

North Somerset Council Decision

Decision of: Cllr. Ash Cartman, Executive Member for Finance and Performance



With advice from: The Director of Place and s151 Officer

Decision No: 20/21 DE 201

Subject: Application for One Public Estate Funding (revenue)

Key Decision: YES

Reason:

Value of bid exceeds £500,000 across the West of England.

Background:

This application for funding will support delivery of the Corporate Plan objective of creating an open and enabling organisation, specifically to “manage our resources and invest wisely” and “collaborate with partners to deliver the best outcomes”. It would also support the objective of creating a Thriving and Sustainable Place.

On 9th September 2020, government announced £10m One Public Estate revenue funding for public sector land and property projects which:

- Demonstrate collaboration across local government, central government and wider public sector bodies; and
- Contribute to core programme outputs (homes, jobs, capital receipts and reduced running costs), prioritising projects which include housing benefits.

Typical examples of the use of OPE funding are suggested as:

- Masterplanning.
- Feasibility studies.
- Business case development.
- Options appraisals.
- Surveys.
- Valuations and design works.
- Specialist expertise.
- Project management.

Bids must be submitted via the West of England Combined Authority. The closing date for applications is 12th November.

The total value of the bids across the West of England is £1.2m. North Somerset's share of this total would be determined at a later stage.

WECA's proposals emphasise a desire for a strategic approach based on a 'revolving revenue fund' that would allow value to be captured from projects and reinvested into future schemes. Within this, they are proposing three themes:

1. A Development Innovation and Delivery Programme with a particular focus on Modern Methods of Construction.
2. A Cities and Town Centres Renewal Programme, with a focus on bringing vacant buildings back into use and diversifying the mix of town centre uses.
3. A public sector hubs programme, which would include health and DWP partners.

WECA is required to identify potential projects to take forward within these strands. The paragraphs below set out indicative projects proposed to be included on behalf of NSC.

The nature of the bid is that the projects listed are examples, and that not all would necessarily be pursued in full, dependent in part on the level of funding received.

In all cases, delivery of the projects would remain subject to NSC's full business case assessments and political decision-making.

If a decision were made not to proceed on any of the schemes, it would be possible to withdraw the bids, up until the point of entering into funding agreements, expected in Feb/March 2021 for the programme, and later for specific projects.

a) Housing innovation and delivery programme

This seeks to support delivery of housing on public sector sites using Modern Methods of Construction (MMC) or other innovative forms of housing development and delivery.

Two sites are named from NSC in this part of the bid: Walliscote Place in Weston-super-Mare (70 – 100 dwellings) and Parklands Village phase 2 (275 dwellings). The bid suggests that other allocated sites in current or future Local Plans could also be supported.

In each case, the funding would be used to take forward feasibility and business case work. The actual delivery of housing would remain subject to planning, business case assessments and political decision-making.

b) Cities and Towns Regeneration Programme

Our request is for funding to investigate/test/develop the opportunity for a programme for the acquisition and conversion of town centre properties across Weston, Nailsea, Portishead and Clevedon in partnership with Registered Providers of Affordable Housing.

Conversions would be expected to be largely residential, but could also include other uses, for example, managed workspace provision or public sector uses.

The emphasis would be on delivery of schemes by partners, not by NSC itself, although NSC might, with the assistance of funding, coordinate placemaking / masterplanning strategies for specific locations.

c) Public sector hubs

In line with the ongoing Asset Strategy work being undertaken by Arcadis on behalf of NSC, this seeks funding to take forward recommendations in relation to NSC's office accommodation, particularly where shared with other public sector partners. The intention would be that the funding could support the next stage following on from the initial recommendations, e.g. to test feasibility and build a business case in more detail.

Decision:

- To authorise the submission of a bid via WECA to the One Public Estate programme to the value of £1 – 1.5m across the West of England in support of the themes of development innovation and delivery; cities and town centres renewal; and public sector hubs, including indicative projects on behalf of North Somerset Council.

Reasons:

To support the Corporate Plan objectives of An Open and Enabling Organisation and a Thriving and Sustainable Place.

Options considered:

- Not to submit a bid for funding: this would reduce potential access to revenue funding to support the types of projects described.
- To submit alternative bids/projects: the bid themes have been chosen collectively across the West of England as being appropriate to the opportunities offered by the programme and appropriate to the needs of the sub-region. NSC's proposed projects are indicative but are felt to be our 'best match' to the themes, opportunities and needs.

Financial implications:

If successful, this bid would generate up to £500,000 revenue funding across the West of England. NSC's share of the funding would be subject to further West of England programming and decision-making in line with agreed governance procedures.

Costs:

The costs of submitting the bid are officer time only.

WECA is proposing that the OPE programme grant would be matched by an equivalent amount from its Investment Fund, to create the revolving revenue fund described above.

NSC is not a member of WECA, so does not have access to the Investment Fund. However the OPE programme itself does not require match-funding, therefore there is potential for NSC projects to proceed without match, or for NSC to put forward its own funding as match. This will need to be discussed further internally and with WECA as the bid progresses. It is possible in any case that the 'revolving' element may not proceed, as it has not been received overly well by the funders in their advice to date; this may mean that WECA may choose to remove their match-funding element.

If a decision were made not to proceed on any of the NSC projects, the 'programme' nature of the bid would mean that they could relatively easily be withdrawn, up until the point of entering into a funding agreement, expected in Feb/March 2021.

Funding:

See above.

Legal powers and implications:

Revenue funding bids in the range of £250,000 - £1,000,000 require a Director and 151 Officer Decision.

Submission of the bid itself does not have further legal implications.

Climate change and environmental implications:

Submission of the bid does not in itself have climate change or environmental implications.

Subsequent project delivery, if approved, would need to take into account climate change and environmental implications.

Consultation:

Due to the relatively short timescale for preparing a bid, consultation has been limited to NSC officers only.

Consultation on subsequent project delivery, if successful in securing funding, would be expected to include engagement with a wide range of stakeholders, including RPs and public sector partners based in NSC accommodation.

Consultation about our assets, accommodation and development strategy is also taking place through the wider discussions on an Asset Strategy and Development Programme for the council.

Risk management:

The risks of submitting a bid are fairly minimal as it will be possible to withdraw prior to accepting funding if required. This would entail some reputational damage, but that is not felt likely to be significant in this case, given the relatively low funding levels.

Equality implications:

Have you undertaken an Equality Impact Assessment? No

An EIA has not been undertaken at this stage but is likely to be required in relation to the business cases and delivery of the subsequent projects.

Corporate implications:

This application for funding will support delivery of the Corporate Plan objective of creating an open and enabling organisation, specifically to "manage our resources and invest wisely" and "collaborate with partners to deliver the best outcomes". It would also support the objective of creating a Thriving and Sustainable Place.

Subsequent project delivery would be subject to further business cases and decision-making but would be likely to involve a range of teams and services including Major Projects and Planning.

Appendices:

N/a

Background papers:

One Public Estate prospectus, Sept 2020:

https://www.local.gov.uk/sites/default/files/documents/37.5%20OPE%202020%20prospectus_v09a.pdf

Signatories:

Decision maker(s):

Signed: Executive Member for Finance and Performance

Date: Approved by email 20 November 2020

With advice from:

Signed:  Director of Place

Date: 13 November 2020

Signed:  s151 Officer

Date: 12 November 2020