

## Appendix 2

### 2.0 B&NES interest associated with site allocation, Radstock

2.1 Within the context of a long-standing spatial policy vacuum for Radstock, the Council set up a delivery vehicle, the Norton Radstock Regeneration company, in to deliver a major project. B&NES placed spatial planning into the hands of the company, which was also agreed as the preferred developer for B&NES-owned land. It was overseen by the full Council and also by the Economic Development and then Regeneration teams. The development of this land in the central area especially was tied in to delivery of the RAD1 site. Both the delivery of these sites and the use of roll-over funding from the RAD1 development to enable it were key to the case for regeneration that allowed B&NES to make the planning decision against the advice of its ecological consultants and the Planning Inspectorate. B&NES gave land and other resources to the company, including direct funding and provision of Council staff to manage it. It entered into claw-back agreements and stands to lose financially if the development does not go ahead. Evidence for this can be found in Council documents and can be supplied.

The following are pertinent to the matter of B&NES interest:

1. B&NES provided a parcel of the regeneration land for £1.00 subject to a claw-back arrangement on project delivery
2. B&NES provided NRR with a general manager (who had been the B&NES project officer for this project), and another member of staff and paid their wages.
3. B&NES provided offices for the company to work from and paid other running costs such as postage.
4. The B&NES spend was subject to a claw-back arrangement that would see monies returned upon development.
5. B&NES paid out considerable sums of money to support the running costs of the company, minuted in B&NES documents
6. The delivery of the scheme and the setting up of the regeneration company, Norton Radstock Regeneration (NRR), as the delivery vehicle were part of the B&NES major project named the "Radstock Regeneration Company" project, which was a B&NES Corporate project monitored by B&NES.
7. B&NES set up NRR.
8. The first application to be submitted in the name of NRR was submitted by an officer team working out of the B&NES Economic Development Department; it had not the approval of the SRB Steering Group, soon to be the Directors of the new company, which was not yet registered with Companies House, and had to be withdrawn. A new application was submitted and the application fee paid by internal transfer.
9. Also 'in the mix' was the role that the company played in providing a strategic framework for development in Radstock (in the absence of a framework), which would effectively save B&NES spend on officer time on developing a strategy (on claw-back).
10. The NRR development was, through an assumed catalytic effect and roll-over funding, to enable development of further sites in Radstock, including on B&NES-owned land; NRR was designated the preferred developer of B&NES land holdings in Radstock.
11. B&NES is keen to show that it can perform regarding project delivery for fear that not to might compromise its ability in order to secure future public funding - this is a strong driver regarding project delivery

### 2.0 B&NES interests in the NRR redevelopment project in Radstock, Bath and North East

Somerset is outlined below. this account has been informed by Council, NRR and SWRDA documents.

2.1 B&NES' involvement with this project is long-standing, and it has invested both financially and politically in the delivery of it. It has used this project to its advantage, but also stands to lose some of its investment should the project fold. The Council changed after the decision to approve the outline application, so the incumbent Council is not the same as the Council that made the original earlier decision, but has seen it permitted under delegated powers by Council Officers.

2.2 In 2001, SWRDA and B&NES senior Economic Development officers were taking the view that Norton Radstock Regeneration Limited (NRR) would consider B&NES land and the wider regeneration of Radstock as part of a regeneration scheme. B&NES had already given over some land to the company at nil cost (£1.00) and the B&NES Economic Development Director was leading on the project for B&NES - it was an economic development project

2.3 B&NES councillors then took the view that NRR should not undertake development on its own and that it should consider B&NES' and other landholdings elsewhere in the town to maximise their asset value and realise their use in a comprehensive plan to 'regenerate' the town. Consultations in the form of the generation of wish-lists for cherry-picking were undertaken and used to give the project the veneer of a community-led project.

2.4 Consultants drew up plans for NRR, a private company set up by B&NES but not open to the public or public scrutiny, and there was close working with B&NES. B&NES provided land, funding, premises, officers, and new schools that would need filling. It used NRR to provide a development and spatial framework that allowed, in the name of regeneration, greater housing numbers than could otherwise have been justified. This would be achieved on the development site and also through follow-on developments using roll-over money from the development. These would be residential or mixed use developments in Radstock.

2.5 An economic theory based upon the imposition of an urban block structure to the town and an extension of the central area was pretty much all there was to back up the case for benefits. The economic case was thin at best and was not sound; inconvenient economic information available to B&NES through a 2006 Ernst and Young study commissioned by B&NES was not used. The NRR Company project was not just a B&NES corporate project; it was a B&NES major project in which B&NES had corporate, financial, planning and political interests. B&NES was heavily invested in delivery of this project, which it had supported for a long time and had helped to design.

2.6 The delivery of the plan, considered vital by B&NES in the early days, had become even more vital as it went on due to its delivery being linked with the ability of B&NES to show it could deliver projects and regeneration and so be in a better position to secure future public funding for projects in B&NES. In addition, the claw-back of investment funding and relating to land provision would not be possible if the company folded. With no funds of its own, if the application was not successful, the only asset the company would have would be the railway land site itself.

2.7 The project was managed by B&NES Sustainability and Economic Development department, monitored by Major Projects and External Bodies Overview and Scrutiny Panel, but not funded through the major projects budget. Funding came from a variety of Council funding sources including the Capital Programme, Major Projects underspend in 2005/06, B&NES Council revenue budgets 2005/06 carry-forward and 2006/07, and the B&NES Council base programme. The planning department was little involved in this process and did not contact the Market and

Coastal Towns Initiative (MCTI) group (the wider regeneration idea was also connected with the MCTI initiative), even though this group was involved in creating a Community Plan, a planning document, which featured the NRR development.

2.8 Economic Development, backed by SWRDA (whose brief is economic development), appeared to pretty much run the show, with NRR undertaking even spatial planning functions within this economic development based project. A report commissioned by DEFRA and undertaken by BDOR on the B&NES MCTI experience (author Barry Pearce) noted a lack of partnership working and practices in B&NES and in particular a “silo mentality” on the part of B&NES planning and economic development departments and an associated tension between the two, with planning disinterested in the wider benefits of economic regeneration and economic development too focussed on its own agenda.

2.9 The regeneration process started when the two towns of Midsomer Norton and Radstock were awarded £2.9million of Government funding for a programme of projects that ran from summer 1997 to Autumn 2003. This was known as the Norton Radstock SRB Scheme. B&NES' role within the SRB was as the Accountable Body. It was originally responsible for approval of funding and negotiations with Government Office. The RDA subsequently replaced Government Office within the structure. The SRB scheme was a corporate council-wide project, and the proposals for the NRR site constituted the flagship project within that framework. B&NES supported the scheme and provided land and funding. The time taken to progress the project was much longer than expected, and B&NES continued to support and fund the company until 2006/2007. Three outline planning applications were submitted during the period from 1998 to 2006.

2.10 A time line setting out B&NES involvement in much more detail can be supplied on request if considered necessary.