

# **SCRUTINY TASK AND FINISH GROUP REPORT – 13<sup>th</sup> NOVEMBER 2018 REVIEW INTO AFFORDABLE EMPLOYMENT LAND**

## **Introduction**

This report sets out the findings of the Task and Finish Group (“the Group”) charged to review Taunton Deane Borough Council’s (“TDBC”) 2009 Affordable Employment Land Strategy, agreed by the then TDBC Executive.

In significant part, implementation of the 2009 strategy has not occurred.

There is no doubt that TDBC needs to create an appropriate balance between the number of homes vis-à-vis the number of jobs provided. Taunton Deane is falling behind neighbouring conurbations in providing well-paid employment. The Council must work in meaningful partnership to facilitate inward investment and encourage economic growth.

## **Members of the Group**

Councillor Ian Morrell (Chairman); Councillor Norman Cavill; Councillor Simon Coles; Councillor William Coombes; Councillor Dave Durdan; Councillor Jefferson Horsley; Councillor Habib Farbahi; and Councillor Andrew Sully (co-opted).

## **Background**

In 2009 TDBC worked with Professor Mark Hepworth from Geo-economics to produce a vision for the future of Taunton Deane’s economy. Professor Hepworth identified that upwards of 20,000 new local jobs must be created between 2011 and 2026, with a higher proportion in high skill, high paid occupations, with private sector knowledge intensive jobs being created at the rate of 2:1 in order to increase earnings within Taunton Deane.

It was recognised in 2009 that 36% of the jobs in Taunton Deane were part-time, against the regional average of 28% and the national average of 24%. Taunton Deane’s part-time economy from the figures studied seems to be nationally high. It was recognised at the time that the local economy was imbalanced towards the public sector employment, which provides around 40% of the total employment in the Borough. Over the last five years there has been a 40% reduction in number of public sector employees.

Professor Hepworth reported that Taunton Deane needed to retain talent and attract graduates; it needed to diversify toward private sector knowledge intensive employment such as digital and green technology, health and education including innovation centres and a physical central place for higher education, a green building programme and social innovation to drive the adaptation of sustainable energy production within mixed use of urban extension. The presumption was that if TDBC did not branch out into these areas we could expect a gradual economic decline.

The real challenge was set to create 28,000 new jobs by 2026, of which 18,500 needed to be high value private sector employment opportunities.

### **Terms of Reference and Objective of the Review**

*'In establishing the viability of our employment land, to then offer a bold vision to the Council that will enable TDBC to fulfil its future vision for Prosperity; By recommending specific policy and resources for affordable employment units and high-tech innovation in shaping our future employment offer.'*

This Task and Finish undertook the following:

- Reviewed to growth Industries;
- Examined the evidence presented by invited guests (TDBC officers, academics and external consultants);
- Reviewed TDBC policies and practices;
- Considered opportunities to enable an Innovation Centre; and
- Evaluated the outcomes from the 'Great Plastics Debate' on 14<sup>th</sup> September 2018, facilitated by Councillor Habib Farbahi and Mr Marcus Prouse.

### **Links to Corporate Aims / Priorities**

The Group's *modus operandi* and this report accords with TDBC's Corporate Strategy 2016-20 and TDBC's Core Strategy 2011-2028<sup>1</sup>.

### **Finance / Resource Implications**

Funding requirements to ensure the delivery of the recommendations requires confirmation. However various sources could include:

- Innovation grants / UKRI government modern industrial fund;
- Partnership/joint venture;
- Garden Town Status<sup>2</sup>;
- Regional Growth Fund;
- New Homes Bonus / Community Infrastructure Levy;
- Local Enterprise Partnership; and

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<sup>1</sup> "TDBC has developed the Core Strategy with new jobs at its heart so that we can ensure that there is sufficient growth in employment to warrant the growth in housing with areas such as the green knowledge economy, health and education being drivers for new employment but still very aware that a thriving economy needs all types of employment".

<sup>2</sup> Delivering a new garden community requires long-term strategic thinking and robust delivery arrangements. There are many forms that this could take – from arrangements such as joint venture companies, to Development Corporations. See Ministry of Housing, Communities and Local Government Report (August 2018): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/734145/Garden\\_Communities\\_Prospectus.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/734145/Garden_Communities_Prospectus.pdf).

- Public Works Loan Board.

### **Partnership Implications**

HM Treasury advises on best practice. Detail as to any partnership implications will be identified as required during relevant programme viability stages.

### **Asset Management Implications**

TDBC needs to future proof council services by effective and equitable partnerships with relevant stakeholders such as local and national industries, landowners, local / national / international investors, developers and other public sector bodies.

### **Process**

The Group held five meetings. Various background documents are annexed to this report.

### **Current Context**

#### **National & Regional**

Nationally the proposal for an Innovation Centre is consistent with the UK government's industrial strategy, published in December 2017. The government's strategy highlights the need to capitalise on the UK knowledge base, develop an 'ideas' based economy and facilitate higher levels of research, development and innovation.

Regionally the drive to develop high value activities relating to business opportunities in research and innovation is consistent with the Heart of the South West (adopted by the regional Local Enterprise Partnership in March 2018<sup>3</sup>). The 2017 South West and South East Wales Science and Innovation Audit, commissioned by the Department for Business, Energy & Industrial Strategy, also identified innovation as a key focus for research and development. This could include Taunton in the corridor of opportunity spanning Exeter to Bristol.

Locally the present ambition for an innovation centre is consistent with TDBC's prosperity agenda, and the 2009 Strategy into Employment Land. An Innovation Centre could complement Taunton's Strategy in relation to Garden Town Status.

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<sup>3</sup> <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>

## Taunton Deane Area

As reported in the 2009 report, Summerfield Developments Ltd were engaged in the employment land review. Summerfield Developments Ltd reported:

*“If potential sites have not been developed over the last 10 year (1999-2009) of boom in commercial property it follows therefore that most of these sites listed are potentially unsuitable. This is for a variety of reasons but particularly because they are in the wrong location, are too rural in nature or have high infrastructure costs with low value building that make the sites unviable”.*<sup>4</sup>

Apart from the Local Development Order on Nexus 25, other recommended employment sites remain undeveloped in significant part, or at all.

## **Conclusions and Recommendations**

It is clear that TDBC needs to embed a culture of change and provide the level of resource to facilitate sustainability and growth. This will lead to increased productivity, innovation (an increase in new ideas that are successfully exploited to create economic, social and environmental value) and prosperity for the community at large. TDBC must put in place measures to track the health of the economy. TDBC must tap into the creativity of local people.

TDBC cannot be stuck in a cycle of being average; it needs to address this problem. It is suggested that TDBC reconsider and renegotiate allocations of land, especially allocations that have not come forward in the last ten years.

Working differently may include Integrated Project Delivery (“IPD”). IPD focuses stakeholders on project success by collaboratively addressing risk and reward for all partners engaged within a project. By effect, the primary participants enter into an agreement in which each brings its own expertise to the design and construction of the project and involves the same parties in decision-making during each phase.

TDBC needs to focus on what is meant by the Garden Town Status and ensure Taunton’s competitiveness. Funding of infrastructure requires full and proper consideration prior to speculative development.

Employment land needs to be led by market demand, not TDBC’s subjective beliefs. Key issues the Group aims to influence relate to the encouragement of inward investment and the promotion of the district as a place to visit and do business. This includes:

1. Further develop the Deane in terms of social, leisure and culture activities in order to make the area an attractive proposition for investment;

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<sup>4</sup> Pg. 38 -

[https://democracy.tauntondeane.gov.uk/Data/Corporate%20Scrutiny%20Committee/200908061815/Agenda/Item\\_06\\_Recommendations%20of%20the%20Employment%20Land%20Task%20and%20Final%20Review%20-%20report%20of%20the%20Chairman%20of%20the%20Group%20\(attached\).PDF](https://democracy.tauntondeane.gov.uk/Data/Corporate%20Scrutiny%20Committee/200908061815/Agenda/Item_06_Recommendations%20of%20the%20Employment%20Land%20Task%20and%20Final%20Review%20-%20report%20of%20the%20Chairman%20of%20the%20Group%20(attached).PDF)

2. Ensure the Council is 'business friendly', ensuring rules are applied appropriately and not acting as a hurdle;
3. Promote Taunton Town Centre;
4. Identify suitable affordable employment sites;
5. Rollout of better broadband and better mobile phone signal coverage across the Deane;
6. Continue to work with partners to remove barriers to job growth by addressing infrastructure constraints and securing funding for that infrastructure; and
7. Support business start-ups and expansion within the Deane.

The Group makes recommendations to TDBC based on the evidence heard through external witnesses and research. The following is recommended:

**1. Affordable employment land:**

- a. TDBC, and the subsequent Council, must instigate an urgent reappraisal of all employment sites;
- b. TDBC, and the subsequent Council, must identify the means by which the supply of affordable, starter-type employment units can be delivered. There are two suggested means by which this can be undertaken:
  - i. Planning-based approaches boosted through allocation, a streamlined Local Development Order identifying suitable sites or, a more criteria-based Local Development Order that sets the broader locations and parameters subject to which starter units can be delivered; and
  - ii. Expedient Council enabling through a standalone approach or development partner involvement.

**3 Investigate the feasibility of an office for the creation of a Research and Innovation Centre:**

TDBC, and the subsequent Council, should undertake a prompt detailed feasibility study into the viability of such a centre. This needs to be enabled by appropriate TDBC resources, including officers, elected members and a dedicated office if appropriate. Effective use of appropriate partnership working is crucial to the success.

**References**

- Appendix A – Group Terms of Reference
- Appendix B – Councillor Sully and Councillor Farbahi Research Document
- Appendix C – TDBC Letter of support to University of Exeter
- Appendix D – Letter from Dr. Stuart Monk (South West Academic Health Science Network)
- Appendix E – The Great Plastics Debate Summary

- Appendix F – Planning Policy Note
- Appendix G – Lead Member and Officer’s response to the Group

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