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**Delivery &  
implementation**

## 5 DELIVERY & IMPLEMENTATION

# Introduction

The delivery of the Milsom Quarter masterplan is a long term project. As such, whilst the masterplan sets strategic direction for future uses overall and for different component parts of the area, retaining flexibility is also important during delivery as the economy and society will change during this period, creating different market opportunities

The delivery strategy focusses primarily on the Council's assets as the Council is the predominant landowner in the area and owns the majority of interests that are key to delivering and creating momentum, demonstrate that the strategy is achievable and give confidence for third party landowners to bring forward their properties for development/repurposing in line with the overall strategy and aspiration for the area.

The Council is the predominant landowner in Milsom Quarter, owning approximately 800,000 sq ft GIA floorspace. It is estimated that approximately 300,000 sq ft

GIA floorspace is owned by other parties, creating a total floorspace of approximately 1.1 million sq ft GIA within Milsom Quarter. The Council's portfolio is split across different uses as follows:

- Retail - 69% of total floorspace
- Office - 6%
- Residential - 8%
- Licensed - 8 %
- Other - 9%

The high level of dependency on retail floorspace is a risk for the area in the future given the structural changes in that sector

# Major development opportunities

The masterplan's proposals for the development sites and existing property repurposing are designed to address this imbalance. Relating to the Council's objectives, it is considered that the preferred approach for delivery on the development sites should be as follows:

- Cattlemarket – Option 2 is the preferred option as delivers a greater amount of residential units which will enhance viability. In progressing the concept in Option 2 through more detailed design and viability, opportunities should be taken to enhance residential density further to enhance viability, balanced of course against design considerations for the site in a sensitive context. Potential abnormal costs (for example relating to ecology) should be assessed in detail and the costs of mitigation should be identified.
- Broad Street Yards – whilst Option 2 is a preferable solution for the area as a whole, delivery is not fully within the Council's control as it requires third party land. Whilst the Council should continue to hold discussions with the

landowner with a view to progressing Option 2, should these not prove fruitful Option 1 could be progressed by the Council alone. Whilst approaches such as a residential scheme for the site would have a better chance of achieving a positive land viability value, Option 2 would be more likely to achieve the Council's social, community and environmental objectives for Milsom Quarter. A business case for public sector funding will need to be made to address financial viability challenges in order to achieve these broader benefits.

- Both the Jolly's Department Store site and the Old Post Office site have been considered for the relocation of the Fashion Museum, which it is considered should be best located within the Milsom Street Core area. However, there are also other opportunity sites and a longer list of options sites has also been assessed.

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Considering the Jolly's options, both repurposing options to a Fashion Museum gave challenging financial viability due to the conversion and fit out costs. As a property solution, Option 1 provides the Fashion Museum with a better chance of being successful, whilst Option 2 focusses the Museum space in the basement. Whilst Option 2 may work functionally, it is not considered that it matches the ambition of creating a world class venue in this location and this needs to be fully assessed as options are tested in more detail. A lower ambition for the Museum would mean that it would be less likely to achieve the broader benefits for Milsom Street of acting as an anchor tenant and drawing in as much footfall and spend as possible. It would also put the achievement of the Vision for Milsom Quarter as the region's fashion capital at risk. Alongside the optimal property solution, the operational business plan for the Museum needs to be worked up and both should inform future public sector funding bids including Round 2 of the Levelling Up Fund.

### Headline conclusions

Taken together, the above preferred options for the development sites and the repurposing opportunities set out in the masterplan present an opportunity to grow the total floorspace in Milsom Quarter to approximately 1.2 million sq ft GIA but by delivering new development and making better use of space in existing buildings this can achieve a more sustainable balance of uses, with 45% of floorspace being in retail and F&B whilst residential increases from 7% to 23% of total floorspace. The increase in residential could deliver up to 180 units and there is also potential to deliver approximately 30,000 sq ft of additional office/workspace.

Achieving such an increase and the broader objectives of the masterplan (including public realm enhancements, transport and energy facilities to meet net zero carbon) will require significant capital investment to deliver necessary infrastructure and to contribute towards funding costs to address viability gaps on projects.

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# Delivery mechanisms

To deliver the vision and objectives for Milsom Quarter and its component parts, the Council will require:

- Funding – in order to cover the costs of development, repurposing and infrastructure requirements
- Expertise – knowhow and resource across relevant property sectors, the development process and portfolio asset management
- Focus – a commercial focus to deliver the challenging financial targets that will need to be met to achieve the vision and objectives for Milsom Quarter

A range of potential structures exist through which the Council could partner with the private sector. At this early stage, it is considered that the Council's objectives could be met through partnering with the market through a Joint Venture or Contractual Partnership structure. Setting up

such a structure could potentially require a procurement exercise. Alongside these options, the Council could take some repurposing opportunities within its overall portfolio forward using its own housing company - Aequus – particularly in the early stages of delivery.

The Council is also prepared to consider the acquisition of property interests (potentially using its powers of compulsory purchase) or the disposal of some of its interests should that enable delivery. Wholesale disposal of the Council's properties, however, is not desirable and the Council would seek to retain freeholds.



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Beyond the delivery of the Masterplan, ongoing management of Milsom Quarter will be required to sustain the legacy of the regeneration projects in the masterplan for the benefit of the area and the city in general. It is recommended that the Council establishes a fund to be dedicated to this purpose of ongoing management. This fund should be ring-fenced for the ongoing maintenance of Milsom Quarter and could include finance from the following sources:

- an allocation of a proportion of the increased revenue returns flowing to the Council from its properties in Milsom Quarter
- other public sector funding sources such as bids for transport enhancements or public realm improvements from other public sector bodies
- an attempt to capture elements of value uplift in Milsom Quarter where third party landowners will see their returns increase as a result of public sector investment in regeneration projects. Whilst this cannot be captured directly or comprehensively, potentially, a proportion of s106 or CIL monies could be used in this regard.

# Planning policy framework

The Core Strategy (2014) and Placemaking Plan (2017) put in place a strategic planning framework to guide development until 2029.

The policy context for Milsom Quarter reflects its historic function as High Street retail core. The Placemaking Plan contains the key policy context including Bath City Centre policies and a longstanding site allocation for the Cattle Market site to the east of the Masterplan area (Policy SB1).

Policy CR3 aims to support vitality and viability and promote diversity within the centres identified in Core Strategy Policy CP12 by maintaining a healthy mix of uses. Primary Shopping Frontages are defined where there will be a high proportion of Use Class A1 retail uses, with a Primary Shopping Area being a defined area where Class A1-A5 retail development is concentrated.

The boundaries of the adopted Primary Shopping Areas and Primary Shopping Frontages are defined on the Policies Map. For Milsom Quarter, these include frontages, such as

Milsom Street, Green Street, Quiet Street (north side), Broad Street and Saracen Street (north side).

Adopted Policy CR3 already has a reasonably flexible approach in relation to Primary Shopping Frontages, with the supporting text acknowledging that retail can benefit from having diverse, non-A1 neighbours, creating a richer mix of footfall. It allows the Local Planning Authority to maintain a primary shopping function in the defined frontages whilst allowing other Class A uses which can also add to the attractiveness of, and vitality within, a town centre. Outside of the Primary Shopping Frontages, but within a Primary Shopping Area, the strategy also seeks to ensure that the range of uses which are provided contribute to the health of the town centre.

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The definitions of some of the key words provides flexibility, including allowing front doors to residential dwellings on ground floor. ‘Active Frontage’ and ‘Active ground floor uses’ are defined in the glossary to Placemaking Plan (in Volume 6). The definitions are:

Active Frontage - Making frontages ‘active’ adds interest, life and vitality to the public realm. This means:

- Frequent doors and windows, with few blank walls;
- Narrow frontage buildings, giving vertical rhythm to the street scene;
- Articulation of facades, with projections such as bays and porches incorporated, providing a welcoming feel; and on occasion,
- Lively internal uses visible from the outside, or spilling onto the street.

Active Ground Floor Use (within designated centres) - Active ground floor uses within designated centres (defined in Policy CP12) are generally considered those falling within Use Classes A1 to A5 but can also include other town centre uses which are visited by large numbers of people. Residential uses and offices (Use Class B1) would

not normally be considered as active uses for ground floors in this context (but could contribute to the active frontage by having a front door to a residential or office use on upper floors).

Based on the above definitions, it is acceptable (subject to heritage constraints) to have front doors on the Primary Shopping Frontages providing access to residential and office uses on upper floors. In fact, this is already the case on a number of occasions on Milsom Street today (For example 29 – 32 Milsom Street).

In terms of the uses considered acceptable on ground floor, reference now must be made to the introduction of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 – Use Class E, where planning permission is not required for change of use between the commercial uses (previously defined as Classes A1/2/3, B1, D1(a-b) and ‘indoor sport’ from D2(e)). On this basis, the existing policy wording, combined with the recent changes to Use Class Order, provide a high degree of flexibility of uses on Primary Shopping Frontages. Heritage and amenity are in fact, likely to be bigger constraints, which will be treated on a case by case basis and assessed against the adopted policy framework and the significance of the heritage asset.



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For the Primary Shopping Area (as opposed to the protected frontages), there is already a higher degree of flexibility provided in the policy wording. The loss of Use Class A1 retail floorspace (now use Class E) will be permitted provided that a healthy balance and diversity of uses is retained and concentrations of uses other than Use Class E are avoided. The proposed use should still attract pedestrian activity and footfall to the centre and should not significantly harm the amenity of the area. The proposed use should not have an unacceptable impact on the vitality, viability and diversity of the centre. Other commercial uses as well as residential development will help to create a more vibrant community and assist in making the area more financially viable. Therefore, their impact can be considered acceptable (or even positive).

During the creation of the Milsom Quarter Masterplan, B&NES planning policy team were undertaking a partial plan update and consultation exercise. Through the Local Plan Partial Update (Aug – Oct 2021), there was a small opportunity to seek to create a more flexible planning policy framework for Milsom Quarter that helps to facilitate the change and greater diversity of uses. Within the consultation version, in the Core Strategy strategic policy areas, Milsom

Quarter has now been added into The Central Area. In addition, the Cattlemarket site allocation has been amended to seek to add greater flexibility and improve viability prospects. These are helpful hooks and tweaks to act as seeds for change.

However, the proposed changes in policy at this stage are modest. This is because the partial update is not a new Local Plan, but is an update of the existing Core Strategy and Placemaking Plan; therefore the scope of change is limited. The update does not change the plan period, spatial land use strategy or overall housing requirement of the current Core Strategy and Placemaking Plan. There is still the need and opportunity in the future, when B&NES are undertaking a full review of planning policy, to further promote Milsom Quarter in planning policy. This will be an important opportunity to review the role of retail and the degree of change promoted in this important quarter, how it fits into the wider city offer, and seeks to bring about real change.



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