

North Somerset Council

Report to the Council

Date of Meeting: 21st September 2021

Subject of report: Development Programme: Commissioning Plan for development of sites in Weston-super-Mare

Town or Parish: Weston-super-Mare

Officer/Member presenting: Executive Member for Placemaking and Economy

Key Decision: No

Reason: Council decision

Recommendation

- To approve the Commissioning Plan for the procurement of a development partner for residential and/or mixed-use development sites in Weston-super-Mare as set out in Section 3 of this report.
- To delegate authority to the Executive Member for Placemaking and Economy to finalise the package of sites for inclusion in the procurement, subject to the outcome of acquisition and business case processes.
- To endorse the principle of facilitating meanwhile uses on sites prior to their development, subject to further business case development.
- To agree to the establishment of a Member Working Group to oversee the commissioning and procurement process, as well as meanwhile use proposals.
- To delegate authority to the Executive Member for Placemaking and Economy to approve the submission of funding bids to any value to support development and/or meanwhile use proposals, should such opportunities arise.
- To approve an allocation of £693,493 from the approved capital programme for Social Housing Grants (KAH201), to be made available through the procurement process to the successful bidder to support the provision of affordable housing and/or enhanced sustainability measures at these developments.

1. Summary of report

- 1.1 This report provides information on the proposed development of sites in Weston-super-Mare that are either in the ownership of North Somerset Council, or which the council is seeking to acquire, delivering potentially more than 750 new homes as well as commercial and/or community space.
- 1.2 The report sets out proposals and an anticipated timeline for securing a development partner for these sites (the “Commissioning Plan”), with a focus on ensuring quality and deliverability. The proposed form of delivery would be a Building Lease, which is

a form of contractual Joint Venture. The procurement process will be Public Contract Regulations 2015 compliant and due to its value will be advertised and open to all potential bidders. It is expected to take the form of a two- or three-stage competitive tender.

- 1.3 During the procurement process and lead-in time for development of the sites, it is proposed that 'meanwhile uses' be investigated and where possible supported, particularly at Dolphin Square.
- 1.4 The package of sites remains financially challenging. In recognition of their priority status, it is requested that authority be delegated to the Executive Member to approve any future funding bids to support their development, should any such opportunities arise. In addition it is proposed that £693,493 of funding from the council's capital programme be made available to support the provision of affordable housing and/or enhanced sustainability measures on the schemes.

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".
- 2.2 The sites proposed are allocated for mixed-use development in the adopted Local Plan, although with the exception of Parklands Village have not yet secured planning consent. The Weston Town Centre sites are identified in the SuperWeston Placemaking Strategy and Weston Town Centre Supplementary Planning Document (SPD) as flagship development and regeneration locations. Walliscote Place and Dolphin Square are located within the Great Weston Conservation Area and Walliscote Place sits within the High Street Heritage Action Zone (HSHAZ).
- 2.3 North Somerset Council's Development Strategy was adopted by Council in February 2020 and is an important 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.
- 2.4 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. Details

Sites and development proposals

- 3.1 The following sites are proposed to be included in this procurement; maps are provided in Appendix A:
- Walliscote Place: these sites are already in the council's ownership and comprise the former police station site, Walliscote Road East car park, and the Central Chambers site. The sites are allocated in the North Somerset Sites and Allocations Plan (SAP) for an estimated 70 dwellings, with potential for a degree of commercial or community development at the Central Chambers or Magistrates' Court sites.
 - Locking Road car park, Sunnyside Road, and Dolphin Square: these sites are currently in the ownership of Homes England. The council is seeking to acquire the sites. Locking Road and Sunnyside Road are identified within the SAP as being part of the 'Station Gateway' area, which is allocated for a total of 300 homes. Dolphin Square is allocated for 220 dwellings. There is potential for some ground floor commercial / community uses.
 - Parklands Village, phase 2: this site is in the ownership of North Somerset Council and has outline planning consent for 275 homes, employment, and a primary school.
- 3.2 The procurement may include all of the above sites, or a selection, however as far as is possible, a single collective procurement exercise is proposed for those that are chosen to go forward. This will be dependent on the success of the acquisition process, the financial business cases, and market intelligence advice.
- 3.3 The Magistrate's Court at Walliscote Place is currently proposed to be excluded from the procurement, although this will be further discussed with specialist property advisors and the proposed member working group. This is because of the specialist nature of heritage restoration work required, which may not sit within the skills and capacity of the developers who might otherwise bid for the sites. The importance of the building is fully recognised and if possible, funds raised from the development will be used to support its restoration.
- 3.4 The development of the town centre sites is likely to be practically and financially challenging. The inclusion of Parklands phase 2 in the procurement may help make the package of sites more attractive to developers; this will be explored further with specialist property advisors.
- 3.5 A bid for £1.075m Brownfield Land Release funding (BLR) was submitted to the government's One Public Estate (OPE) programme in June. If successful, this money would help fund the removal of an underground fuel tank and other groundworks within the Walliscote Place site (surcharging / piling). Terms of the funding are that the land must be released for housing by the end of March 2024. £91,925 has previously been secured from One Public Estate to support feasibility and cost work and is being used to support the acquisition and procurement proposals.
- 3.6 All of the sites listed include options for commercial and / or community development alongside residential. This will be explored as part of the business case for the procurement and pursued where feasible.

- 3.7 The council is in close discussion with Homes England in relation to the acquisition of the sites at Locking Road, Sunnyside Road and Dolphin Square. An offer from NSC has been accepted in principle, but remains subject to due diligence and the completion of legal processes. Formal acquisition is not expected before October, however this Commissioning Plan and other preparation for procurement is being carried out in parallel so as to avoid further delay thereafter. In the event that discussions on acquisition stall, the council would review whether to continue with its existing sites at Walliscote Place and Parklands Phase 2 either as a package or individually.

Opportunities, challenges and objectives

- 3.8 The proposed procurement of these sites is in line with Development Strategy objectives, delivering where the market has historically failed to do so, and offering the opportunity to develop good quality, mixed-tenure housing and commercial development that can contribute to the regeneration of Weston. The sites, with the exception of Parklands, are brownfield land, in highly sustainable locations close to public transport links and local facilities.
- 3.9 The sites are subject to a number of constraints which will impact on deliverability. These include poor ground conditions, requiring surcharging and piling, which add to costs, as well as a further requirement to raise levels to protect against flood risk. Several of the sites will require clearance and/or remediation prior to development, and some have specific issues to be addressed, notably the large sub-station at Dolphin Square and the underground fuel tank at Walliscote Place. Sales / rental values in Weston Town Centre are low and significant improvement in the market will be needed if those sites are to become financially viable. This will require a programmed approach supported by placemaking activity to improve the attractiveness of Weston as a location. Values at Parklands are stronger and income from that location would be likely to help with the deliverability of the sites overall.
- 3.10 A further opportunity is to promote the sites for Modern Methods of Construction (MMC). This means using components or whole units that are precision-manufactured off-site, improving the efficiency and consistency of the build process. MMC could offer a number of advantages for these locations, including:
- A faster build period and reduced construction traffic movements, reducing disruption around the town centre.
 - Some MMC units are lighter than traditional build, which can be reduce requirements (and therefore costs) in relation to surcharging and piling.
 - MMC developers in many cases offer a better quality, more sustainable product than mainstream developments.
 - The opportunity for an increased pipeline of MMC developments in Weston may help establish the location as a centre of excellence for the technologies and attract investment from manufacturers.
- 3.11 Taking account of the above objectives, the following are recommended as key factors in designing the procurement process:
- Deliverability: ensuring that proposals for delivery are realistic and achievable within a realistic timeframe. A start on the town centre sites should be sought prior to March 2023, in line with the potential Walliscote Place BLR funding. Measures will be put in place to prevent the development partner focusing on

Parklands to the exclusion of the town centre sites, if it is decided to include that site within the procurement.

- Quality: good quality of design and placemaking is critical, particularly on more visible street frontages. The chosen development partner will be required to engage with the West of England Design Review Panel.
- Tenure mix: the procurement process will seek to secure a mixture of tenures, and to maximise affordable and intermediate housing across the sites. The latter may be financially challenging and require grant input (see also below).
- Sustainability: in recognition of the Council's climate change emergency, sustainability standards should be maximised throughout (see also below).
- Nationally Described Space Standards should be met and ideally exceeded.
- Modern Methods of Construction (MMC): to be strongly encouraged, as a means to improving quality, sustainability and pace.

- 3.12 Subject to further specialist advice, officers are likely to recommend that the procurement process be designed to strongly encourage partnership and/or consortium bids. This could for example include partnerships between different development companies, between developers and affordable housing providers, or between developers and meanwhile use providers. Such an approach could have many benefits, including the sharing of investment and risk, diversification of housing products and tenures, acceleration of delivery, and increased affordable housing, whilst still maintaining an overall cohesiveness and coordination.
- 3.13 Appendix B sets out further proposals on the draft parameters for the procurement of development partners. These are to be finalised as part of the Procurement Plan. A member working group is recommended to be established to help shape the final criteria, including local ward members and the Executive Member for Placemaking and Economy.

Affordable housing and sustainability

- 3.14 As detailed above, these sites are financially and practically challenging. Previous assessments on the sites themselves, and on the wider Weston Town Centre area have demonstrated that affordable housing is unviable without very significant public subsidy. At Parklands, viability is better but typically only sees a nil grant level of affordable housing of around 12 – 13%.
- 3.15 Viability in relation to affordable housing can be improved through exploring different tenure options. This could include a greater proportion of shared ownership or shared equity units, including the "First Homes" model. Alternatively, institutional investors such as pension funds are increasingly investing in the Private Rental Sector, offering good quality, reasonably priced homes for private rent. Although such options still reduce the overall return to a developer, they can offer benefits in terms of financial cashflow and risk mitigation.
- 3.16 Sustainability measures required through existing planning policies include a minimum 15% renewable energy and the promotion of active travel. It is likely that these measures will be strengthened in future iterations of national and local policies,

many of which will apply at the time the sites come forward, including the national introduction of the Future Homes Standard, expected in 2025.

- 3.17 The council will seek to maximise affordable and sustainable housing options within these constraints and whilst ensuring that the schemes remain deliverable. In procuring a partner for Parklands phase 1, a phase of the process asked developers to submit scenario tests showing the cost impacts of increasing provision in relation to key criteria, which enabled the council to make an informed decision about the final requirements. A similar route could be followed in this case.
- 3.18 Increased affordable provision and tenure mix can further be encouraged through the partnership approach suggested in paragraph 3.12 above, particularly if consortia include Registered Providers of Affordable Housing (RPs), who have access to capital borrowing and national grants.
- 3.19 It remains likely that the inclusion of any affordable housing or sustainability enhancements will rely on significant public subsidy. However national grants for affordable housing can only be confirmed after a developer has been appointed and planning consent secured, a relatively late stage of the process.
- 3.20 To provide some upfront certainty of funding, it is proposed that £693,493 of council funds be made available through the procurement process, with potential developers required to demonstrate how this will be used to enhance affordable housing provision and/or the sustainability of the development. This funding is sourced from the council's capital programme KAH201 and is the remaining money received through the transfer of the council's affordable housing stock to Alliance Homes in 2006.
- 3.21 As above, the council has applied for Brownfield Land Release funding of just over £1m to support the Walliscote Place scheme. If successful, this would boost the overall viability of the developments and assist in releasing other monies for affordable housing and other provisions.

Options for delivery and route to market

- 3.22 In taking these sites forward, the council needs to have regard to a range of factors including control over quality, ability to deliver within a reasonable timescale, financial viability and exposure to risk.
- 3.23 Options for delivery include direct delivery by NSC, a Joint Venture partnership, or direct disposal to the market. The advantages and risks of each of these approaches are set out in Appendix C.
- 3.24 Officers recommend that the option for a Joint Venture is pursued as the route to delivery, as this allows the council to retain a good degree of control without full exposure to the risks of delivering the site itself (including capital exposure) or the need to establish a separate Development Company.
- 3.25 There are different forms of Joint Venture, for example, contractual or corporate. It is envisaged that this JV would take a contractual form using a Building Lease. Specialist legal and property advice has been secured on this matter and a final recommendation will be made in the Procurement Plan for this project.

- 3.26 Given the value of the developments, the procurement process will need to be open to all potential bidders and will be run through the Find a Tender Service (FTS – the successor to OJEU). Specialist property and legal advisors will be appointed to work with NSC to shape the process and marketing to target those developers most likely to be able to deliver the council's objectives.
- 3.27 It is anticipated the partner procurement will take the form of a two or possibly three stage competitive tender, commencing with a Selection Questionnaire / Expression of Interest stage prior to Invitation to Tender, with shortlisting / elimination of unsuitable bidders between the stages. This will be finalised in discussion with property and legal advisors and the member working group, and the process confirmed in the Procurement Plan. The Procurement Plan will confirm the final evaluation criteria and weightings, including balance of quality and price.

Market advice and interest

- 3.28 The council is being advised on the acquisition of the Homes England sites and overall approach to development and delivery options by Jones Lang Lasalle (JLL) and Bevan Brittan. These commissions run until the process to acquire land from Homes England has been completed. Further market and legal advice will need to be procured thereafter.
- 3.29 Independently of the above, the council has been approached by developers interested in the town centre sites. Details of the interested partners cannot be shared for reasons of commercial sensitivity, however they include interest from MMC and private rental sector markets.
- 3.30 The council has had sight of soft market testing reports commissioned by Homes England in relation to the town centre sites. This confirmed a reasonable degree of market interest from across a range of residential sectors, but that viability remained a challenge and that affordable housing would likely require significant levels of grant subsidy. It also concluded that there was no particular market advantage to securing planning in advance of procurement, given that the sites are allocated for development and acknowledged by NSC as a priority.

Timetable for procurement

- 3.31 The timeline for the procurement is dependent on the conclusion of acquisition discussions with Homes England. A provisional timetable is provided below:

Date	Action/milestone
21 st Sept 2021	Full Council approval of Commissioning Plan
By 31 st Oct 2021	Executive Member approval of Procurement Plan (in consultation with member working group)
Nov / Dec 2021	Launch of procurement (Selection Questionnaire)
Jan 2022	Invitation to submit Draft Tenders
Apr 2022	Invitation to submit Final Tenders
July 2022	Conclusion of procurement and award of contract decision (Executive decision)
Sept 2022	Conclusion of legal agreements

Date	Action/milestone
Oct 2022 – Mar 2023	Planning and mobilisation
By March 2023	Start on site

Meanwhile uses

- 3.32 The visible nature of these sites, particularly at Dolphin Square, is seen by many as a blight on the town centre.
- 3.33 Increasingly, local authorities and other owners of such sites are looking to temporary uses (known as meanwhile uses) to bring activity and new attractions to sites. A local example is Wapping Wharf in Bristol, where shipping containers have been converted into short-term, low-rent premises for a range of innovative and entrepreneurial independent businesses (see <http://wappingwharf.co.uk/cargo>). This helps animate the space prior to development, and raises the profile and attractiveness to future residents and investors. Where businesses prosper and grow, there is the potential for them to move into permanent premises nearby. Careful curation and targeted placemaking is key, and a community / neighbourhood focus helps sustain activity throughout the year.
- 3.34 Soft market testing is being commissioned to explore this option further for the town centre sites, with a view to developing a business case proposal. This will include exploring the financial and landlord inputs required from NSC (if required), the likely operating model, and the appropriate duration.
- 3.35 Land based meanwhile use (as opposed to re-using a vacant building) can be challenging as it can require significant upfront capital investment to deliver activity. This can lead to a need to occupy the site for several years to recoup the capital investment. This will also need to be balanced against the importance of understanding that the sites will eventually be developed and meanwhile activity will eventually need to cease, with no obligation on the council or the developer to re-locate any use.

4. Consultation

- 4.1 The principle of the development of these sites has been subject to public consultation on several occasions, including through the Local Plan, Weston Town Centre SPD and Placemaking Strategy engagement programmes. Any planning application for the sites would be subject to further public consultation.
- 4.2 A member working group is proposed to help shape the procurement process and potential meanwhile use proposals.
- 4.3 A joint informal meeting of the PCOM and Place Scrutiny Panels is proposed to consider the Development Programme, including these sites, in early September.

5. Financial implications

Costs, income and returns

- 5.1 Full appraisals for the town centre sites are under preparation by JLL, with cost inputs from Hydrock. These suggest that the Locking Road and Sunnyside Road sites are sufficiently viable to break even or generate a small surplus, but that Dolphin Square and Walliscote Place are more problematic and generate a loss. This creates marginal viability overall and may require the more positive financial outcomes expected from Parklands phase 2 to bridge the gap.
- 5.2 The position on the town centre sites will improve only if sales value inflation increases ahead of cost inflation, if costs can be reduced in some way, or if sales values in some other way outperform the norm. The programming of the sites – so that the more viable sites are delivered earlier – and investment in placemaking will be critical to generating this result.
- 5.3 The town centre appraisals referred to above are based on 100% market housing. The provision of affordable housing would impact on viability and is only likely if substantial grant, or a significant RP partnership investment can be achieved.
- 5.4 It is likely that a term of the acquisition of the Homes England sites will be that any 'surplus' return on the development of those sites must be reinvested in further development in the area. This again supports an approach based on sequencing the more viable locations first.
- 5.5 The costs of taking the sites to market to secure a development partner are significant. A budget of £320k has been established from within the Driving Growth reserve, including an existing £91k grant funding from the One Public Estate programme. Around £95k has been spent or committed at the point of writing.
- 5.6 A bid for £1.075m Brownfield Land Release funding was submitted in June 2021 to fund groundworks and the removal / remediation of underground fuel tank at Walliscote Place, which if received, would be passed to the developer. The outcome of this bid is not yet known and the funding is not included in the appraisals referred to above. If NSC succeeds in acquiring the Homes England sites, this may open up further opportunities to bid for public funding.
- 5.7 It is proposed that £693,493 of council funding be made available through the procurement process, with bidders required to demonstrate how this would be used to enhance affordable housing provision and/or the sustainability of the development. This funding is sourced from the council's capital programme KAH201 and is the remaining money received through the transfer of the council's affordable housing stock to Alliance Homes in 2006.
- 5.8 The full financial implications are unknown at this stage in the process as they will be determined by outcome of the procurement exercise. The full financial implications and details on the financial governance will be included within future reports for award of contract.

Authorisation requirements

- 5.9 The value of this contract will exceed £10m. The following approvals are required in taking forward the proposals:
- Approval of Commissioning Plan: Full Council.
 - Approval of Procurement Plan: Executive Member, advised by Director and Head of Strategic Procurement.
 - Award of Contract: Executive.
- 5.10 The award of contract decision will also include the formal approval to dispose of the sites and to transfer the NSC grant and Brownfield Land Release Fund grant (if received) to the developer.
- 5.11 Authority is requested to delegate the approval of further funding bids in relation to these sites to the Executive Member for Placemaking and Growth. This is in recognition of the priority status of these developments and to accelerate and simplify the process through which opportunities can be taken should they arise.

6. Legal powers and implications

- 6.1 The Local Government Act 1972 gives the Council the power to acquire and 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 The procurement process will be compliant with the Concessions Contracts Regulations 2016. The council has appointed external legal advisors to advise on the procurement process and to prepare the relevant contract documentation.
- 6.3 The procurement process will be compliant with the Public Services (Social Value Act) 2012 by ensuring it seeks additional social value during the tender process.
- 6.4 The council must ensure compliance with the contractual terms and conditions of any public funding grants secured for these schemes, including the £91k One Public Estate capacity funding already secured, and the potential Brownfield Land Release funding.

7. Climate change and environmental implications

- 7.1 These sites are in a highly sustainable location close to train stations and other public transport options and a range of local services and facilities. Except for Parklands, all are brownfield land.
- 7.2 All developments will be required to meet current and future planning policy requirements in relation to sustainability. The procurement process will seek to enhance the provision further, including through the offer of grant. Additional measures could include the use of modern methods of construction, fabric-based carbon reduction, and additional active travel promotion.

8. Risk management

- 8.1 Key risks and mitigations are as identified in the table below:

Risk	Mitigation
Failure to acquire town centre sites in ownership of Homes England.	Negotiations are supported by senior level discussions and underpinned by specialist commercial and property advice. In the event the attempt to acquire is unsuccessful, the procurement approach to the remaining sites would be reviewed as to whether it remains appropriate.
Sites are fundamentally unviable	Due diligence on the acquisition of sites includes cost and appraisal assessments to inform final price. Funding application made to support Walliscote Place proposal; recommendation in report to delegate authority to Executive Member to approve future bids so as to accelerate process. Potential inclusion of Parklands will reduce and offset financial risks.
The procurement timeframes (outlined above) are delayed or unachievable.	Specialist legal and property advice on designing the process to ensure compliance with timescales. Close monitoring of progress. Any potential for delay will be reported to NSC's Capital Board.
Insufficient interest from developers, or lack of interest from suitable companies who are willing / able to meet the criteria set by NSC and funding partners.	Soft market testing has identified reasonable demand. Specialist consultants are advising on structures, procurement and marketing to optimise interest from suitable partners.
The appointed partner defaults on the scheme or fails to deliver some of the specified requirements.	Legal and property advice to ensure a robust Joint Venture arrangement that protects NSC's interests and requirements. JV agreement to ensure strong governance of the partnership / contract and to include funding for compliance monitoring.
Staff resource is inadequate to support process.	Consultants supporting process. Monitoring / management of staff time and priorities.

9. Equality implications

Have you undertaken an Equalities Impact Assessment? No

- 9.1 Planning applications for these sites will be required to comply with the requirements of the Local Plan and other planning policies, which have been subject to EIA

assessments. Where possible, the procurement process will seek to add to and enhance provision in this regard.

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”.
- 10.2 The resourcing of the procurement of a development partner and delivery of development will be led by the Development Team, with support from procurement and legal colleagues.

11. Options considered

- 11.1 Options for the delivery of this site are considered in section 3 above and are further detailed in Appendix C.
- 11.2 The option not to pursue these sites has been discounted for the following reasons:
- The sites are allocated for development. Failure to deliver would increase the gap in the council’s housing supply, which would need to be met elsewhere, most likely on greenfield sites. The opportunity to deliver housing to meet local needs would be lost.
 - Developing the sites will provide positive evidence to residents and visitors as to the growth and regeneration of the town and will encourage further investment.

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Appendices:

Appendix A: Site location plans.

Appendix B: Draft quality criteria for procurement of development partner.

Appendix C: Procurement options.

Background papers:

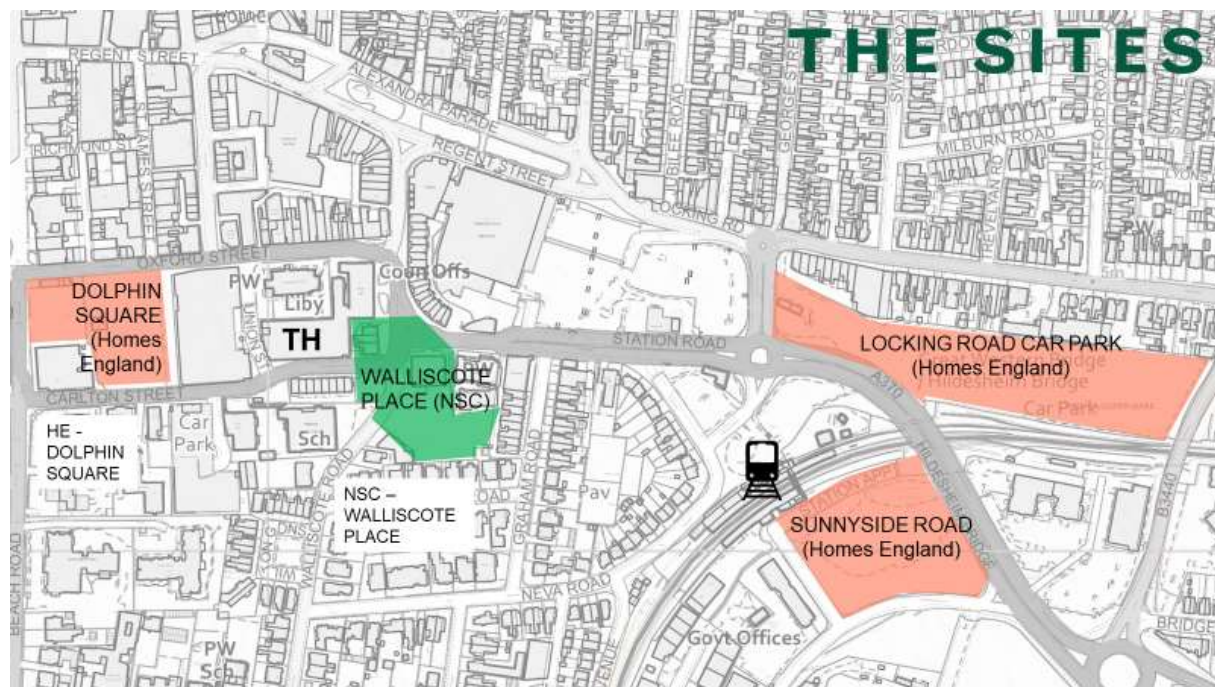
SuperWeston Placemaking Strategy: <https://superweston.net/super-weston/>

Weston Town Centre SPD / Weston Villages SPD: <https://planning.n-somerset.gov.uk/online-applications/applicationDetails.do?keyVal=ZZZXGLLPJV919&activeTab=summary>

Parklands Outline Planning consent: <https://planning.n-somerset.gov.uk/online-applications/applicationDetails.do?keyVal=ZZZXGLLPJV919&activeTab=summary>

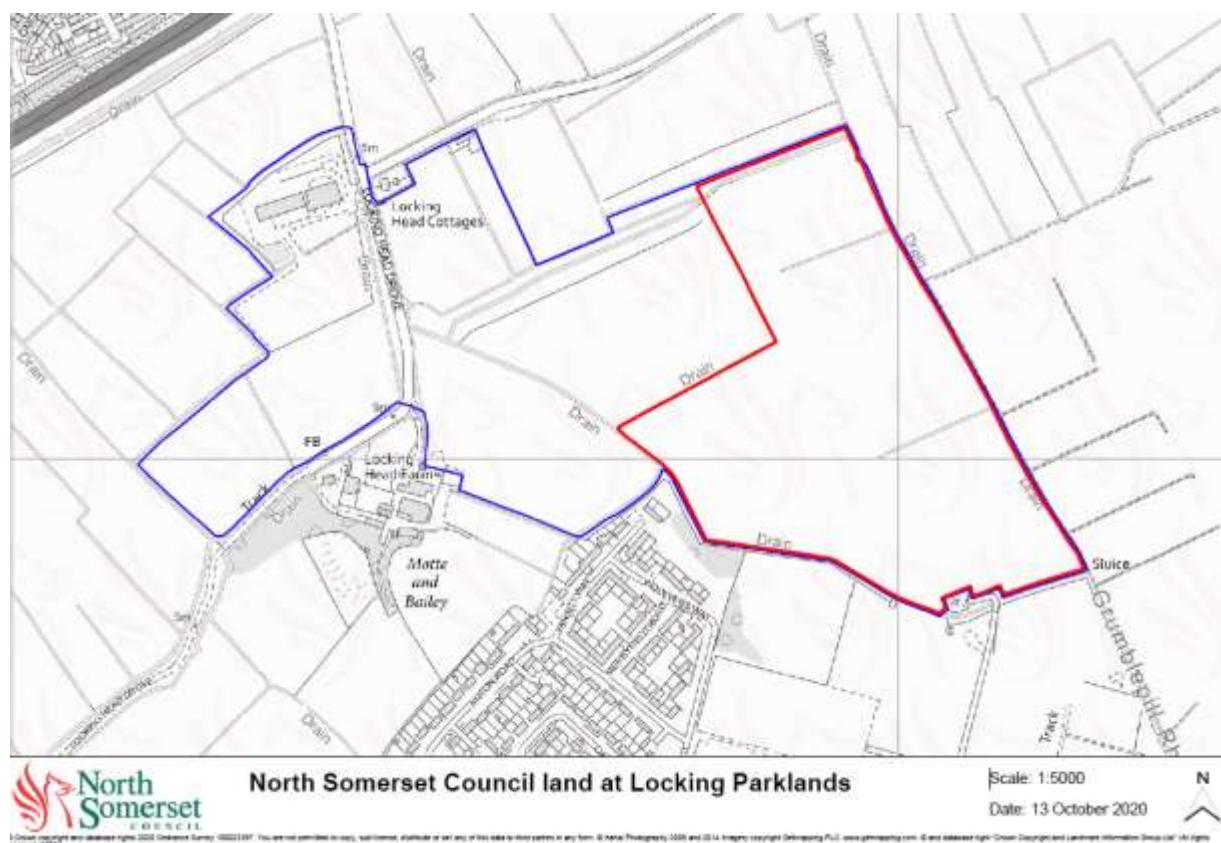
Site location plans

a) Sites in Weston-super-Mare town centre



b) Parklands phase 2

Phase 1 land outlined red; phase 2 outlined blue



Draft quality criteria for procurement of development partner

The design criteria below relate primarily to the town centre sites. At Parklands Village, the developer will be required to deliver development in line with the approved Outline Planning consent and associated conditions.

The list below is not intended to be comprehensive, but highlights some of the matters believed to be particularly important in taking forward these sites.

Criteria	Parameters
Height / density / numbers	<p>The capacity of sites should be maximised as appropriate to the locations and within the constraints of what the market can deliver.</p> <p>There is no requirement for high rise statement towers. A mix of town houses and mid-rise apartment blocks is supported at Sunnyside Road and Locking Road car park.</p> <p>Subject to viability, the council supports higher-rise development at Dolphin Square but does not require this, provided there is a sensible relationship to neighbouring sites and the building line along the seafront as a whole.</p>
Design quality	<p>Good quality of design and placemaking is important, particularly on more visible street frontages – but does not need to be “iconic”. Considered, contextual and understated design can be very successful in urban environments.</p> <p>The starting point for design parameters should be as set out in the Town Centre SPD and Weston Villages SPDs, unless otherwise stated here or agreed through further discussion.</p> <p>The council expects good quality and contextual design and placemaking encompassing urban design, landscape, architecture and selection of materials. Key considerations are relationships to surrounding area and good quality materials suitable for their environments (render or timber cladding should be avoided in marine environments).</p> <p>The town centre sites have challenging constraints with which to work (particularly the Locking Road flyover) and the design teams must positively engage with these to result in successful forms of development.</p> <p>Developers will be required to engage with the West of England Design Panel and to have schemes reviewed at appropriate points within the programme.</p>
Housing mix and affordable housing	<p>Affordable housing should be maximised at all sites, however it is recognised that this may be challenging and that grant input is likely to be required.</p>

Criteria	Parameters
	Intermediate tenures for rent and sale would also be welcomed and may aid absorption of product to support delivery at pace. Any active elderly and student accommodation must be use class C3.
Sustainability	<p>The council has declared a climate emergency and will seek the highest standards possible at these locations.</p> <p>At Parklands, the benchmark established for phase 1 of an 80% reduction in carbon against baseline must be at least matched and ideally exceeded.</p>
Space standards	Proposals to be at least compliant with national standards.
Parking standards	It is accepted that parking at town centre sites may be less than 1:1 ratio, in recognition of the sustainability of the locations. Measures to enable and promote sustainable alternatives to private car use will be essential. The marketing of schemes to future residents must set clear expectations as to what is provided.
Use of MMC	The use of MMC is to be strongly encouraged, where this enhances quality, speed of development and inherent energy efficiency and sustainability.
Programme and deliverability	Developers will need to demonstrate a deliverable programme informed by realistic programming and market and financial evidence. This will include a requirement to demonstrate progress on town centre sites in advance of completion of the Parklands scheme (if included), including a start on at least one of the town centre sites by March 2023.
Social Value	Social Value commitments will be required in line with the council's Social Value policy, and will be evaluated as 10% of quality criteria.

Options for models of delivery

Option	Description	Advantages	Risks
Direct delivery by NSC	<p>NSC would take on the developer lead role.</p> <p>The council would secure planning and contract the construction to a suitably qualified construction company.</p> <p>A development company or similar would have to be put in place to hold and dispose of the resulting homes.</p>	<ul style="list-style-type: none"> • Full control over the quality of the development and homes built. • NSC would receive the land value and profits from the development. 	<ul style="list-style-type: none"> • NSC would need to provide the capital for the development, in the realm of £150 – 200m. Even if available, this would take up capital funding that might be needed for other schemes. • Staffing resources required to manage the delivery of this scheme and disposal of homes would be very significant and would detract from work on other priorities. • Current staff do not have significant experience in direct delivery of housing schemes. • The council would need to establish a mechanism for the holding and disposal of properties. • The full financial, delivery and reputational risks would sit with the council.
Joint Venture	<p>The council would seek a developer partner who would drive forward the development, including the appointment of contractors and sourcing finance. The NSC would receive a land receipt and would seek to share the resulting development profit, after accounting for the partner's costs.</p>	<ul style="list-style-type: none"> • NSC would retain a good degree of control over quality of the development and homes, whilst allowing some flexibility in the design and development in response to the market. 	<ul style="list-style-type: none"> • NSC must accept some of the risks of the development without being in complete control of the project. • Financial return less than if choosing direct delivery.

		<ul style="list-style-type: none"> • The developer would provide the capital for the development and would manage delivery. • Less resource-intensive in terms of NSC staff time. • No requirement to set up a development company. • NSC might be entitled to a share of the development profit, as well as the agreed capital sum for the land. 	
Disposal to market	NSC would sell the land as a commercial transaction, with limited conditions as to the details or timing of delivery.	<ul style="list-style-type: none"> • Would maximise the likely land receipt and the timing of the receipt would probably be earlier than under other options. • A commercial transaction would remove any ongoing financial risks and reduce the reputational risks, once initial sale was completed. 	<ul style="list-style-type: none"> • Very limited control over timescales or product: by law, commercial transactions cannot include detailed specifications of what needs to be delivered. • A high risk of breach of funding conditions. • No opportunity for a share of developer profit.