

Bath & North East Somerset Council

DECISION MAKER:	Cllr Terry Gazzard, Cabinet Member for Development and Major Projects, and Cllr Malcolm Hanney, Deputy Leader and Cabinet Member for Resources		
DECISION DATE:	On or after 12 th March 2011	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	2238
TITLE:	Approval of Economic Regeneration Delivery Plans (ERDPs) for Bath, Keynsham and Midsomer Norton		
WARD:	All		
AN OPEN PUBLIC ITEM			
<p>List of attachments to this report:</p> <p>Appendix 1 – Bath Economic Regeneration Delivery Plan</p> <p>Appendix 2 – Keynsham Economic Regeneration Delivery Plan</p> <p>Appendix 3 - Midsomer Norton Economic Regeneration Delivery Plan</p>			

1. THE ISSUE

- 1.1. The B&NES Sustainable Community Strategy identifies the key role that a thriving and resilient economy will play in achieving sustainable growth in B&NES. The Economic Strategy identifies the key barriers to growth as the lack of available employment land and modern business space, the perception that Bath is not seen as ‘regional’ office location and the record of slow and under delivery of new office space to date.
- 1.2. The Economic Regeneration Delivery Plans (ERDPs) set out a framework for mitigating this situation within the context of the council’s ambitions to create a more sustainable, productive and resilient economy and support the level of economic growth required to deliver the numbers of new jobs and homes set out in the draft Core Strategy. The ERDPs describe potential sites and outline a series of actions that the Council will take to encourage the development of business premises. They reaffirm to business leaders and developers that ‘B&NES is open for business’.

2. RECOMMENDATIONS

The Cabinet members are asked to agree that:

- 2.1. The documents formerly referred to as Regeneration Delivery Plans should from now be referred to as Economic Regeneration Delivery Plans

- 2.2. The ERDPs be approved as the basis for corporate action to achieve high value added business growth;
- 2.3. The ERDPs be used corporately to promote and market B&NES as a business destination.
- 2.4. The ERDPs be approved as the basis for assessing the contribution of sites to the delivery of the aims of the Economic Strategy;
- 2.5. The Strategic Director for Development and Major Projects is instructed to work with other council departments to develop an Action Plan to deliver the infrastructure identified in the Local Investment Plan (para. 3.4) B&NES Infrastructure Delivery Programme and ERDPs .
- 2.6. The ERDPs be used to inform the Local Development Framework and the Place Making Plan (para. 5.1.5.)

3. FINANCIAL IMPLICATIONS

- 3.1. The Plans set out in this report will be prioritised within the budgets and resources agreed by the Council in its annual budget. Revenue costs of delivering the ERDPs are built into the Medium Term Service and Resource Plan of Development and Major Projects. Service Plans of other services include workstreams that contribute to the overall objectives of the ERDPs.
- 3.2. Additional capital enabling projects including for example, flood mitigation works, which arise as part of the ERDP recommendations will be subject to the Council's established authorisation procedures.
- 3.3. The current Local Investment Plan (LIP) agreed with the Homes & Communities Agency and adopted by the four Unitary Authorities in the West of England includes a sum of £45.6m over the period 2010 - 2015 to support the delivery of affordable housing, site related infrastructure, land assembly, strategic flood mitigation and remediation at Bath City Riverside, Keynsham and the Somer Valley. The LIP is being reviewed and reprioritised in the light of national funding restrictions and the new home delivery proposals put forward by the government. B&NES will make every effort to retain funding for our priorities and the ERDPs will emphasise our corporate commitment to regeneration.

4. CORPORATE PRIORITIES

- *Building communities where people feel safe and secure*
- *Promoting the independence of older people*
- *Improving life chances of disadvantaged teenagers and young people*
- *Improving school buildings*
- **Sustainable growth - a thriving and resilient economy will be a key contributor to achieving the other corporate priorities**
- *Improving the availability of Affordable Housing*
- *Addressing the causes and effects of climate change*
- *Improving transport and the public realm*

5. 5. THE REPORT

5.1. Background

- 5.1.1. The Futures Vision for Bath, Keynsham and the Somer Valley, adopted by the Council in November 2008 as part of its consideration of the Delivery of Sustainable Growth in B&NES, sets out the challenges the area was facing and informed the 2009 – 2026 Sustainable Community Strategy and the Corporate Plan. In addition Council resolved to produce Regeneration Delivery Plans, which are now to be known as Economic Regeneration Delivery Plans (ERDPs).
- 5.1.2. The Sustainable Community Strategy (SCS) confirms that as outlined in the Future for Bath, Keynsham and Somer Valley visions, a thriving and resilient economy will play a key role in achieving sustainable growth in B&NES. The SCS vision is to create an economy with a greater range of employment opportunities for local residents, backed up by improvements in local skill levels and ensuring more housing, employment and cultural opportunities are available locally, building on the distinctive nature of the places in Bath and North East Somerset, in order to achieve greater environmental sustainability. In terms of climate change and resource shortages that constitute the SCS Driver for Change, and the larger need to move to a low carbon economy, adaptation to future conditions is vital to creating a "sustainable economy", even in the narrowest sense of ensuring our developments are competitive in terms of energy overheads. On the other hand, environmentally sustainable developments would assist future occupants to meet their "triple bottom line" and afford to power their buildings.
- 5.1.3. The adopted Economic Strategy sets out the strategic objectives and priority actions which will assist in delivering the Economic Development & Enterprise theme in the SCS and these are reflected in the draft Core Strategy. The Economic Strategy identifies the need for ERDPs to identify site specific opportunities required to deliver economic growth.
- 5.1.4. Since 2008 work has proceeded on the preparation of ERDPs for Bath, Keynsham and Midsomer Norton, involving contributions from various council services. Property Services has also launched the Bath City Centre Project and this is integrated with the ERDPs.
- 5.1.5. Preparation of the ERDPs has been done in the context of the Core Strategy. The Placemaking Plan (Site Allocations) will take forward the strategic planning approach provided by the Core Strategy, and provide the formal planning policy and more detail on how the individual places within the district work, and how they should be sustained and shaped in the future. The aspirations articulated in the Sustainable Community Strategy, the futures work and other key corporate initiatives such as the Economic Strategy will be taken forward and translated to provide an effective, robust and statutory planning framework for the district. The core aims of the Placemaking Plan are to:
- Clarify the role, potential and wider contribution of the different places throughout the District;

- Define the development opportunities and acceptable range and mix of uses for the most significant sites within the District;
- Review and refine the Council's policies used in the determination of planning applications; and
- Re-assess local designations, such as local retail centres and local nature reserves.

5.1.6. The recent Treasure and Transform public exhibition (January-February 2011) received acclamation for the way it outlined the steps needed in the journey to prosperity. This transformation will maximise the district's strengths and future potential in world-class innovation, creativity, and wellbeing and vitality to develop a stronger economic future for the district.

5.2. Economic Context

5.2.1. Since 2001 the city of Bath has seen a net decline in both office and industrial floor space. The same is true of Keynsham. The Somer Valley area has seen a small increase but this is the result of a single development. Overall, whilst losses of industrial space are in line with planning policies on managed reductions B&NES has delivered less than 10% of the projected office floorspace needed and this has contributed to the area's below average economic growth.

5.2.2. The B&NES economy suffers from below average productivity, low wages and overdependence on the public sector, retail and tourism sectors. The area has a highly skilled workforce and, although unemployment levels are relatively low, residents' earnings are higher than workplace earnings and currently about 24,000 people commute out of the district for work. In the current economic environment, the council needs to do everything it possibly can to encourage economic prosperity by attracting back those higher value added out-commuters. This it can do by creating the right environment for a choice of new business premises of suitable quality and size.

5.2.3. **Views of the business sector.** During the preparation of the B&NES Economic Strategy, which is sponsored by the Sustainable Growth Alliance, key business networks (Federation of small businesses, Midsomer Norton and Radstock Chamber, Keynsham Business Association, Bath Chamber and Initiative, sector networks and around 60/70 individual business representatives were consulted). The clear priority expressed by respondents was the need to bring forward business premises. On-going discussions with local businesses reveal that some of our major employers are actively looking to expand and are concerned that their requirement for premises cannot currently be met within the district.

5.2.4. The Smart Growth report, part of the evidence base for the Economic Strategy and draft Core Strategy, scopes the economic changes required to ensure the development of a higher value added local economy. To achieve a net increase of 8700 jobs across B&NES by 2026, as set out in the Core Strategy, and taking account of projected losses principally in manufacturing and public administration & defence employment a total of 14,000 new jobs (GROSS) will need to be created.

5.2.5. The report sets out the interventions required to try and ensure that these new jobs are focussed in higher value added sectors such as business services, ICT and creative industries and these are being addressed through the Economic Strategy. However the lack of new, well located modern employment space is a fundamental constraint to future economic growth. A minimum of 88,000 sqm of new office space, the bulk of which 68,000 sqm should be in Bath, is required to deliver the jobs which will drive future “smart growth”.

5.3. Bath and North East Somerset Council’s Role

5.3.1. The Council is uniquely placed to act as the interface which brings the groups together in a beneficial way. Core to sustainable social, economic and environmental well being is the willingness of people to initially invest but then to continue to invest, their time, energy, futures and capital in the area to make B&NES an even better place to live, work and visit.

5.3.2. The Council has a number of key roles to play to assist in unlocking private sector investment, whether that investment is from occupiers, developers, owners or investors. These roles include:

Policy Maker - Clarity of realistic objectives, setting out what and where development should be take place and on what terms.

Landowner – the Council can use its assets in the context of delivering economic growth for what, when, for how much and on what terms. Use of the Council's existing property assets, whether as vendor, landlord or custodian, within the best consideration, best value and best practice guidelines, can promote economic growth within the local community.

Coordinator/enabler – provided the rewards are clear and risks understood, bringing together other public sector agencies and partners registered housing providers, health authorities. The Council can create social and community enterprise companies, credit unions for individuals and local companies and other community health and unemployment support mechanisms. These mechanisms increase active participation by the community in delivering outputs. The result is lowering the cost of delivering services and generating new revenue and capital receipts.

Funder - provided the rewards are clear and risks understood, using its precept powers, prudential borrowing and other fiscal tools, such as TIFs and BIDS, CIFs, Business Rate Supplement to fund projects that help to deliver its policy ambitions (subject to state aid and procurement rules) such as procurement of flood mitigation measures or investment in infrastructure, such as the low cost transport interventions through direct procurement to release capacity in Bath.

5.4. What Are ERDPs

5.4.1. The ERDPs identify potential sites which could contribute to economic growth throughout the district. The ERDPs set out the actions that are required to encourage the private sector investment needed to deliver these sites. The ERDPs align with the adopted B&NES Corporate Plan, B&NES

Sustainable Community Strategy, B&NES Economic Strategy B&NES approved Local Economic Assessment (LEA) and are in line with the Emerging Core Strategy.

5.4.2. The ERDPs are designed to assist investors in navigating through the policy environment and to encourage schemes to come forward which meet the policy objectives that will help deliver sustainable economic growth. They also identify the practical and process interventions required for sites to fulfil development potential and identify the actions and activities the council will take in assisting the delivery of the sites, including outlining the infrastructure required to bring the sites forward.

5.5. Bath City Riverside Central And Twerton Riverside

5.5.1. The Bath ERDP's aim is to enhance Bath's status both as a World Heritage Site and as one of the economic centres of the sub-region, and the city's ability to attract and retain higher value-added businesses, by helping to unlock brownfield sites in the central area.

5.5.2. The main challenge for economic growth in Bath is the lack of variety and availability of modern office space. Many of the potential development sites are currently restricted by heritage, transport, parking, and flooding issues.

5.5.3. The Core Strategy sets out the broad planning framework for addressing this issue and the Bath ERDP sets out the decisions required to deliver economic growth. The Bath City Centre project initiated by Property Services is an integral part of this. This is directed at marketing sites to deliver the council's objectives.

5.5.4. To implement the ERDP for Bath, the following actions need to be undertaken:

- implement flood mitigation interventions to maximise river corridor sites
- complete and implement parking interventions
- implement plans for transport interventions to reduce congestion
- complete the building heights strategy in order to provide greater certainty to developers
- formalise the spatial plans through the local development framework

5.5.5. The Impact of this will be – **Bath: A City Of Ideas.**

- Bath in the future will be a City of Ideas where knowledge and creativity combine to create value and enhance quality of life.
- The Bath City Riverside area represents an exciting opportunity to create a cluster of sites that deliver 21st century workspaces and homes for the knowledge and creative sectors.
- Academia and business would be connected by new infrastructure and outstanding public realm.

5.6. Keynsham

- 5.6.1. Keynsham town centre ERDP aims to position Keynsham as a complementary commercial location to Bristol and Bath, with a strong retail offer focused on the high street, enabling people to live and work in the town, and significantly reducing out commuting.
- 5.6.2. The Core Strategy and the Keynsham ERDP identify the main challenges which face the town such as a high level of commuting, lack of quality large retail space, poor quality public realm and poor pedestrian connections between the high street, car parks and train station.
- 5.6.3. They identify key development areas which look to create new jobs, improve the shopping experience and improve the park. The former Cadburys site, Somerdale, is key to delivering a significant number of new jobs for Keynsham.
- 5.6.4. The council has already kickstarted the regeneration process by choosing the town hall site as the location for its new office development, bringing more jobs and economic activity to Keynsham high street. The new development will also include new retail units and public space. This will be an exemplar of sustainable construction and low carbon new build.
- 5.6.5. To implement this, the following actions are required:
 - complete access / movement and parking interventions
 - support Kraft in selecting the right development partner for Somerdale
 - ensure detailed brief for the town hall responds to the ERDP
 - formalise the spatial plans through the local development framework

5.7. Midsomer Norton

- 5.7.1. Midsomer Norton town centre ERDP aims to help the town fulfil its role as the main market town for the Somer Valley, recognising the importance of a strong town centre in attracting and retaining businesses in the area.
- 5.7.2. It identifies the main challenges which face the town centre such as lack of quality retail space, poor quality public realm, high street dominated by traffic, poor pedestrian environment and sets out a strategy to address these.
- 5.7.3. It identifies four key development areas along the high street and proposes development principles which look to strengthen the shopping offer and create a mixed use centre and improve local attractions.
- 5.7.4. In addition, it refers to key sites surrounding the town centre where work is underway to develop plans that can complement and support the town centre as well as creating an employment offer distinct to the Somer Valley.
- 5.7.5. The Somer Valley Partnership and the Centre for Sustainable Energy is in the process of forming a "Renewable Energy Action Area" through community consultation, building on the energy heritage in the area. Energy independence for the area is a noted aspiration in the Core Strategy

5.7.6. The key actions are:

- complete access / movement and parking interventions
- act as a facilitator for the redevelopment of the high street
- develop strategy for delivering a new anchor food store
- finalise masterplans and work with developers for key peripheral development sites
- formalise the spatial Plans through the local development framework

5.8. Radstock

5.8.1. The council has been working towards an ERDP for Radstock. This has included negotiations and discussions with key landowners and the community.

5.8.2. Further work will be done with the local community to develop a programme for addressing the key issues in the town.

6. MONITORING.

6.1. A monitoring system will be set up to ensure that the community and the council can understand the impact of its actions. This will be part of a proactive engagement with the business community, designed to respond quickly to changes in the economy.

6.2. The ERDPs will be edited and presented in conjunction with *The Story of B&NES*.

7. RISK MANAGEMENT

7.1. The report author and Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

8. EQUALITIES

8.1. An Equalities Impact Assessment has been carried out and used to guide our approach.

9. RATIONALE

9.1. A thriving and resilient economy is the basis of sustainable growth.

10. OTHER OPTIONS CONSIDERED

10.1. None.

11. CONSULTATION

- 11.1. Cabinet members; overview & scrutiny panel; staff; other B&NES services; community interest groups; business networks; local businesses; stakeholders/partners; other public sector bodies; section 151 finance officer; chief executive; monitoring officer.
- 11.2. The consultation findings from the Futures Vision, Public Realm & Movement Strategy, Sustainable Community Strategy and Economic Strategy were fed into the development of the ERDPS.
- 11.3. A series of workshops were held with community interest groups on the development of the ERDPS for Bath.
- 11.4. Public exhibitions were held in Keynsham and Midsomer Norton to promote the consultation on the draft Plans, which were also available on the council's website.
- 11.5. The documented results of the public engagement exercises are available from Development and Major Projects.
- 11.6. Cabinet Members, Section 151 Finance Officer, Chief Executive; Monitoring Officer were consulted on this report.
- 11.7. The agreed growth scenario and the ERDPS will be subject to formal public consultation through local development framework documents.
- 11.8. The Treasure and Transform exhibition in Bath, Keynsham and Somer Valley (Jan – Feb 2011) was visited by approximately 1900 people.
- 11.9. The spatial elements of the ERDPS have undergone public consultation through the Core Strategy process

12. ISSUES TO CONSIDER IN REACHING THE DECISION

12.1. Social Inclusion; Sustainability; Property; Young People; Corporate

13. ADVICE SOUGHT

- 13.1. The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	<i>Council 20 Nov 2008 Delivering Sustainable Growth in Bath and North East Somerset Cabinet 3 Nov 2010 SMART ECONOMIC GROWTH IN B&NES (INCLUDING ECONOMIC REGENERATION DELIVERY PLANS) B&NES Draft Core Strategy 2010</i>