

CABINET – 1st September 2015

EXECUTIVE SUMMARY OF AGENDA ITEM 5

Report title: Bristol Sustainable Urban Development (SUD) Plan

Wards affected: Filwood, Hengrove, Windmill Hill, Knowle, Hartcliffe, Bishopsworth, Whitchurch Park, Bedminster.

Strategic Director: Barra Mac Ruairi / Strategic Director Place

Report Author: Paul Owens / Programme Manager

RECOMMENDATION for the Mayor's approval:

- 1. Bristol City Council submits and delivers a Sustainable Urban Development (SUD) Strategy to access European funds to support regeneration in South Bristol.**
- 2. Bristol City Council assumes European 'Intermediate Body' status and responsibilities for the delivery of devolved SUD funding.**
- 3. Decisions on behalf of the Intermediate Body be delegated to the Strategic Director of Place in consultation with the Assistant Mayor.**
- 4. Bristol City Council bids for European 'Technical Assistance' funds to help finance the administration of SUD delivery.**

Key background / detail:

a. Purpose of report: To gain approval to access and deliver additional (£2.9m) European 'SUD' funds to support regeneration in South Bristol.

b. Key details:

1. Bristol City Council has prepared a SUD Plan proposal for £2.9m devolved European investment expenditure programme to be administered by Bristol City Council, targeted at the South Bristol Regeneration Area. This funding is allocation is approved in principle by the government, subject to the submission of an appropriate SUD [delivery] Strategy.
2. The Bristol SUD Plan & Strategy revolves around 3 themes:
 - Stimulating growth in Low Carbon industries and contributing towards the decarbonisation of the Bristol/local economy.
 - Removing barriers to start-up entrepreneurship and self-employment & Increasing growth capability in SMEs by providing access to business support services, including funding.
 - Initiatives to stimulate the development of market ready new products and services, business processes and innovation.
3. The maximum SUD/European funding contribution to any project will be 50% and project promoters will be required to provide eligible 'match' funding.

**BRISTOL CITY COUNCIL
CABINET
1st September 2015**

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Strategic Director: Barra Mac Ruairi / Strategic Director Place

Report author: Paul Owens / Programme Manager

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Purpose of the report:

To gain approval to access and deliver additional European 'SUD' funds to support regeneration in South Bristol.

RECOMMENDATION for the Mayor's approval:

1. Bristol City Council submits and delivers a Sustainable Urban Development (SUD) Strategy to access European funds to support regeneration in South Bristol.
2. Bristol City Council assumes European 'Intermediate Body' status and responsibilities for the delivery of devolved SUD funding.
3. Decisions on behalf of the Intermediate Body be delegated to the Strategic Director of Place in consultation with the Assistant Mayor.
4. Bristol City Council bids for European 'Technical Assistance' funds to help finance the administration of SUD delivery.

The proposal:

1. The European Commission's (EC) primary vehicle for the delivery of Regional Policy (European economic competitiveness, environmental sustainability, reduction of structural disparities between regions, etc.) is through the targeted investment of European Structural & Investment Funds. EC urban policy requires that a minimum 5% of national allocations of ERDF (European Regional Development Fund – one of the Structural & Investment Funds) be earmarked for integrated 'Sustainable Urban Development' (SUD) investment projects to be determined directly by urban authorities [rather than national or regional governments]. As a part of this, Bristol City Council has submitted an ERDF SUD Plan proposal, endorsed by the West of England Local Enterprise Partnership, for £2.9m devolved European investment expenditure programme to be administered by Bristol City Council.

2. The Bristol SUD Plan is targeted at the South Bristol Regeneration Area, shown at APPENDIX 1. This target area accords with Strategic Economic Plan¹ priorities, Core Strategy priorities² and the Mayor's Vision for Bristol³.

3. The Bristol SUD Plan revolves around 3 themes:

- **Stimulating growth in Low Carbon industries and contributing towards the decarbonisation of the Bristol/local economy.** Illustrative activities within this theme meeting local priorities include the support of 'green' construction manufacture technologies – to ensure that SME's are able to effectively manufacture products to enable the construction industry to add to the UK's housing stock utilizing energy efficient/zero-carbon technologies
- **Removing barriers to start-up entrepreneurship and self-employment & Increasing growth capability in SMEs by providing access to business support services, including funding.** Illustrative activities within this theme meeting local priorities include building upon the SME support provided by the Europe's first dedicated 'green' business park within Bristol (Filwood Green Business Park) and improvements to the trading environment.
- **Initiatives to stimulate the development of market ready new products and services, business processes and innovation.** Illustrative activities within this theme meeting local priorities include the provision of high-tech manufacturing resources for SME's providing open access for individuals and businesses to state-of-the-art manufacturing equipment and digital fabrication facilities – enabling the production of prototypes and bespoke products.

4. The project selection and administration of this £2.9m SUD funding is expected to be devolved to Bristol City Council upon the submission of an acceptable SUD Strategy which builds upon the previously submitted SUD Plan. The Bristol SUD Strategy is expected to be delivered as an 'Integrated Territorial Investment' (ITI) which will help deliver strategic plans for an area through a series of actions/projects. Bristol City Council will become the Intermediate Body for the ITI, meaning that it will be accountable for the proper administration of these European Funds. The Strategy will include a clear and fair process for selecting projects to be funded and local governance input to include the Knowle West Project Board. All funded projects will be required to comply with European funding requirements. The maximum SUD/ERDF contribution to any project will be 50% and project promoters will be required to provide eligible match funding. Individual project funding allocations within the SUD programme will, on behalf of the Intermediate Body, be delegated to the Strategic Director of Place in consultation with the appropriate Assistant Mayor. Individual ERDF SUD project funding awards in Bristol are unlikely to be less than £100,000 in value due to the administrative complexities involved in managing European funds.

5. Bristol City Council can apply for ERDF Technical Assistance funds to support the administration and delivery of the SUD, at up to 2% of the ERDF value of the SUD. This Technical Assistance also requires 50% match funding. Technical Assistance funds will be sought if suitable match funding can be identified.

6. As an urban authority delivering a SUD, Bristol City Council automatically qualifies to become a member of the European Urban Development Network. The Urban

Development Network provides an opportunity for European cities to learn, share and exchange experiences concerning a wide spectrum of urban issues and innovative solutions.

Consultation and scrutiny input:

Bodies consulted on the Bristol SUD Plan include:

- Knowle West Project Board
- West of England Local Enterprise Partnership
- Knowle West Neighbourhood Planning Forum

The above bodies have been supportive. Scrutiny input has not been sought as the Bristol SUD Plan is effectively a funding bid for additional financial resources for Bristol projects. The projects to be supported have not yet been identified.

Other options considered:

The option of not bidding for devolved ERDF/SUD funding for Bristol was considered but not thought to be financially advantageous.

Risk management / assessment:

Guidance:

* Ensure a full risk assessment is completed and insert the details here. It must be an honest and open appraisal of the risks. It is never justifiable to set out the risks in private to the Executive but not include them in the report. Responsibility for undertaking the risk assessment lies with the report author. Advice and guidance can be sought from the Directorate Risk Champion.

FIGURE 1

The risks associated with the implementation of the (subject) decision :

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
	Threat to achievement of the key objectives of the report	Impact	Probability		Impact	Probability	
1	The UK leaves the European Union prior to the conclusion of this funding programme	Med	Low	Monitor referendum results and national planning	Low	Low	P.Owens
2	The Council will distribute funding, and should a programme fail to meet European Funding requirements, the Council may not be reimbursed Common risks that may need to be considered include: - risk of delay - risk of overspend / uncertainty of costing - procurement process risks	Med	Low	The Council will review the individual projects for compliance ahead of recommending financing	Low	Low	TBC

FIGURE 2

The risks associated with not implementing the (subject) decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Reduced funding to achieve regeneration objectives	Med	High	Slower regeneration	Med	High	

Summary guidance on how to complete the risk assessment is available on the Source if you [click here](#). More detailed guidance is also available if you [click here](#). For an example of a Cabinet report containing a detailed risk assessment [click here](#).
(press control and click to access these links)

Public sector equality duties:

The process of allocating European Funds is required to take into proper account equalities considerations. The projects to be supported have not yet been selected.

Eco impact assessment

The process of allocating European Funds is required to take into proper account environment considerations. The projects to be supported, which are expected to have a specific 'low carbon' theme, have not yet been selected.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

This report seeks Cabinet approval for the Council to act as intermediary body in disbursing European funds. To this end, the Council will issues Calls for bids to achieve the strategic outputs of the Programme.

Accordingly, while each bid will be required to demonstrate the availability of match funding, and the total of such match funding will be no less than the total Programme funds, the Council is not required either at this or any other stage to match fund the programme although of course it may choose to do this later on by bidding into the programme itself.

As such there are no direct financial consequences of this proposal beyond the costs of short term cash flow funding. Individual bids in to the programme where additional match funding in required (i.e. the Council wishes to bid for European Funds) will remain subject to the normal approvals mechanism.

Advice given by Mike Allen Finance Business Partner
Date 14 July 2015

b. Financial (capital) implications:

The scheme as described does not have any capital finance implication for the Council unless the council wishes to bid for funding within the Programme and required match funding is capital. As noted above, any such bid for European Funds would remain subject to the normal approvals mechanism.

Advice given by Mike Allen Finance Business Partner
Date 14 July 2015

Comments from the Corporate Capital Programme Board:

The Bristol SUD Plan does not utilise the Council's own funds and has not yet been considered by the Corporate Capital Programme Board.

c. Legal implications:

The Bristol SUD Plan is due to be delivered in accordance with Article 7 of Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal.

The funding will likely be subject to various terms and conditions, with which the Council will need to comply. Whether included as such conditions or not, use of the funding will require compliance with the 2015 Public Contracts Regulations, State Aid requirements and the Council own procurement rules (so far as applicable).

Advice given by Eric Andrews / Senior Solicitor
Date 15/7/2015

d. Land / property implications:

No direct implications for Council land and buildings

Advice given by Robert Orrett / Service Director Property
Date 15/7/2015

e. Human resources implications:

Human Resources advice has not been sought.

Appendices:

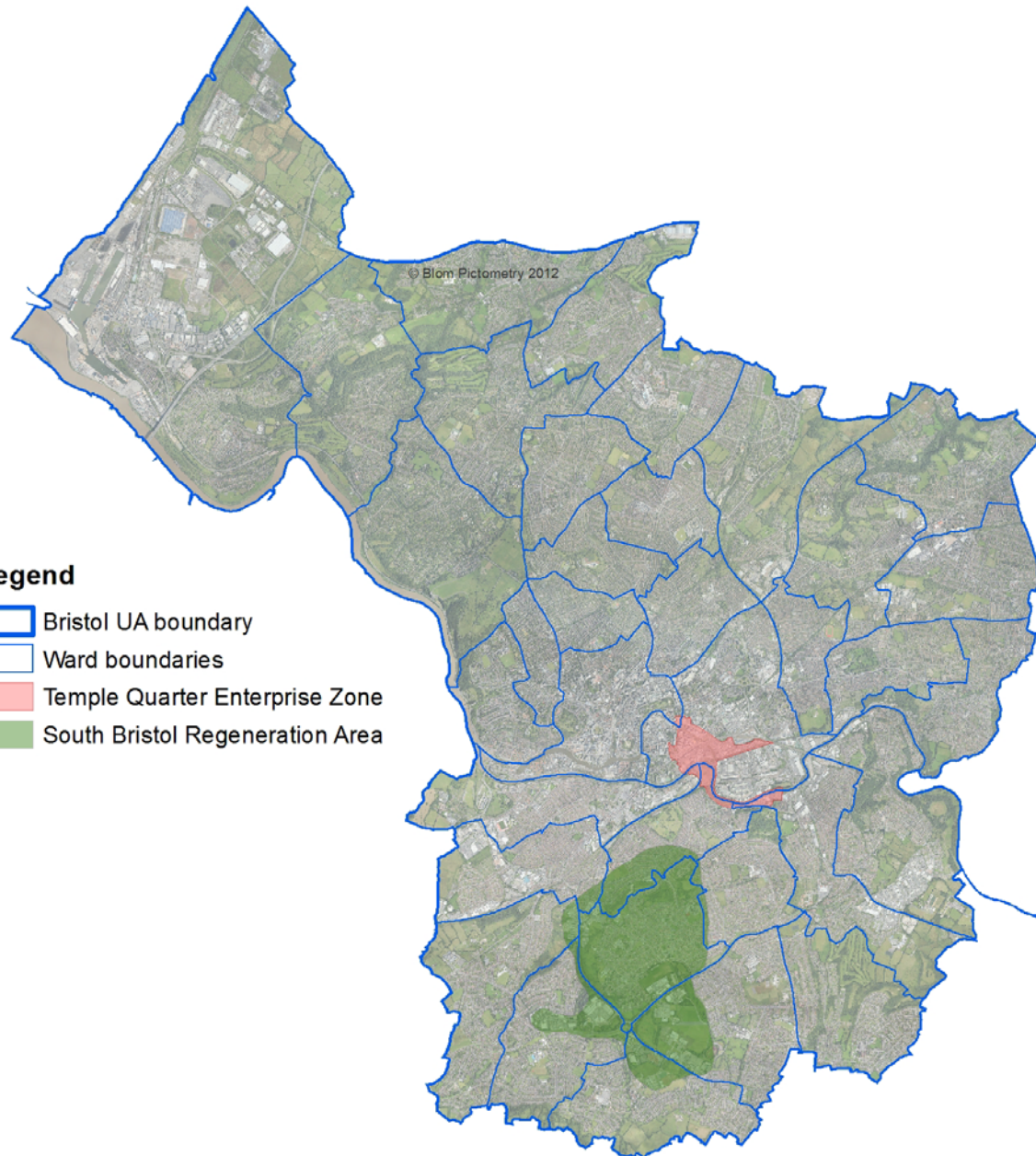
Appendix 1 – Map, Bristol Sustainable Development (SUD) Plan – South Bristol Regeneration Area

Access to information (background papers):





1. REGULATION (EU) No 1301/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32013R1301>
2. ¹Strategic Economic Plan: <http://www.westofenglandlep.co.uk/about-us/strategicplan>

3. ²Bristol Development Framework Core Strategy:
<http://www.bristol.gov.uk/page/planning-and-building-regulations/bristol-local-plan>
4. ³Mayor's Vision for Bristol:
http://www.bristol.gov.uk/sites/default/files/documents/council_and_democracy/vision-full-document-18-11-2013.pdf

Bristol Sustainable Urban Development (SUD)
Plan - South Bristol Regeneration Area.



Legend

-  Bristol UA boundary
-  Ward boundaries
-  Temple Quarter Enterprise Zone
-  South Bristol Regeneration Area



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