

North Somerset Council

Report to the Executive

Date of meeting: 23rd June 2021

Subject of report: Development Programme: updates and consultation proposals

Town or Parish: All

Presenting: Cllr. Mark Canniford, Executive Member for Placemaking and Economy

Key Decision: Yes

Reason: proposals affect more than two wards and have potential financial implications of more than £500,000

Recommendations

- 1) To note and endorse progress on delivery of the Development Strategy sites.
- 2) To agree to public consultation on the Development Programme within the parameters proposed in paragraphs 3.7 – 3.16 of this report.

1. Summary of report

- 1.1 This report follows the adoption of the Development Strategy by Council in February this year. It provides an update on progress with agreed sites and proposes parameters for consultation on the longer-term programme, to be held during the summer and early Autumn.

2. Policy

- 2.1 This proposal supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular “the delivery of a broad range of new home to meet our growing need, with an emphasis on quality and affordability” and the priority of creating “an attractive and vibrant place for business investment and sustainable growth”. It aligns with existing and emerging Local Plans and other planning policies.

3. Details

Background

- 3.1 North Somerset Council’s Development Strategy was adopted by Council in February 2020 and is a key part of NSC’s Capital Investment Strategy for 2020 to 2030. It sets out a core ambition to create a balanced programme of development and investment that also delivers on the wider corporate objectives of NSC,

particularly in relation to affordable housing, sustainability and placemaking. It complements the emerging Strategic Asset Management Plan (SAMP) and Accommodation Strategy.

3.2 In taking forward development on its landholdings, the strategy emphasises that the council's role is not to compete with the private sector or replicate their usual outcomes, but to deliver beyond the market norms. Objectives are to:

- Deliver where the market fails.
- Set higher standards and drive the market forward for better quality, more sustainable buildings.
- Make the most of our assets and capture value to fund other council pressures and priorities – including reinvestment in the asset programme.
- Provide homes, employment and other facilities that meet the needs of our communities – current and future.

3.3 The emerging development programme identified through this work comprises 26 potential sites, offering the following outcomes:

- Approaching 2,000 new homes.
- At least 500 affordable homes (rental and shared ownership).
- More than 30 acres of commercial (employment) space.
- A financial return, after costs, of around £60m.
- 3,700 Full Time Equivalent (FTE) construction jobs.
- 2,400 FTE employment jobs.

3.4 The figures above assume that all sites come forward; this will depend on feasibility and appetite for delivery. Values may vary according to how the sites are delivered. For example, an increase in direct delivery by NSC will increase its exposure to risk but also its potential financial reward.

Update on current development sites

3.5 The Development Strategy and February Council report divided potential development sites into four groups:

- **Group 1:** sites that were already committed, with delivery underway.
- **Group 2A:** other sites that are formally allocated for development in the adopted North Somerset Sites and Allocations Plan. The Council agreed that delivery proposals should be developed for these sites, subject to individual business case sign-off and meeting statutory requirements (including statutory consultations and planning consents).
- **Group 2B:** sites that are not formally allocated, but are believed possible to take forward within current planning policies. These are typically small- to medium- sites located at existing settlements. The Council agreed that feasibility testing and consultation activity be undertaken in relation to the opportunity to develop these sites, with a view to reporting back on a final list in the autumn.
- **Group 3:** sites that are longer-term opportunities. These would in most cases represent a significant extension to an existing settlement or the creation of a new community, and so are subject to the emerging Local Plan. The Council agreed that, once the emerging spatial strategy is more clear, relevant sites should then be promoted for consideration to be allocated.

3.6 An update on progress with sites in Groups 1 and 2A is provided in Appendix A. Key steps and highlights since the February council report include:

- Exchange of Agreement for Lease with Keepmoat Homes for 425 homes at Parklands Village. This formalises the contractual arrangement between the parties. Keepmoat have submitted a Reserved Matters application for the site and are working towards the target of a start on site by September. All homes will use Modern Methods of Construction (MMC) and are low or zero carbon.
- Planning application approved by P&R in Feb 2021 for 52 homes on land to the south of The Uplands, Nailsea. Scheme has been designed by the Stirling Prize winning architects, Mikhail Riches as 100% Passivhaus homes, a flagship level of sustainability.
- Weston Business Quarter: this is the council's largest employment site in the strategic location of the Junction 21 Enterprise Area. A separate report to the Executive sets out proposals to bring the site forward using funding from the West of England Revolving Infrastructure Fund (RIF).
- Walliscote Place: an application for £1.075m grant has been submitted to the Brownfield Land Release Fund to remove or fill a redundant fuel tank underneath the former police station land and to fund initial groundworks, further de-risking the site for development.

Consultation on proposed programme

3.7 The Council report in February recommended further consultation on the programme of sites for development. This is proposed to take place over the summer and early autumn. The outcomes, including a recommended final list of sites, will be reported back to Council in November for approval.

3.8 The consultation document will set out the overarching rationale and strategy for the development programme, as agreed in the February reports. Case studies will be provided of sites progressed so far, demonstrating the positive outcomes for communities in meeting housing and employment needs, raising standards of sustainability and quality, and the need to generate financial returns to be reinvested in priority capital projects.

3.9 The main focus of the consultation document and associated engagement activity will relate to the proposed programme of development sites.

3.10 No further consultation is proposed on Group 1 sites, or those with planning consent in place, as these have already been subject to extensive prior engagement and consultations, both formal and informal.

3.11 Sites in Group 2A are allocated in the adopted Local Plan, therefore the principle of development has been tested and consulted upon, including through public examination. A failure to deliver these sites will result in a need to identify suitable alternatives of a similar size and deliverability elsewhere, or may open up further opportunities for speculative, unplanned development elsewhere. Consultees will be asked about their views on development, however this context will be explained.

- 3.12 Engagement on the group 2A sites will seek to focus on the forms and outcomes that consultees would wish the individual sites to deliver, rather than the principle of development per se. This will include asking about preferences, for example, for increased affordable housing, levels of sustainability and options for non-traditional delivery such as self-build.
- 3.13 In some cases, sites in Group 2A require a formal appropriation consultation to be held, to establish the principle of a change of purpose for which the council is holding the land. These consultations are proposed to be run in parallel to the main consultation, so as to avoid multiple rounds of consultation on the same question.
- 3.14 Details of Group 2B sites are provided in Appendix B. Legal checks are being carried out on these sites to identify if they are subject to any formal restrictions on their use and the names of sites are being kept confidential until that process is complete. It is possible that some sites may be withdrawn from the programme if there is a binding legal reason that prevents their development. It is not felt to be in the public interest to name sites in advance of that due diligence being complete.
- 3.15 Subject to the completion of those checks, the consultation on Group 2B sites will include information about each site (including the name and specific location), identifying key opportunities and constraints, and inviting public views as to which should be brought forward. Consultees will be asked for opinions on the specific objectives for each site.
- 3.16 Group 3 sites are longer-term sites which may be suitable to be included in future Local Plan allocations, or which for other reasons are not expected to be deliverable prior to 2025. The nature of the sites as typically larger strategic sites outside of settlements will be identified and some early general questions asked on whether they should be promoted for inclusion in the Local Plan, in the event that growth is agreed for the areas in question. This will be set in the context of the Local Plan report to the Executive on 28th April 2021 which established a preferred spatial strategy and identified broad locations for further testing and assessment.
- 3.17 Consultation is proposed to be on a North-Somerset wide basis through the council's website and social media channels. Additional face-to-face engagement activity will take place in locations with non-consented sites in Groups 2A and 2B, including with Town and Parish Councils. A Scrutiny briefing and discussion is proposed to be held at the Partnerships, Corporate Organisation and Overview Management Policy and Scrutiny panel in July.

4. Consultation

- 4.1 Proposals for further consultation on the development programme are as set out above, including engagement with Scrutiny. Allocated sites have been consulted on through the planning policy process and sites taken forward for development will be subject to further formal and informal consultations on the specific proposals that arise.
- 4.2 It is expected that there will be opposition to development of a number of these sites, and in some cases there have been community or local councillor requests to withdraw sites from the programme prior to consultation. Unless a specific legal reason is identified to prevent development, it is proposed that all sites should continue to be included in the consultation, so as to ensure transparency and

fairness. The consultation process will enable full and open consideration of the advantages and disadvantages of each location.

5. Financial implications

- 5.1 The costs of consulting on the Development Programme will be relatively minimal and can be met from existing revenue budgets and reserves.
- 5.2 The overall income from the Development Programme is estimated at £40 – 60m over ten years, subject to the range of sites selected to be taken forward and the mechanisms chosen for delivery.
- 5.3 Business cases for individual sites will include more detailed consideration of the costs and income implications in due course.

6. Legal powers and implications

- 6.1 The Local Government Act 1972 gives the Council the power to dispose of land held by it in any manner it wishes provided that the council achieves the best consideration that can reasonably be obtained.
- 6.2 Procurement and disposal processes will be compliant with the Concessions Contracts Regulations 2016 and the Public Services (Social Value Act) 2012.

7. Climate Change and environmental implications

- 7.1 All development proposals will seek to achieve the highest possible standards of sustainability, including a range of exemplar sites demonstrating best practice. Full detail will be provided in the individual business cases for each site, which will be subject to further formal decision-making in line with Standing Orders.

8. Risk management

- 8.1 Risks in relation to consultation on the Development Programme are primarily reputational. Careful communications and engagement activity will be planned to mitigate this risk.
- 8.2 Risks in relation to individual site proposals will be considered in the business cases for those sites in due course.

9. Equality implications

Have you undertaken an Equality Impact Assessment? No

- 9.1 Any future developments will be required to comply with Local Plan policies, which have been subject to EIA assessments.
- 9.2 The procurement of development partners will include a requirement for partners to ensure compliance with Equalities legislation.

10. Corporate implications

- 10.1 This proposal supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular “the delivery of a broad range of new homes to meet our growing need, with an emphasis on quality and affordability” and the priority of creating “an attractive and vibrant place for business investment and sustainable growth”.
- 10.2 Development projects are led by the Development Team, with support from procurement and legal colleagues, plus officers from Major Projects and Economy Teams where appropriate.
- 10.3 The Development Programme has the potential to generate £40 – 60m income over 10 years, supporting delivery of the council’s wider capital programme and priorities.
- 10.4 The programme has a number of interdependencies with other asset and accommodation strategy work. This is overseen through senior level boards including the Investment & Infrastructure Board, Driving Growth Board and Capital Programme Board.

11. Options considered

- 11. Options in relation to the development programme were considered as part of the February Council report.
- 11.2 The proposed consultation will inform options assessments for the individual sites.

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Appendices:

Appendix A: Update on delivery of Group 1 and 2A development sites

Appendix B: Group 2B sites: potential locations for consultation (exempt)

Background papers:

Council report on Asset, Accommodation and Development Strategies, Feb 2021:

<https://apps.n-somerset.gov.uk/Meetings/ByCommittee/15/2020/100>

Update on delivery of Group 1 and 2A development sites

Site	Status / update	Next steps
Group 1		
Selworthy Road, Bournville Estate, Weston-super-Mare	Sold to Alliance Homes in 2020 for an affordable-led scheme	Planning application expected later in 2021
Parklands Phase 1, Weston-super-Mare	<p>Council has agreed the selection of a development partner, Keepmoat Homes, for this site, delivering 425 new homes using Modern Methods of Construction (MMC) and 15% net zero homes, with all homes at least 80% below baseline carbon levels. 128 (30%) of the homes will be affordable. An Agreement for Lease was signed with the developer in April 2021 and a Reserved Matters application has recently been submitted for consideration.</p> <p>The scheme is supported by Homes England who have provided approaching £10m Accelerated Construction Funding as well as a more recent £90k capacity fund award to assist with contract management at the site.</p>	The target for start on site is Sept 2021 but the developer will be carrying out preparatory groundworks in advance of that date.
Group 2A		
Land to the south of The Uplands, Nailsea	<p>Planning application approved by committee in Feb 2021. The scheme has been designed by the Stirling Prize winning architects, Mikhail Riches and will be 100% Passivhaus homes, an exemplar level of sustainability. The site will provide 30% affordable housing and extra accessible/adaptable units above policy requirements.</p> <p>The planning application was supported by £557k Homes England Accelerated Construction Funding and a further £55k capacity funding has been provided to assist with the procurement of the development partner.</p>	<p>An appropriations process is due to be determined early in June.</p> <p>Subject to the outcome of that process, a report recommending a Business Case and Commissioning Plan for the procurement of a development partner is due to be considered by Council in July.</p>
Weston Business Quarter, Weston- super-Mare	This is the council's largest employment site in the strategic location of the Junction 21 Enterprise Area. A separate report to the Executive sets out proposals to bring the site forward using funding from the West of England Revolving Infrastructure Fund (RIF).	Please see separate report on this site.

Site	Status / update	Next steps
Walliscote Place, Weston-super-Mare town centre	<p>£91k One Public Estate funding secured and is being used to support assessments and business case for this and other town centre sites.</p> <p>Application for Brownfield Land Release Funding made to fund removal of underground fuel tank and groundworks at former police station land (£1.075m).</p>	This work is closely related to that on other town centre development sites. Procurement of a development partner is expected to take place over the summer and autumn.
Former Weston college building adjacent to Nailsea library	The council does not have full control over this building, but owns a 'flying freehold', which gives it a degree of leverage over any proposals. The college building was purchased from Weston College in 2020 by a private sector developer who is known to be preparing development proposals.	This is a prominent site in Nailsea Town Council and officers are seeking to work with the developer, Nailsea Town Council, and the owner of the adjacent shopping precinct to agree suitable proposals.
Land north of Churchill Avenue, Clevedon	This site is surrounded by homes in the ownership of Alliance Homes and is thought suitable for an affordable-led / low-cost-housing scheme. Early discussions have been held with interested affordable housing partners. The site could also be suitable for an element of specialist housing such as extra care.	It is proposed that this be one of the sites to be a focus of consultation activity in the summer. The site is currently used as informal open space and will require an appropriations process to allow it to come forward for development.
Field at Slade Road, Portishead (sometimes referred to as "Downside")	This is a small site, suitable for potentially 15 – 25 homes. It is within a relatively high value area and so could support a high quality of design and sustainability, or potentially could offer an opportunity for self-build / self-finish plots.	<p>It is proposed that this be one of the sites to be a focus of consultation activity in the summer.</p> <p>The site is not easily accessible to the public but is nonetheless likely to require an appropriations process to allow it to come forward for development.</p>
Fryth Way playing fields, Nailsea	This area is included within a wider allocation for 450 homes to the north of the town. It is only likely to come forward as part of that larger allocation and would be subject to delivering a suitable re-location of the playing pitches.	At the present time, delivery of site is not expected to be imminent, but contact is maintained with adjacent landowners and potential developers with an interest.
Parklands Phase 2	This was previously listed as Group 2B but has been moved into group 2A to reflect its status as an allocated site.	Outline planning consent is in place, but proposals are not expected to come forward for several years until work on phase 1 is nearer to completion.