

Swindon Borough Council

Resources and Corporate Overview and Scrutiny Committee

Monday, 28 November 2016

Committee Room 6, Civic Offices

At 6.00 p.m.

Conservative Councillors

Emma Faramarzi (Chair)
Nick Martin
Maureen Penny
Timothy Swinyard
Caryl Sydney-Smith

Labour Councillors

Steve Allsopp
Des Moffatt
Chris Watts
Robert Wright

Committee Officer: Iain Tucker, Committee Officer (01793) 463605
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Swindon Borough Council can be contacted at the Civic Offices, Euclid Street, Swindon, SN1 2JH (Telephone 01793 445500)

Access Arrangements - The venue is wheelchair accessible and an infrared receiver hearing system is provided. If you have any special requirements to enable you to attend the meeting or would like to receive any of the pages contained in this agenda in a larger print size, please contact the Committee Officer as soon as possible prior to the date of the meeting.

AGENDA

1. Apologies for Absence

2. Declarations of Interest

Members are reminded that at the start of the meeting they should declare any known interests in any matter to be considered, and also during the meeting if it becomes apparent that they have an interest in the matters being discussed.

3. Public Question Time

See explanatory note below. Please phone the Committee Officer whose name and number appears at the top of this agenda if you need further guidance.

4. Cabinet Member Question and Answer Session - Cabinet Member for Economy, Regeneration and Skills (Pages 3 - 20)

Date of Despatch: 17 November 2016

Public Question Time - Swindon Borough Council remains committed to increasing its accountability to the public and to promoting active citizenship. 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from the public about the work of the Committee (except for confidential matters, and matters relating to planning and licensing applications). We will give priority to those who submit questions in writing at least two days before the meeting. Questions must be relevant, clear, and concise. You may not use Public Question Time as an opportunity to make speeches or statements.

Questions in writing should be sent to the Committee Officer whose contact details appear on the agenda above or to the Director of Law and Democratic Services, we will publish it, along with the answer, alongside the Minutes. The process associated with asking a public question is set out in the "Public Question Time at Council Meetings Protocol and Guidance" available on the Council's Website.

(<http://www5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13338&path=0>) or from the Committee Officer named above.

Terms of Reference

To fulfil all the functions of an overview and scrutiny committee as they relate to –

- The Budget Scrutiny function, at the request of the Scrutiny Committee,
- The review, scrutiny and development of policy recommendations,
- the management of performance,
- the monitoring of progress towards delivering corporate priorities, and
- the formulation of advice for the Cabinet, Council and other partners and stakeholders.

To have specific responsibility for (but not limited to) the scrutiny of: -

- The Council's Revenue and Capital Budget,
- The Medium Term Financial Strategy,
- Strategic Projects,
- Leisure
- Corporate Customer Services

Cabinet Member Question and Answer Session

Resources and Corporate

Overview & Scrutiny Committee

Date: 28th November 2016

Author:	Cabinet Member for the Economy, Regeneration and Skills
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The purpose of the report is to provide the Resources and Corporate Overview and Scrutiny Committee with an opportunity to question the Cabinet Member for Economy, Regeneration and Skills on his portfolio responsibilities and performance, and on ways to maximise income within his portfolio.
- 1.2 A key purpose of the Scrutiny function is to hold Cabinet to account and ensure that Council and partner's priorities and performance are being delivered. IN particular, members are invited to measure progress towards achieving the Council's Vision, Priorities and Pledges.
- 1.3 Members of the Committee are reminded that all Members of the Cabinet are required to go before the Scrutiny Committee to take part in a Question and Answer session that will focus on the full remit of their portfolio. The Resources and Corporate Overview and Scrutiny Committee is therefore encouraged to focus its Question and Answer sessions with cabinet Members on topics and/or service issues specific to the Terms of Reference of this Committee, as detailed in Article 6 of the Council's Constitution, in order to avoid duplication..

2. Recommendations

The Committee is recommended to:

- 2.1 Take note and put any relevant questions to the Cabinet Member for Economy, Regeneration and Skills, and to decide if any further action is required.

3. Detail

- 3.1 The Leader of the Council has assigned the following responsibilities to the Cabinet Member for the Economy, Regeneration and Skills, Councillor Garry Perkins.
 - Economic Development
 - Museums, including Steam
 - Commercialisation of services
 - Arts and Culture

Further information on the subject of this report can be obtained from Emma Gee, Strategic Commissioner for Growth and Regeneration on (01793) 466407 or by e-mail at ege@swindon.gov.uk.

Cabinet Member Question and Answer Session

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- Community Heritage
- Regeneration
- FSL Ltd Client Lead Member
- Strategic (Commercial Property Portfolio)
- Adult Learning
- Tertiary Education
- Skills
- Specific Responsibility for Lydiard Park Project
- Country Parks (securing sustainable uses)
- Strategic Parking assets

What have you done well?

- 3.2 The purpose of economic development agents, of which the Council is one, is to build up the economic capacity of a local area to ensure a sustainable and prosperous future and provide an excellent quality of life for all. It involves the collaboration of public, business and non-governmental sectors to create better conditions for growth and employment generation. A vibrant economy is beneficial to both public and private sectors, and some projects that aptly demonstrate this partnership approach to economic development are outlined below.

Strategic Property – Dynamatic

- 3.3 The Council recently granted a new 10-year lease to Dynamatic, an innovative manufacturing company based at Cheney Manor. The new lease incorporated £1m of Council investment in their building enabling them to realise their ambition to increase Dynamatic's aerospace division's activity in Swindon. The division has a large contract with an aerospace company and has invested in new equipment to meet growing demand in the sector. Dynamatic's investment includes £3.5m in a piece of equipment which was too large to fit in the existing premises. An 8,000sq sq ft extension was added for the new equipment, funded by the Council started in March 2016 and finished in June 2016. The investment yielded a rental value of £400k per annum. The process demonstrated a seamless one-team approach to inward investment activity involving economy, property, planning and building control. Dynamatic have recruited additional skilled staff, including apprentices and it is hoped that agreement can be reached on a further programme of works to create more jobs at their Cheney Manor premises.
- 3.4 Alongside other commercial lettings including a base for the Hindu Temple Trust, which has a very active membership, the investment has breathed new life into Cheney Manor industrial estate. Another Council owned building which has been

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vacant for some time was also let earlier in the year demonstrating the key role property plays in creating and facilitating economic opportunity whilst generating returns for the Council.

Business Engagement and Retention

- 3.5 Through last year's Scrutiny Q&A report I identified that a coordinated approach to business support and start up services was required to help mitigate risks associated with an exposure to large employers and to enable us to be more proactive. To that end, a new in-house business support service has been developed to increase business start-ups and support existing businesses to grow. The primary objectives of which are twofold, to strengthen and rebalance the local economy with a focus on small and medium sized enterprises (SME's) and deliver greater levels of business rate income to the council. Business Engagement & Retention (BE&R) service acts as a first point of contact for businesses, with the support of a dedicated Business Engagement & Retention officer.
- 3.6 Since March this year, the service has carried out 41 visits to local business of all sizes and is about to embark on a structured programme of interviews to gauge Swindon businesses reaction to the vote to leave the EU, to establish the service as the front door to the Council and to understand their direct needs from Swindon and the Council. The team also recently helped a local firm to stay in Swindon, safeguarding 40 jobs, generating £750K investment in consolidating and making their site fit for the future whilst securing the creation of 5 new jobs in 2017. It has also expedited traffic works and yellow lining at Groundwell Industrial Estate which will alleviate severe peak time congestion and improve productivity at the estate.
- 3.7 With regards Inward Investment, Department for International Trade (DIT) reports 10 significant foreign direct investments in Swindon at a value £220 million in 2015/16. This investment has created 160 new jobs and saved 585 jobs.

Town Centre Public Realm and Demolition of Car Parks

- 3.8 This year we have delivered on Council Pledge 10, to regenerate Havelock Square. The rejuvenated Havelock Square has opened to the public as a safer, brighter and more accessible space and one which can accommodate markets bringing in additional footfall and vitality. The statue of Brunel has been realigned so he now faces towards his historic works and the Railway Village. Clutter has been removed, overgrown trees that created trip hazards have been replaced with better located, lighter foliage species that now frame a central square that offers increased space for street activity and market trading.

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- 3.9 Meeting Pledge 3, both Carlton Street and Wyvern Multi Storey Car Parks have been demolished to make land available for Kimmerfields and a new Swindon Museum and Art Gallery respectively. In addition, the new Health Centre is on site adjacent to the apartments on Whalebridge Roundabout. It is anticipated the Health Centre will open in May 2017 meeting Pledge 5.
- 3.10 The Economy team, in partnership with the SWLEP has a strong track record of securing funding for infrastructure through the Local Growth Fund. In round 2, we secured a £3.5m contribution to the delivery of the Bus Exchange on Fleming Way as part of Kimmerfields which will deliver Pledge 11. Building on this success we have secured support from Network Rail, Great Western Railway, Forward Swindon Limited and the SWLEP for the inclusion a £5.5 million project Swindon Station Regeneration Project Phase One – within the Local Growth Deal 3 submission. If approved by Government, this scheme would result in the improvement of key walking and cycling routes under the railway line, connecting the town centre, Outlet Centre and North Star areas with more attractive and secure routes. It would also enable the development of proposals to regenerate the railway station and surrounding land to deliver a first-class transport interchange alongside new housing, employment, retail and leisure facilities. The outcome of the bid is expected in November 2016 and implementation would contribute to the delivery of Pledge 6.

Adult Community Learning

- 3.11 Adult education is linked to the needs of the individual and their contribution to the local economy. The 2016 Comprehensive Spending Review confirmed the annual grant of £450,000 for Adult Community Learning from the Skills Funding Agency (SFA) for 2016/17. In October 2015, we self-assessed ourselves to be Good with Outstanding learner outcomes. The provision engages 1600 adults annually all of whom live in our priority neighbourhoods and are at risk of social exclusion through unemployment. Our success rate for engaging and progressing learners in 2015-16 was 96%, and 44% of our learners who were on courses between September and December 2016 have progressed into work (32%), volunteering (5%), or further or higher education (7%).
- 3.12 The employer led Skills and Employment Board is delivering its strategy with its partners, including Intel, Nationwide, GWH, Patheon, Honda, Research Council, FSB, GW Packaging, the Army, colleges and private training providers, schools, DWP, Higher Education Institutions and the voluntary sector. The Board has subgroups that work with us to shape and deliver through a coordinated approach to Skills for Growth, Skills for Inclusion and Higher Education.

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What can we do better?

Commercial Leadership

- 3.13 Because of an increasingly challenging funding envelope, affected most recently by the eventual loss of EU grant the Council is, and must continue to be more creative in its growth and regeneration activity, especially as landowner. If we demonstrate appetite for more projects where there is risk but also reward we can move away from an enabling function with limited gains and begin to show leadership and a track record of delivery. The role of the Council and Forward Swindon in economic development and regeneration can evolve into a more assertive one, which no longer just influences other partners, but is capable of directing the quality and pace of development
- 3.14 This sort of well-considered, well-resourced programme can directly deliver outcomes for Swindon and its people whilst generating income for the Council in the form of Business Rates, New Homes Bonus, Council Tax receipts and S106 and CIL. It necessitates investment in the right commercial skills.
- 3.15 Where Wichelstowe demonstrated a capacity for this type of commitment and investment, involvement in the Corn Exchange and opportunities at the major regeneration schemes, beyond the pump priming of infrastructure, are serving to showcase this new ambition.
- 3.16 There is scope to continue to strengthen the strategy and day to day working of economy, property, housing and planning functions to deliver a programme of initiatives designed to speed up the release of land for housing. Equally, there is a need for businesses to co-create strategy to ensure ownership of our shared objectives and actions. Strong business engagement is at the heart of the Economic Strategy review, the Place Marketing campaign and a strengthened Inward Investment service.

Delivering to strategy and priorities

- 3.17 The Council needs to be able to recognise the right opportunities to intervene in the market and carry out robust cost benefit analysis to inform decisions around priorities. We must be more measured around external funding bids to government and be focussed and decisive about what is right for Swindon to ensure best fit with our strategies and priorities. Our recent unsuccessful submission for an Enterprise Zone demonstrated a need to be able to promote a proposition which works for the area as well as meeting government criteria.
- 3.18 One such example of market failure in which the Council can intervene is the blight Swindon Town Centre suffers as a result of overseas institutional investors

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content to leave premises empty and deteriorating. Councils have a vested interest in removing blight and unlocking development and are thus key partners in driving regeneration. For Swindon this involves making strategic acquisitions, including the purchase of vacant premises such as 1-3 Faringdon Road for commercial and residential, and enabling the delivery of productive and enduring uses. A joint project, resourced by the Council and FSL is assessing opportunities to intervene in the market and act as a catalyst for further private sector investment in the Town Centre.

- 3.19 It also means galvanising existing economic agents in the area. A Commercial agents forum event in May 2016 brought together the agents, developers and investors and allowed the Leader, CEO of FSL, INSWINDON and SBC to highlight the work they are doing to grow Swindon's economy. A number of follow up meetings have occurred and commercial deals are being done as a result.

Apprenticeships

- 3.20 Swindon has fewer young people aged 16-18 years 'in learning' than the average in England. The strength of the labour market is seen to be a strong attraction for those considering leaving learning. For those who remain in learning Swindon has one of the highest proportions of 16-18 learners in the country choosing technical routes at level 3 (equivalent to A level) but the "value added" by post 16 providers is generally below the national average. We are working with colleges, training providers and employers to create sector routes where entry into employment is the output.
- 3.21 The number of workplaces employing an apprentice (Pledge 18) in Swindon has not increased although the number of apprentices has increased from 1565 in 2013-14 to 1786 in 2015-16 and half year 2015-16 is 944. The number of workplaces with an apprentice in 2014-15 was 674. The half year figure in 2015-16 was 444. The introduction of the Apprenticeship Levy and the 2.3% public sector commitment will increase opportunities for employment with training.
- 3.22 The Cabinet report of 7th September covered apprenticeships and the forthcoming apprenticeship levy. Councillor Holland will report on the Council's own steps to increase the number of apprentices when he attends his own Q&A.

What challenges do we face?

Reduced Funding

- 3.23 The Council will need to become more commercially minded if it is to proactively address its financial challenges. A number of workstreams are in place to re-

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focus our priorities including maximising value from underused, or vacant Council land and a need to assess whether we are maximising the benefit of our services across the board. This work will continue throughout the next financial year and is expected to contribute to ensuring the Council's financial sustainability in the longer term.

- 3.24 Challenging public and private financial circumstances have also necessitated a close look at Council regeneration priorities and the Town Centre Masterplan Delivery Plan was carried out in early 2016 to identify priorities for investment in the near future. The Town Centre remains a priority for the Council as the anchor for growth projected for 2026. It is the single biggest opportunity to project a positive and dynamic identity for Swindon which will stimulate inward investment. In addition, reduced core grant will mean increased reliance on business rates and the need to facilitate new development and attract occupiers for large scale regeneration schemes.
- 3.25 Competition for government infrastructure funding is as strong as ever nationally, and a failure to secure future funding for key interventions will threaten our ability to deliver sustainable and equitable growth and regeneration. All bids to government must fit with our strategy and priorities and be rigorously analysed to assess impact, cost benefit and deliverability.
- 3.26 In addition, we must continue to demonstrate our ability to deliver on our existing commitments to government through the Local Growth Fund. The programme of works worth £98m to 2021, negotiated by Economy and the SWLEP throughout 2016 and 2016, is ambitious. In order to maintain our credibility with government and put us in a good position to secure future investment, we must continue to resource the development and procurement of schemes and deliver the projects on time.

Brexit

- 3.27 Whilst the decision to leave the European Union trading bloc was made at the EU referendum on the 23rd June 2016, it is expected to take almost 3 years to bring this into effect. The so-called "Brexit" negotiations are expected to complete in Spring 2019, assuming article 50 (the clause to initiate the exit from Europe) completes in the Spring of 2017.
- 3.28 It is not anticipated that businesses will understand the full effects of the European exit until the withdrawal process begins and trade negotiations are agreed. While Brexit may increase the costs of trading with EU countries for businesses based in the UK, as the EU is the UK's most significant trading partner, markets have responded well to the decision and it opens up opportunities for more global trade arrangements. At this stage it is still possible

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that the UK might remain in the common trade market, and, even if it cannot stay, it is possible that trade deals might be struck with individual countries. Favourable deals could reduce, and possibly even mitigate entirely, the negative impacts of Brexit. In the short term, until the specific terms of trade with the EU are agreed, there remains uncertainty.

Higher Education Presence

- 3.29 A new strategy to move forward to achieve Pledge 19, 'secure a range of options to access HE in Swindon' is currently being developed. The outcome of the SWLEP LGF bid for a HE Centre will be known later in the Autumn. Focused and sustained work will need to take place to secure university level provision in Swindon and to raise the aspirations of residents, particularly young people. A workshop in September 2016 was well attended by stakeholders and partners, including universities, some of whom will help to develop the business case.
- 3.30 Additional evidence about work undertaken within the portfolio is attached at Appendix One,

4. Alternative Options

- 4.1 The Committee can choose not to operate a Cabinet Portfolio Question and Answer session system.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no financial or procurement implications arising as a result of this report. Any expenditure arising as a result of an item on the Committee's work programme will be met by the Overview and Scrutiny Support budget, subject to the approval of the Committee.

Legal and Human Rights Implications

- 5.2 Section 21 of the Local Government Act requires every local authority to establish an overview and scrutiny function to hold the Executive to account, undertake policy development and review, monitor and improve performance.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no other direct implications arising as a result of the report. Any further implications will be identified when a topic is reviewed by the Scrutiny Committee and in any recommendations made by the Scrutiny Committee.

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Diversity Impact Assessment

- 5.4 No Diversity Impact Assessment is required at this stage. Any DIA that is required during review of topics included within the work programme will be identified at the appropriate stage.

Risk Management

- 5.5 No risk management issues have been identified as this stage; any risk management issues will be identified at the appropriate time when a topic is under review by the Scrutiny Committee and if it makes any recommendations.

6. Consultees

- 6.1 The Corporate Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 Appendix One: general updates on the portfolio

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Appendix 1

This appendix incorporates more general updates on the portfolio

- Economic Development
- Museums, including Steam and Community Heritage
- Lydiard Park Project and Country Parks (securing sustainable uses)
- Arts and Culture (Swindon Museum and Art Gallery)
- Regeneration
- FSL Ltd Client Lead Member
- Strategic (Commercial Property Portfolio)
- Skills; Incl. Adult Learning and Tertiary Education
- Strategic Parking assets

1. Business Engagement and Retention

- 1.1. The service will provide information and sign posting to council services, support programmes and organisations that can help meet their needs. It has already created a new webpage to map out Council Support Services. A strategic, co-ordinated visit programme and network, captured by a bespoke Client Record Management system, will enable local businesses to access support and get help with issues, which limit their productivity and enable them to grow.
- 1.2. One of the complementary services the new BE&R service signposts is a specialist package of support delivered by a match funded European Social Investment Funded (ESIF) SME Business Growth Service across Swindon and Wiltshire. This will provide a business needs diagnostic, referral to specific targeted services and potential access to funding. This will include business planning, HR & finance training, marketing and promotions, specialist ICT and digital/ media training, access to a match grant fund, support in accessing wider funding opportunities, education and workshop sessions for areas such as procurement and wider supply chain development.

2. Museums, including Steam; Arts and Culture and Community Heritage

- 2.1. A new Swindon Museum and Art Gallery will provide the catalyst for culturally-led regeneration and investment in a key part of the town centre. This year has seen progress made with the project for a new Swindon Museum and Art Gallery. A Trust is now established and a Director is in post. The Council is committed to supporting

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the Swindon Museum and Art Gallery Project and has provided funding for the Director for 3 years. The Trust is currently focussing on the key tasks of producing a revised bid to the HLF seeking financial support for a new facility on the former Wyvern car park site, and providing strategic guidance to improve the offer and footfall at the existing museum. The HLF bid will be the main challenge facing the Museum and Art Gallery project in the next year. It is anticipated that the operation of a future new facility would transfer to the Trust.

- 2.2. STEAM continues to perform well as a regionally important museum and local conferencing centre, and large events such as the Railway Festival and Brick Show return sizable profits. However, museums of this size have significant operational costs. Most museums struggle to return an operating profit and STEAM is no exception. Prudent management, prioritised maintenance and innovation in both educational programmes and the conferencing offer has significantly reduced the base subsidy at STEAM since it opened. It is, however, clear that STEAM needs to refocus on its core offer and also improve its commercial activities. This will be an important challenge for the next 12 months as the Council's current level of subsidy is not sustainable in the long term. Once the outcome of the Lydiard change programme is known, attention will turn to STEAM with the objective of ensuring its long term sustainability, where several workstreams have already commenced.
- 2.3. Work has also progressed in transferring two smaller museums to the community. The Railway Village Museum has now transferred to the Mechanics Trust, and the Council is at an advanced stage in transferring the Richard Jefferies Museum at Coate to the Richard Jefferies Trust. Once transferred the Council will no longer have an operational financial liability for these museums.
- 2.4. With its partner, FSL, the Council continues to work to seek viable long term solutions to bring buildings of community value back to viable uses. A Planning Brief remains in place for the Corn Exchange in Old Town and negotiations with interested parties are at an advanced stage. An Options Appraisal lead by FSL, but prepared with community involvement, has been completed to assist in negotiations with potential development interests. Work in train around other heritage assets is detailed in Section 4 below.

3. Lydiard Park Project and Country Parks (securing sustainable uses)

- 3.1. The programme of work to find a sustainable future for Lydiard House and Park has progressed significantly in the last year. Following an Expression of Interest call in autumn 2015, a formal bidding process for interested parties to come forward with proposals for taking on the Council's responsibility for operating all or part of Lydiard Park and House commenced in February 2016, setting out core criteria to protect the heritage of the park and maintain public access, whilst ensuring sustainability

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was at the core of any proposal. This process remains ongoing but it is hoped that it will come to a conclusion early in 2017.

- 3.2. Through this process, the council has successfully engaged with users to understand specific concerns around how they could be affected by future changes, so that the consultation response can inform decision-making.
- 3.3. Engagement respondents indicated an acknowledgement that the site needs to commercialise by generating additional income to remain sustainable and a general acceptance of the introduction of car parking charges as part of this. Following a consultation with park users during the spring, car parking charging was implemented at Lydiard and at Coate Water County Park on 1st July 2016. The car parking charging will be reviewed in December 2016 to understand if any other measures need to be considered to support it. To date the income from car parking charges is broadly aligned with expectations and can be used to inform potential future partners of the contribution that it could make towards offsetting the operational costs of house and parkland in the future.
- 3.4. . The next phases of the Cultural Assets programme is to review and seek sustainable operating models for the other Cultural Assets, including the country parks, notably Coate Water.

4. Regeneration and FSL Ltd Client Lead Member

- 4.1. The following update sets out achievements in Quarter 3 2016 and next steps

Kimmerfields

- Identified and started commercial negotiations with new office provider for 100 sq.ft. Grade A development
- detailed negotiations on CPO issues – expected out of court settlement freeing development across the site
- Identified and held discussion with second hotel operator

Corn Exchange

- Resolved outstanding legal matters to enable signing of Development Agreement
- Completed viability assessment of developer's scheme
- Reviewed and advised on commercial implications of the contract

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Carriage Works, Bristol Street Tunnel and GWR tunnel

- Bringing an underused historic building into a more appropriate, higher value use
- Negotiations with Network Rail re: land swap/purchase to give Swindon BC control over Works and Bristol St.
- Started planning and listed building application for Phase 1
- Submitted bid for Local Growth Fund (£4.5m) funding for tunnel, with support from SW LEP
- Finalised concept design for tunnel

Next steps will involve

- Finalise Heads of Terms for land swap/purchase deal (imminent)
- Network Rail to proceed with 4-week consultation on disposal of Works
- Cabinet decision regarding land swap/purchase deal (including Bristol St)
- Await outcome of LGF bid for tunnel (Autumn Statement)
- Continue to engage with Network Rail and develop detailed plans, in relation to tunnel development

Aspen House (Pledge)

- Completed strategic assessment and business case; and architects' 'capacity study'
- Commissioned architects to develop designs for submission of outline planning application by Dec.
- Commissioned studies and surveys to support O/L application and JV 'procurement'

Next steps involve

- Further viability assessment (Sep/Oct)
- Pre-application and Community engagement (Oct)
- Soft marketing, legal and other preparations for Joint Venture 'procurement' (Phase 1/Aspen)
- Outline planning application (for submission w/c 19 Dec)
- Working towards JV deal and construction in 2017

Mechanics Institute

- Objective of bringing an iconic but dilapidated historic building back into a commercially viable use
- Obtained commitment of £25,000 grant support for minor urgent works from Historic England

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- Engaged with Crown Estate regarding long-term access and ownership
- Engaged with Swindon BC Legal regarding access

Next steps involve

- Develop scope and costs for 2-year programme of stabilisation works
- Engage with Swindon BC and Historic England to secure the investment required to deliver the above
- Explore options to improve external appearance plus hoardings
- Continue to explore options for long-term user/occupier and development partner(s)

5. Strategic Property

- 5.1. The non-operational property rent budget of £4m was achieved for 15/16. In total, reflecting rents from non-operational assets that pass into the HRA and specific service budgets, the property assets team manage a total rent budget of £5m. In addition, property assets are set a yearly target of generating an additional £0.5m of unanticipated revenue, and this was also achieved. There are currently 822 interests within the non-operational portfolio.
- 5.2. Two sites have also been successfully marketed with the benefit of a planning brief to help maximise their value. The successful bidder is pursuing detailed planning consent on the former Even Swindon Infant School site in Rodbourne Road for a new Aldi. At the former Rodbourne Farm allotment site, off Great Western Way, planning consent is being pursued by the successful bidder for a new 70 bedroom hotel with integral bar/café and two drive thru food units. These high value uses also generate good levels of new business rates and create a high number of new jobs. In addition, at the Even Swindon site 12 two and three bedroom housing units are to be developed. Also contracts have been exchanged on a site for employment use at Hillmead, where planning is being pursued for around 75,000 sq ft of development. In total, £4.3m of capital receipts will be generated through these transactions.
- 5.3. In terms of acquisitions, 2 areas of land have very recently been acquired around Junction 16. These acquisitions will enable the Junction 16 improvement works, triggered through the Wichelstowe development, to be carried out avoiding the need to use retaining walls and will significantly reduce the cost of the required works. To assist Forward Swindon to carry out a high quality refurbishment to the empty buildings at 1-3 Faringdon Road, Charity Commissioner consent has recently been obtained to enable the Council to acquire the freehold of the premises from the W G Little Fund.

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- 5.4. In regard to operational premises, commercial support is being provided to the Cultural Assets review programme and also the library review. Assets with potential development value have been identified by property assets, planning and housing officers that could be retained by the Council as part of the Corporate Governance Review and planned property asset transfers to new Parishes. This will enable the Council to pursue a programme of work to maximise the value of the retained sites through their development or disposal for residential use. The IT function was reintegrated into the Council from Capita at the start of the year and the ground floor of Wat Tyler East and West was remodelled to provide new space for the reintegrated team. Work is currently underway to provide space for the reintegrated adult social care team which involves moving around 400 staff to ensure the new expanded team can be co-located. Part of these moves will involve the demolition of the older annex at the back of the Civic Offices. Hut 8, the former refreshment facility, and the adjoining storage hut, have been recently demolished and the site is being cleared. Feasibility work is also underway looking at a new location for the Childrens north team to free up the current site which is not fit for purpose at the Limes/Palm Tree Lodge for residential conversion/redevelopment. A new staff refreshment facility is being provided in the Civic offices based in the Scrutiny Office and Members room and this will be completed in the next few weeks.
- 5.5. Other planned work includes undertaking a review of the Council's office needs looking ahead to 2020. A review of the approach to how the Council manages its non operational assets is underway and this will include looking at the opportunity for the Council to acquire further assets to help generate additional revenue income. Work is being undertaken to look at options around the refurbishment of the DMJ. The upper part of the building provides 72 residential apartments, and the lower half is offices which are mainly vacant. Part of the options appraisal will consider alternative uses, such as residential use of this space, with a target for all cost information being produced by the end of the calendar year so a Cabinet report can be produced.

6. Business Rates

- 6.1. Since the introduction of the Business Rates Retention Scheme in 2013, local authorities have been allowed to keep a 'local share' of 49% of the business rates collected with 1% going to Fire Authorities. The remaining 50%, the 'central share' is paid to the government and is used to pay grants to councils including revenue support grant – the main government grant to support local authority services. Local government as a whole keeps the local share of business rates. However the Government put a system in place to re-distribute this between councils so that councils with higher needs or less capacity to raise their own business rates are compensated through a system of tariffs and top ups. The scheme also allows local authorities keep 49% of any growth in rates collected in their area above an agreed

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baseline. This is subject to a levy from government which is used to fund a safety net for local authorities who experience significant falls in expected business rate income. The safety net ensures that no Authority loses more than 7.5% from their baseline funding level.

- 6.2. For 16/17, the Council is estimating to collect around £107m of business rates income. After adjusting for the Central Government and Fire Authority shares, plus tariffs and levy adjustments, the net receipt to Swindon is expected to be around £31m which is approximately 28% of the gross amount collected.
- 6.3. In 2015, the Chancellor announced that local government as a whole would be able to keep 100 per cent of business rates by 2020. The Government intends the reform of business rates to be 'cost neutral'. This means that the level of public spending after the reform should remain the same as planned before the reform through phasing out revenue support grant, other specific grants and transferring new responsibilities to match the remainder of additional business rates. This clearly has a huge impact on Local Authority finances which places growth and regeneration as a firm priority in delivering a sustainable financial future.
- 6.4. As in previous years, individual councils won't keep the full amount of business rates collected in their area. There will continue to be a system of redistribution across the whole of local government to make sure that councils which have higher needs or have less capacity to raise business rates do not suffer. However, individual councils will be able to keep subsequent growth in their business rates income (until a point of resetting the baseline).
- 6.5. In July, the Government issued a consultation document "Self-sufficient local government: 100% Business Rates Retention". The purpose of this document was to obtain views on exactly how the new proposals for 100% Local Authority retention would work on a practical basis and the consultation closed on September 26th. Until the consultation has been concluded it will not possible to assess the impact of the proposed changes on the Council.

7. Skills

- 7.1. SBC has worked with Swindon and Wiltshire LEP to shape the European Social Fund programmes worth £14m, across the LEP, which will be delivered from September 2016 for 3 years. The programmes promote inclusion through skills and work opportunities. SBC teams are working with the projects to create a joined-up approach for Swindon's residents.
- 7.2. In the most recent and highly competitive SWLEP Local Growth Fund round, strong proposals for Swindon Skills capital were submitted to the LEP and were chosen for final submission to the Department for Business, Energy & Industrial Strategy

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(BEIS). The outcome of the proposals will be known after the Autumn Spending Review: a Higher Education Centre for Swindon (Pledge 19), and a Centre for Sustainable Technologies in Swindon College.

- 7.3. The Enterprise Adviser Network project has levered in £30,000 start-up funding for Swindon and a £50,000 contribution to staff costs (1FTE). The project will create powerful, lasting connections between local businesses and the schools and colleges in Swindon. Enterprise Advisers (EAs) are volunteers drawn from businesses and work directly with the school's leadership team to develop effective employer engagement plans. Swindon young people are also benefitting from 250 funded work experience placements and a "Destinations Expo" July 2017.
- 7.4. SBC has worked successfully with the SWLEP, Wiltshire Council, Gloucestershire Council and Gloucestershire LEP to prepare for the Post 16 Area Review. A report outlining how well the current post 16 offer meets the needs of learners and employers was prepared for the first meeting on 13 September.
- 7.5. There was some delay to the introduction of the Higher Futures programme, though colleagues are now working with employers and providers to increase higher and degree skills levels in the workforce through brokerage and development of degree apprenticeships. A reduction in outputs is being agreed with BEIS.
- 7.6. The implementation of the new, national Post 16 Skills Plan, July 2016, will lead to a root and branch transformation of post 16 technical education and will be delivered by 2020. The market is currently complex and employers, young people and adults are confused by the high volumes of courses and awarding bodies. In the future there will be 15 sector routes each with a single awarding body. These 15 sector routes will map into the new employer led apprenticeship standards. Locally, the challenge will be to implement the recommendations from the review while providing continuity of service for Swindon learners.
- 7.7. The overarching Skills picture is that around 106,000 new workers with qualifications at L4 and above will be required, accounting for 66% of all future demand. Comparison of demand with the supply of post 16 learning shows that whereas there have been falls in the amount of provision at L2 and below (all ages) the shift to the provision of higher level skills is not happening fast enough and without change there will be shortfalls of people with L4+ qualifications in every key growth sector. Source: Working Futures 2012- 2022, UKCES
- 7.8. The Skills and Employment Strategy highlights the following workstreams which are led by private sector partners as referenced at 3.16.
- 7.8.1. Skills for Growth: Apprenticeship Growth Strategy that is aimed at employers and young people to promote apprenticeships as a route to

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higher level skills that support business growth. This work includes annual JobFest, Apprenticeship Awards; and the Employer Charter, the Careers and Enterprise projects and other enabling information services to schools all of which support schools to offer comprehensive career education to their young people.

7.8.2. Skill for Inclusion: The European Social Fund programmes and the SBC Adult Community Learning grant that works with partners to enable full inclusion of young people and adults, ensuring the local skills offer is appropriate and meets the needs of our employers. Current work includes providers collaborating to create employer led sector specific routes to employment and skills. Work has commenced on Health and Social Care, Construction, IT and Digital, Hospitality, and Financial Services.

7.8.3. Higher Education: a partnership of employers, Higher Education Institutions, colleges and schools. This group focuses on developing approaches to unlock the potential of learners and to understand what interventions and provision we need to improve progression into High Education and meet the higher level skills needs of our employers, including the development of Higher and Degree Apprenticeships.

8. Parking Strategy

8.1. A new Parking Strategy has been commissioned to understand the financial implications of different strategic parking choices while aligning with the recently adopted Town Centre Delivery Strategy. This will ensure we are confident that we (SBC / FSL) are adopting the correct negotiating strategies when deals are being brokered with business and the developers of significant regeneration schemes.

8.2. In the short term the Strategy will look to sustain current retail and leisure footfall, and support the delivery of regeneration in the Town Centre. Over the medium and long term it will look to meet changing parking needs, improve the quality of place, integrate with the Town Centre Movement Strategy, manage and maintain high quality parking, and meet sustainability objectives, while recognising the role parking plays in income generation for the Council.

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