalf of the sub region in Government
 - Agreeing a West of England inward investment strategy

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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

Current Big Issue: Enterprise Area: Bath City Riverside

This central area of Bath has the development capacity to create the following:

1. Bath Quays North

Total Area – 27,340sq.m

An opportunity to provide an Innovation Hub

Up to 31,000sq.m of offices and 3,000sq.m of new leisure facilities

Creation of 1,750 jobs

Provide 9,000sq.m for modern city centre houses

2. Bath Quays South + South Bank

Total Area – 25,140sq.m

A High Value Office Development creating pedestrian links to the river and city centre

Up to 23,000sq.m of Offices and 5,500sq.m of Business Space

1,500sq.m of Leisure Facilities

Creation of 1,342 jobs

3. Manvers Street

Total Area – 14,450sq.m

Riverside Mixed-Use Development Quarter creating High Value Added Jobs

Up to 17,000sq.m of Modern Office Development and 2,000sq.m of Leisure

Creation of 983 jobs

4. Bath Press

Total Area – 21,510sq.m

A mixed use residential and employment led development

Up to 5,000sq.m of Business Space and a number of residential units

An opportunity for 3,300sq.m of convenience retail floorspace

Creation of 320 jobs

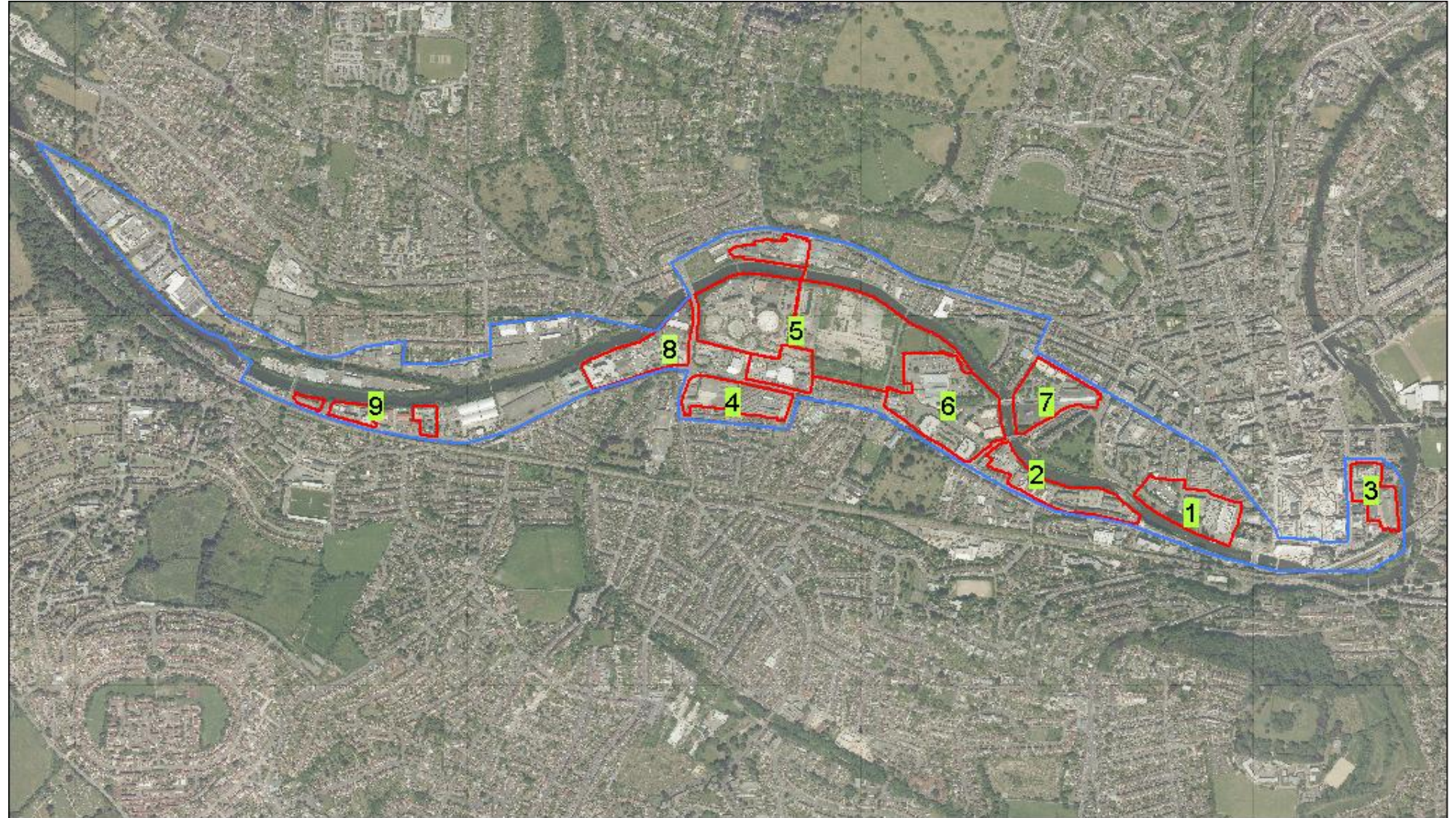
7. Green Park Station

Total Area – 24,200sq.m

Quirky Victorian Gateway

Potential for a 20,000sq.m hotel with conference facilities

Capacity for 3,500sq.m of retail and 3,000sq.m of A3 uses



5. BWR

Total Area – 147,000sq.m

Major residential development

Capacity for 173,000sq.m of residential units

5,000sq.m of Leisure facilities

8. Stable Yard Area

Total Area – 29,280sq.m

Up to 6,000sq.m of Retail Floorspace

Development capacity for 7,000sq.m of residential uses

6. BWR East

Total Area – 48,730sq.m

Modern Office and Retail Quarter

Up to 47,000sq.m of office floorspace and 7,000sq.m of retail floorspace

Capacity 5,000sq.m of leisure uses

Provide 26,000sq.m residential units

9. Carrs Mill Area

Total Area – 24,700sq.m

Mix of employment, office and retail development

Capacity for 7,000sq.m of employment floorspace and

7,000sq.m of modern office floorspace

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2.4 Council Direct Projects

- **Keynsham Town Hall**
 - Gateway 3 (outline design) approved by the Workplaces Steering Group.
 - In accordance with OJEU procedures, a Prior Information Notice (PIN) has been issued for procurement of the contractor.
 - Works ongoing to arrange the public consultation, including literature and displays.
 - Meeting held with the Keynsham Civic Centre Community Focus Group to discuss the upcoming public consultation.
 - Consultation on the regeneration of the Town Hall site will begin on 23rd September 2011 and will run until 10th October 2011.
 - Further information at www.bathnes.gov.uk/keynshamregen

- **Radstock Public Infrastructure**
 - Tender documents have been issued to 5 shortlisted contractors.
 - Meeting with Radstock Town Traders took place during August 2011
 - TRO consultation deadline has passed and the decision will be taken at Cabinet 14th September 2011.

- **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.
 - **Residential Accommodation:** Agreement has been finalised to extinguish existing lease and re-grant. Marketing expected to commence 2011.

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- **Public Realm**
 - **Preparatory Projects -City Info, Street Furniture & Pattern book**
 - Currently awaiting client sign off on the enamel signage. FW Design are re-working the artwork for final presentation. Completion due December 2011.
 - **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
 - Taxi solution has been reached where day time rank will be based at Bog Island and night time rank at Orange Grove.
 - Construction works to commence October 2011.
 - Planned completion April 2012.

Children's Services

- **Primary Capital Programme (Batheaston)**
 - School is on programme.
 - Completion date due November 2011.
- **Primary Capital Programme (Midsomer Norton)**
 - Programme has been reviewed and School is now on programme.
 - Under floor heating is now complete.
 - September 2011 date agreed for build completion.

- **Primary Capital Programme (Weston all Saints Primary)**
 - Due to steelwork detailing programme was delayed, a revised programme has been put together with mitigation measures to rectify this and the School is currently on programme.
 - Contaminated land has been discovered, measures have been put in place for this to be removed safely.
 - Handover date due end October 2011.

- **Ralph Allen School Applied Learning Centre**
 - Feedback from Pre- application has now been received and a full planning application is now being prepared to be submitted September/October 2011.

- **Wellsway Sports Hall**
 - Consultation has been completed and local residents are now in support of the scheme.
 - Extensive visuals of the scheme have been carried out.
 - Localised parking for residents to be introduced going forward.
 - Planning Application submitted in July 2011.
 - Planning Application determination period of 13 weeks will now end near the October planning committee and not the September planning committee as previously targeted.
 - The Team are now looking to hold Contractor Interviews early September and complete the Tender Report (Gateway 5) end September 2011.

- **Oldfield School Bath**
 - School is on programme.
 - Planning submitted 13th July 2011 – decision has been delayed due to a possibility of alterations and a relocation of the building which would delay the project start date.
 - Tender return 19th August 2011 with a 3 week review period.
 - Contractor appointment anticipated 26th September 2011.
 - To enhance the landscape a small number of trees were removed and replanted elsewhere.

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- **Radstock Schools**
 - **St Nicks**
 - 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.
 - Warings remain on programme and relationships with the school remain good.
 - **Trinity**
 - Roof on programme.
 - Early Years are looking to incorporate an extension to the building. Warings Service Team are currently looking at the scheme and putting together costs. A new contract will be set up with Tender documents should it go forward.
- **BWR**
 - Infrastructure contract is now in place, works are on programme.
 - Residential units are ahead of programme, 95 units approaching completion of 1st phase, ready for occupation end Summer 2011.
 - Contractor in discussions with Supermarket chain on removal on Gas holders. A proposal is expected to come to B&NES at a later date.