

# Bath & North East Somerset Council

DECISION MAKER: **Cllr Paul Roper, Cabinet Member for Economic and Cultural Sustainable Development**

DECISION DATE: **Not before 29th April 2025**

EXECUTIVE FORWARD  
PLAN REFERENCE:

**E 3606**

TITLE: **Somer Valley Enterprise Zone Additional Investment Fund Funding**

WARD: **Paulton**

## AN OPEN PUBLIC ITEM WITH EXEMPT APPENDIX

### List of attachments to this report:

- Appendix 1 – Risk Assessment – Exempt due to commercial sensitivity
- Appendix 2 – Equality Impact Assessment (EqIA)

## 1 THE ISSUE

- 1.1 The delivery of Somer Valley Enterprise Zone (SVEZ) is a corporate priority via the Council's Economic Strategy (2014-2030).
- 1.2 The SVEZ is an intervention that will make our district more sustainable by providing circa 1300 quality, local jobs; as well as delivering changes to movement patterns including promoting transport by bus, along with walking and cycling.
- 1.3 On 1<sup>st</sup> February 2024 (Decision E3486) the Council adopted a Local Development Order (LDO) for the SVEZ to enable the delivery of Local Plan policy allocation SSV9. The LDO granted planning permission for the development of plots and buildings within use classes B2, B8, C1, E and sui generis on the site, subject to conditions and limitations.
- 1.4 Following the submission of an OBC+ to the West of England Mayoral Combined Authority (WEMCA), the Council has been awarded an additional £9,299,694 from the Investment Fund. The funding will enable the delivery of the scheme via land acquisition, highways technical design and procurement of contractors.
- 1.5 This report requests agreement to accept the award of £9.3m from the WEMCA into the Council's Capital Programme.

## **2 RECOMMENDATION**

The Cabinet Member for Economic and Cultural Sustainable Development in consultation with the Executive Director for Sustainable Communities, Director for Capital & Housing Delivery, the Monitoring Officer and the S151 Officer are asked to:

- 2.1 Increase the Provisional Capital programme item for SVEZ from £2.6m to £11.9m incorporate the additional £9.3m external funding from the WEMCA.
- 2.2 Delegate the approval to the Director of Capital & Housing Delivery in consultation with the S151 Officer to:
  - (1) Make variations to funding agreements via the Change Request procedure.
  - (2) Move provisional capital approved to full approval upon entry to funding agreements and commitment to proceed on expenditure.

## **3 THE REPORT**

- 3.1 The Somer Valley Enterprise Zone is an allocated site (Policy SSV9) which seeks to deliver a mixed-use commercial development in the Somer Valley. The SVEZ is located on 13.5 hectares of land at Old Mills, which is situated to the north-west of Midsomer Norton. It is a priority in the adopted Local Plan and the Bath and North East Somerset Economic Strategy under Decision E3499.
- 3.2 The SVEZ has been allocated as an employment site since 2007, however the market has failed to bring forward the development due to significant barriers to private sector led intervention. These include:
  - Viability - Development has not been delivered by the private sector as it is rendered unviable by the high enabling infrastructure costs, both on and off site. For example, and not limited to, highways, utilities and issues related to topography, ground conditions and flood risk.
  - Fragmented land ownership - The site is held in multiple ownerships. This makes the necessary land assembly very complex and challenges a comprehensive approach to delivery.
  - Planning risk/cost - Any developer or occupier would be required to secure planning permission which has time, cost and risk implications. The adopted LDO reduces the planning risk and cost to an occupier and/or developer delivering commercial development.
- 3.3 The SVEZ will help to deliver several economic, transport and environmental benefits including:
  - Supporting the Somer Valley to thrive and become more self-reliant by enabling economic growth through the creation of 1,300 new jobs for local people increasing prosperity for the area.
  - Diversifying the type of employment available in the area, offering flexible space to accommodate new and expanding local businesses and creating circa 35,888sqm of new commercial space.

- Delivering new highly sustainable and attractive new commercial and industrial space, helping to address business demand and employment land losses experienced in the Somer Valley.
- Offering opportunities for expanding local companies and businesses relocating to the area that are attracted by the skilled local workforce.
- Delivering important jobs to the local area and to assist with achieving the Local Plan aspirations for at least 900 new jobs by 2029.

3.4 The Council committed to delivering the SVEZ in accordance with the eight aims set out in the Future Ambitions paper (Decision E3510). The Council's ambition for the SVEZ is to provide high quality jobs and to do so in a way that enhances the environment, provides the infrastructure to enable people to choose walking and cycling and bus transport, and protects the local high street.

3.5 The Council proposes to control the development and ensure it meets these wider aims through a 'double lock'. Firstly, through the adoption of the Local Development Order (Decision E3486) which provides the planning permission that describes how sustainable development can come forward. Secondly, by securing the land and thereby controlling how to bring development forward, including ensuring the supporting infrastructure is put in place (Decisions E3487, E3557 and E3583).

#### **4 STATUTORY CONSIDERATIONS**

4.1 Subsidy control – the council has taken extensive advice from Trowers and Hamlins to comply with Subsidy control rules. The advice received is documented in the SVEZ OBC+, which was approved by the WEMCA on 26<sup>th</sup> July 2024.

#### **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 Following the approval of the SVEZ OBC+ by the WEMCA, an additional £9,299,694 of grant was awarded to the Council from the Investment Fund. The grant is awarded on the same terms as the SVEZ Grant Offer Letter dated 14<sup>th</sup> June 2019.

5.2 This would increase the capital budget to £11.9m. The project now draws together the external funding sources to enable the Council to progress the delivery of the SVEZ via land acquisition, highways technical design and procurement of contractors.

5.3 An allowance for internal and external resources to support the project has been included in the WEMCA funding award.

#### **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. A RAG rated risk assessment is provided at Appendix 1.

6.2 The £9.3m is offered under the same funding terms as the Grant Offer Letter issued by WECA on 14<sup>th</sup> June 2019. There are risks around the availability and repayment of funding, which the Council has systematically analysed and mitigated through ongoing engagement with the WEMCA.

## **7 EQUALITIES**

- 7.1 An Equality Impact Assessment has been completed for the project (Appendix 2 - EqIA).

## **8 CLIMATE CHANGE**

- 8.1 The Council declared a Climate Emergency in March 2019, committing it to providing the leadership necessary to enable Bath and North East Somerset to achieve carbon neutrality by 2030.
- 8.2 The purpose of this report is to secure authority to accept the £9.3m funding award from the WEMCA into the Council's Capital Programme for SVEZ. Assessment of the climate change and environmental implications of the SVEZ Scheme was undertaken by the Council, in its role as Local Planning Authority in determining the Local Development Order.
- 8.3 There are no climate change or environmental implications which stem directly from the authority to accept the grant.
- 8.4 The SVEZ represents an opportunity to address several related issues which will help to address the climate emergency. It will help reduce out-commuting in the Somer Valley through the provision of new jobs and it will also provide a range of active and sustainable travel improvements including a new cycle link to the Norton Radstock Greenway and new bus stop.
- 8.5 The development will achieve a 100% regulated operational carbon emissions reduction from Building Regulations Part L 2021 (or future equivalent legislation), in line with the hierarchy set out in Policy SCR7 and the B&NES Sustainable Construction Checklist SPD (2023). The SVEZ will help to reduce vehicle-related CO2 emissions through the provision of EV charging on site, in line with the Council's local transport policies and climate emergency declaration.

## **9 OTHER OPTIONS CONSIDERED**

The Council has considered the other options available to it:

- 9.1 Do nothing – The Council leaves it to the market to bring the development forward. Given the market failure as well as the complexity and expense of up front infrastructure costs, it is unlikely the scheme would be delivered.
- 9.2 Do not accept the funding award - the Council would be reliant upon private landowners and the private sector to fund the scheme. Due to the reasons outlined, it is unlikely the scheme would be delivered.

## **10 CONSULTATION**

This report has been prepared in consultation with the Cabinet Member for Economic and Cultural Sustainable Development, the Leader, the Section 151 and Monitoring Officers and the Director for Capital & Housing Delivery.

<b>Contact person</b>	Ellie Wintrup - Senior Development Officer
<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	