

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Tuesday, 16th January, 2024

Present:- **Councillors** Robin Moss, Lucy Hodge, Ian Halsall, Hal MacFie, Onkar Saini, Toby Simon, Malcolm Treby and Colin Blackburn

Apologies for absence: Councillors: Oli Henman

36 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

37 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

38 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Oli Henman sent his apologies.

39 DECLARATIONS OF INTEREST

Councillor Moss informed the Panel that he would step down as Chair for item 10 on the Somer Valley Enterprise Zone as he is parish clerk for Farrington Gurney Parish Council. The Vice Chair, Councillor Lucy Hodge will Chair for this item.

40 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

41 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor Shaun Hughes made a statement on the Somer Valley Enterprise Zone.

Councillor Sam Ross made a statement on the Somer Valley Enterprise Zone.

Angharad Barber made a statement on the Somer Valley Enterprise Zone.

Margaret Heffernan made a statement on the Somer Valley Enterprise Zone.

Andy Jeffery, Farrington Gurney Parish Council, made a statement regarding SVEZ

42 MINUTES

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

43 CABINET MEMBER UPDATE

44 AEQUUS UPDATE

The Cabinet Project Lead for Built Environment and Sustainable Development - Councillor Deborah Collins (with officer support – Simon Martin, Director of Capital and Housing Delivery and also Tim Richens - Aequus) gave a presentation which covered the following:

- Aequus Group – Company Background
- Company Achievements 2022/23
- Company Aims – Updated
- Pipeline – BANES Housing and Regeneration
- Pipeline – Partnership Working
- Meeting the Climate Emergency
- Efficient Company Structure
- Sustaining Financial Returns to Shareholder
- Financials – ACL Forecast P & L
- Financials – Forecast Returns to Shareholder
- Draft Company Objectives (Operational)
- Draft Company Objectives (Financial & Corporate)
- Business Planning Next Steps
- And Finally – Examples of Achievements

Panel members raised the following points and asked the following questions:

Councillor Blackburn asked about the risk element of projects such as the impact of the deficiencies regarding the Keynsham Riverside Site and remedial work at Sladebrook. Tim Richens explained that there is a 2-year post completion defect liability which is all within the budget. There is no impact on the Council. There is also 10-year NHBC insurance contract in place.

Councillor Blackburn asked what ‘cost price’ means in relation to social housing. Tim Richens stated that the Council look at the business plan some sites are challenging and costs have to be factored in.

Councillor Blackburn asked where scrutiny would be appropriate in the tendering process. Councillor Moss stated that the Aequus Business Plan is going to the March meeting of the Cabinet where questions can be submitted and the item will be coming back this Panel every 6/12 months.

Councillor Blackburn asked about interest paid on borrowings and the impacts on returns to the Council. He asked about consultancy fees and commissioned services in term of the amount. Tim Richens stated the consultancy fees would cover getting the site ready for delivery. In response to a further question about last years costs, Mr Richens explained that this was considered last November by the Corporate Audit Committee and the information is publicly available.

Regarding Wellington buildings, Mr Richens explained that this is owned by the Council and he could not comment. Simon Martin (Council officer) explained that the site is currently being reviewed to enable us to instruct Aequus. In response to a query from Councillor Blackburn on how long the Council had been aware of the issues, the officer explained that he could not give a direct timeline at present, some properties were tenanted and from an executive point of view, the Council has accountability for the work.

Councillor Treby asked about Aequus' part in the Council's objectives. The officer explained that an update on KPIs (Key Performance Indicators) will be reported to the Panel every 6 months. The Cabinet Project Lead added that the Council will be working on the Housing Delivery Plan.

Councillor Hodge asked if the fixed revenue return of £1m would come forward before 2026/27 and when does the overage profit come through. Tim Richens explained that the cost of sales depends on the development and approval process. The Overage profit flows once the development is complete which depends on the rate of sales.

Councillor Simon asked if Aequus risk register is shared with the Council. The officer explained that, from the Council perspective the risk is picked up in the Sustainability Communities risk register. The risks are not currently escalated, there is a regular monthly meeting to assess risk. Tim Richens explained that Aequus have a low level risk register that is escalated to the board if necessary. Aequus has an Audit and Risk Committee with an independent Chair.

Councillor Moss referred to the delivery of 22 homes towards the Council's housing stock – he asked if there is a delivery schedule and is preparatory work being done on a Housing Revenue Account (HRA) which is needed on reaching 200 dwellings. Tim Richens stated that there are 26 homes separate to Newbridge and work is being done on the future pipeline, there will be more details in March. The Cabinet Member explained that work is being done on a pipeline for homes. She confirmed that work is being done regarding the need for an HRA.

Councillor Moss asked the number of social houses at the moment. The officer explained that there are categories such as 'supported lodging' and 'general needs'. The HRA would take into account 'general needs'. He stated that he would report back on exact numbers.

45 SOMER VALLEY ENTERPRISE ZONE UPDATE

Councillor Lucy Hodge (Vice Chair) was Chair for this item.

The Cabinet Member for Built Environment and Sustainable Development - Councillor Matt McCabe (with officer support – Richard Holden, Operations Manager, Bath Enterprise Zone) gave a presentation which covered the following:

- Somer Valley Enterprise Zone (SVEZ) Cabinet Decisions – 1st Feb
- SVEZ Redline Plan
- SVEZ LDO Illustrative Masterplan

- Map - Distance between home and work (2021 census)
- Map - Mode of travel to workplace (2021 census)
- Housing within the Somer Valley
- Ecology and Biodiversity Net Gain (BNG)
- Air Quality – Farrington Gurney and Temple Cloud
- Statutory Consultation (16th Jan – 13th Feb 2023)
- Revised Statutory Consultation (22nd Sept – 26th Oct 2023)
- Parish and Town Council Responses
- Demand within the Somer Valley

Panel member made the following points and asked the following questions:

Councillor Treby asked if commuting times would be reduced or improved. The officer explained that, with the road mitigations, there would be an anticipated improvement to the network. The aim is to encourage active travel (with cycle tracks). There will be a dialogue with First Bus regarding the possible re introduction of services when the SVEZ opens.

Councillor Halsall asked if there are design codes regarding the build and can the Council use enforcement if these are not followed. The officer explained that there are design codes along with planning permission. The design codes are plot specific and set certain parameters for developers. If a plot is not needed for a hotel (for example) then another use can come forward.

Councillor Simon asked what the status of CPO (Compulsory Purchase Orders) are at present and is there an order/phasing for the plot development. The officer explained that the Council do not own the land and have been in negotiations since 2019. The paper going to Cabinet on 1st February 2024 - will enable us to continue negotiations, and a potential future CPO decision to be made. It would depend on funding from WECA for the land acquisition. Regarding the plot development, he explained that the LDO will be in place for 20 years, it is likely the development will take circ 10 years. Ideally the industrial units will be delivered at an early stage as there is demand. Food and beverage units would change if there is no demand.

Councillor Blackburn asked what had changed to cause the postponement. The officer explained that there was statutory consultation in January 2023 but there was not enough time before the elections to get responses back from all the statutory consultees. Development Management have taken a prudent and transparent approach by undertaking the revised consultation (October 2023) in response to adjustments made following the January 2023 statutory consultation. The changes are around dark corridors, increasing the depth of the perimeter (which protects bats) and extended perimeter parking. These are all in response to consultation comments.

Councillor Blackburn asked what made the site attractive to employers. The officer explained that the aim was to reduce the amount of commuting out of the Somer Valley. He stated that there was a local work force and a local College.

Councillor Blackburn asked about the financial risk. The officer explained that £30million will bring the scheme forward. A wider conversation with WECA is needed.

Councillor Saini stated that there had been changes to office culture since the pandemic and asked if there had been any research done since then regarding the potential impact. He also asked what the impact would be on local businesses and suppliers. Regarding working practices, the officer explained that office units would only come forward if they are pre let. He added that working practices had now moved towards hybrid working rather than working from home. Regarding impact on local suppliers and business, the officer explained that there is a strong demand for industrial space. He stated that some plots (D4) could be occupied by a local business, and they are making sure there is no conflict with Midsomer Norton high street.

In response to a query from Councillor Treby regarding air quality in the area, the officer responded that this is not anticipated to be a problem with or without the scheme.

Councillor Halsall stated that the scheme would be attractive as they would not need to seek planning permission and have no business rates. He asked if there would be ancillary uses. The officer stated that the LDO is the planning decision, there have been a number of conversations with potential occupiers. Ancillary use such as a hotel and pub would need a critical mass of development before they go in.

Councillor Simon stated that there is a risk with a scheme 15 years in the making that it loses relevance, but this is not the case due to the scheme's flexibility. People still need employment in an area where housing is increasing. He recognised that a lot of work on mitigation has been done.

Councillor Hodge asked about the employment figures and asked if the retail would conflict with local providers. The officer explained that expected employment numbers had been reduced from 1,700 to 1,300. There is no retail planned on the site.

Councillor Treby asked about the business case and whether WECA would commit to subsidise a bus service from day 1.

Councillor Blackburn stated that there are a huge number of objections, this is a risk factor. If we move towards CPO (Compulsory Purchase Order), the level of objections should be noted.

The Panel noted that the minute of the Panel comments would be circulated to Cabinet Member.

46 PANEL WORKPLAN

The Panel noted the future workplan

The meeting ended at 6.50 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services