

PURPOSE: Key decision

MEETING: Cabinet

DATE: 07 May 2019

TITLE	To Seek Approval for the Disposal Strategy for the Regeneration of Hengrove Park		
Ward(s)	Hengrove and Whitchurch Park		
Author:	Declan Cooney	Job title:	Senior Project Manager
Cabinet lead:	Clr Paul Smith	Executive Director lead:	Colin Molton
Proposal origin: <i>Mayor</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: Without seeking to predetermine the outcome of the outline planning application, to seek approval to deliver the regeneration of Hengrove Park to include: <ol style="list-style-type: none"> a. Securing vacant possession of Hengrove Park b. Agreeing the disposal strategy of Hengrove Park c. Authorising the procurement of a development partner(s) and the delivery of enabling infrastructure including a new park, highways, public realm, and education facilities. 			
Evidence Base: <ol style="list-style-type: none"> 1. In March 2017, Cabinet agreed to progress the comprehensive residential led development of Hengrove Park (as identified red on plan at Appendix A) in order to deliver the following objectives: <ol style="list-style-type: none"> - Inclusivity: deliver a range of market and affordable homes that meets the City's housing needs and people's aspirations. - Quality: Create a place where people choose and want to live, that contribute to the economic, social and environmental well-being of the City. Create a new development that can contribute positively to South Bristol, integrating with the existing communities whilst delivering high quality, diverse and integrated public realm. - Flexibility: to allow the Council to respond to changes in market conditions during economic cycles ensuring continuous delivery. - Pace of delivery: Establish a step change in delivery and build momentum. - Local Employment: Create a skilled local workforce and employment opportunities. 2. In March 2017 Cabinet also agreed that the capital receipts from the disposal of Hartcliffe Campus and Hengrove Park could be used to fund the residential-led development of Hengrove Park. 3. In February 2019, Development Control Committee refused the Outline Planning Application to deliver up to 1,500 new homes at Hengrove Park on the following grounds; low density, quality for the park, loss of a row of poplar trees, insufficient employment floor space, insufficient community facilities, unsustainable car-dependant form of development. 			

4. The Council will re-submit an Outline Planning Application which will address the reasons for refusal. In addition, a detailed application will also be submitted to bring forward an early phase of residential development on land identified red on plan at Appendix A. This could be delivered as a Council Housing Revenue Account (HRA) Development. The City of Bristol College has also submitted a detailed application for the South Bristol Skills Academy at Hengrove Park.
5. If Outline Planning Permission is granted, the Council intends to secure all planning obligations through a Memorandum of Understanding. This will ensure the requirements of the Local Planning Authority (LPA) are met in full by the Council, in its role as landowner.
6. The Council, in its role as landowner, also intends to take preliminary steps to progress the residential-led development of Hengrove Park, in parallel with resubmitting the Outline Planning Application. This will be done at risk in order to maintain momentum and avoid delay. This does not pre-judge the outcome of future LPA decisions. The Council intends to progress the following:

Securing Vacant Possession:

7. There is a historic grant agreement associated with the site. There are also a number of short term leases which all end by 2022 and one longer term lease ending in 2038.
8. The Council intends to secure vacant possession by allowing the short term leases to expire and entering into negotiations with the owners of the long term lease on the future of the land. Where possible, the Council will offer support to those businesses and organisations affected to find alternative premises in the local area.
9. The Council Sports and Physical Activity Team are exploring options to relocate the Family Cycle Centre from Hengrove Park and co-locate it with the delivery of a new Closed Road Cycle Circuit somewhere in the City. The project is still at the feasibility stage and subject to detailed business case approval. The Family Cycle Centre could stay at Hengrove Park until their current planning permission expires, if required.
10. On 12th January 2005 Cabinet agreed to relocate St Bernadette's Rugby Club off site and the 21st (Gladstone) Scout Group. On today's Cabinet agenda approval will also be sought to implement the relocation of St Bernadette's Rugby Club and the 21st (Gladstone) Scout Group from Hengrove Park.

Procure a Delivery Partner

11. An options appraisal has been undertaken to identify the most appropriate delivery strategy, to bring forward the residential-led development of Hengrove Park and meet the Council's objectives set out in paragraph 1. The options appraisal concluded that the most appropriate delivery approach is to enter into a development agreement with a selected delivery partner procured through an OJEU compliant tender process.
12. Undertaking an OJEU compliant tender process will allow the Council to enter into a contract with a delivery partner with specific requirements. In particular the Council will require the delivery of a minimum of 30% affordable housing across the site, and the early delivery of a new high quality public park. It is envisaged a separate management company will be established to manage and maintain the new park.
13. An OJEU compliant tender process will be run in parallel with resubmitting the Outline Planning Application. It is intended the procurement process will be completed by February 2020. A budget will be required to run the procurement process.

Enabling Infrastructure

14. New Park: Through the public consultation as part of the outline planning consent the loss of open space was

a key concern of the local community, therefore the early delivery of a new high quality public park is important. Through the delivery strategy, the Council will ensure the new park is delivered in conjunction with early phases of residential development.

15. Education: Over time, the delivery of new homes will create a need for additional primary school places. This was another key issue raised by the community during public consultation. The Council's Education Capital Programme has identified this need will be met through the rebuilding and expanding of Perry Court Primary E-Act Academy. The Council has entered into positive discussions with the school.
16. Perry Court Primary E-Act Academy is a highly successful primary school situated to the east of Hengrove Park. During the 2017-18 academic year Perry Court became one of the most improved schools nationally in terms of KS2 outcomes. However, parts of the building itself are not compliant with DDA Regulations, and the building condition is generally very poor both structurally and externally. This project presents an opportunity to increase the capacity of the school from the current 2 form of entry (420 place) to a 3 form of entry (630 place) to cater for the increase in primary places that will be required and significantly improve the condition of the building. A feasibility study has been undertaken and the rebuilding and expansion of Perry Court Primary E-Act Academy is estimated to cost £10m.
17. Highways: Significant on and off site highway works are required to enable the delivery of new homes at Hengrove Park. It has been identified that delivering some of the junction improvement works, in advance of the early phases of residential development, will enable and accelerate delivery. A detailed business case will be submitted to West of England Combined Authority (WECA) in autumn 2019 to secure funding to deliver 3 junction improvement projects as identified red on plan at Appendix A. These highway works are subject to planning and highway approval.
18. Pre commencement conditions and planning obligations: If Outline Planning Consent is granted, the Council will sign a Memorandum of Understanding with the Local Planning Authority to secure the associated planning obligations. This paper confirms the Council's commitment to deliver the application in accordance with the conditions and obligations agreed with the Local Planning Authority.

Funding

19. In order to redevelop Hengrove Park, it is estimated a total of £45.6m enabling infrastructure is required. This includes but is not limited to a new high quality park, enhanced education facilities, relocating St Bernadette's Rugby Club, highways, public realm, drainage and utilities.
20. The Council has submitted a Feasibility and Development Proposal for £8m to the WECA Early Investment Programme (WECA EIP), to deliver 'highway' and 'non-highway infrastructure' to enable the development of Hengrove Park which was approved. A detailed business case is being developed to secure and drawdown the £8m funding.
21. In addition the Council has also secured £2.68m of One Public Estate (OPE) 6 Land Release Fund to facilitate the relocation of St Bernadette's Rugby Club.
22. In February 2019 Cabinet authorised the Executive Director, Growth & Regeneration in consultation with the Council's S151 Officer and Cabinet Member for Housing to enter into contract to draw down and spend the £2.68m OPE 6 Land Release Fund and £8m WECA EIP Funding if approved.
23. Further details on the project funding are set out in the Exempt Appendix I.

Cabinet Member / Officer Recommendations:

That cabinet:

1. Approve the delivery strategy for Hengrove Park as outlined in the report.

2. Authorise £2m enabling budget to progress the redevelopment of Hengrove Park, funded from the advance scheme design capital fund.
3. Authorise the Executive Director, Growth & Regeneration (in consultation with the Monitoring Officer, Cabinet Member for Housing and Cabinet Member for Finance, Governance and Performance) to undertake all necessary steps to secure vacant possession of Hengrove Park and extinguish all third party rights and interests in the land.
4. Authorise the Executive Director - Growth & Regeneration, (in consultation with the S151 Officer, Cabinet Member for Housing and Cabinet Member for Finance, Governance and Performance) to procure development partner(s) and enter into an agreement for the development of Hengrove Park in accordance with the delivery strategy.
5. Instruct the Executive Director, Growth & Regeneration to put in place arrangements to ensure the new park is held as open public space in perpetuity.
6. Authorise the Executive Director - Growth & Regeneration (in consultation with the Monitoring Officer and Cabinet Member for Housing) to take all necessary steps to either establish, or enter into, an agreement with a management company for the management and maintenance of the new park and any un-adopted public realm.
7. Authorise the Executive Director, Growth & Regeneration to take all necessary steps to procure and award the contract for the delivery of the Highway Works (in consultation with the S151 Officer, Cabinet Member for Housing and Cabinet Member for Finance, Governance and Performance) in accordance with the details set out in this report.
8. Authorise £13m named allocation within the existing capital programme as set out in the exempt Appendix I to facilitate delivery of the scheme, which includes the rebuilding and expansion of Perry Court Primary E-Academy in accordance with the details set out in the Exempt Appendix.
9. Authorise the Service Director, Education, Learning & Skills, to take all necessary steps to procure and award the contract for the rebuilding and expansion of Perry Court Primary E-Act Academy.
10. Subject to securing Outline Planning Consent, authorise the Executive Director - Growth & Regeneration to take all actions necessary to discharge all planning conditions and planning obligations relating to the development of Hengrove Park.

Corporate Strategy alignment:

1. This will support delivery of the Fair & Inclusive Key Commitment: Make sure that 2,000 new homes – 800 affordable – are built in Bristol each year by 2020.
2. This will support the delivery of the Empowering and Caring Key Commitments: Prioritise community development and enable people to support their community.
3. This will support delivery of the Fair and Inclusive Key Commitment: Help develop balanced communities which are inclusive and avoid negative impacts from gentrification
4. This will support delivery of the Well Connected Key Commitment: Reduce social and economic isolation and help connect people to people, people to jobs and people to opportunity.

City Benefits:

The proposal will facilitate the supply of housing and affordable housing which will be of benefit to the whole city.

The lack of affordable housing causes homelessness and the people who are owed a homelessness duty by the council are disproportionately young people, disabled people, BME people and lone parents who are mainly women. Lack of accessible housing mainly affects older people and disabled people. In addition it secures the future of a large park, new community and sports facilities for South Bristol.

Consultation Details:

1. Hengrove Park Outline Planning Application was subject to extensive consultation.
2. St Bernadette’s Rugby Club has been involved in developing proposals for their new facility.
3. 21st (Gladstone) Scout Group have been consulted on the re-provision proposals
4. Perry Court E-Act Academy is in discussions with Education Capital Team regarding the new facility on their site.

Revenue Cost	£0	Source of Revenue Funding	
Capital Cost	£15m	Source of Capital Funding	Allocation/redirection from funds held within the existing capital programme
One off cost <input checked="" type="checkbox"/> Ongoing cost <input type="checkbox"/>		Saving Proposal <input type="checkbox"/> Income generation proposal <input checked="" type="checkbox"/>	

Required information to be completed by Financial/Legal/ICT/ HR partners:

Finance Advice:

1. Financial modelling work is developed by external consultant Savills, and this will be further developed as the proposal progresses.
2. The Council will continue to seek opportunities for further external funding to facilitate the infrastructure development on site.
3. In addition, taking forward the scheme will require a £2m budget to cover resubmitting planning, agent and legal costs, OJEU procurement process. This cost is proposed to be covered by the Advance Scheme Design fund within the capital programme. A further £13m of redirected/allocated resource has been identified from funds currently held within the capital programme. This will be utilised to support the expansion of the Perry Court Primary Academy and Main Access highway work are also illustrated in the Exempt Appendix I.
4. Please see Exempt Appendix I for further details.

Finance Business Partner:

Paul Cook 13th March 2019
Tian Ze Hao 24th April 2019

2. Legal Advice:

Contracts

The contracts for works, goods and services required to provide the Development (including the main development agreement and any consultants/professional advisors) must be procured in accordance with the Council’s procurement rules (unless an exemption is available) where the value is between £15k and £181k for services contracts; and £15k and £4.4m for works contracts.

Where the value of services/goods contracts is over £181k and works contracts is over £4.4m, they must be procured using one of the procedures detailed in the Public Contracts Regulations 2015, unless an exemption is available. The procurement of the development partner(s) will be through an EU compliant process.

State aid

Whenever the Council grants a benefit to any organisation that may confer an advantage on that organisation, the benefit may constitute State aid (which is prohibited under the Treaty of the Functioning of the European Union, a restriction which is likely to continue regardless of whether the UK remains in the European Union). Consideration will need to be given in particular to infrastructure works and the terms of the development agreement, together with the various exemptions available, to ensure the Council does not breach state aid rules. This risk will also need to be considered in relation to any public realm works. As the project develops and the detail of the arrangements becomes settled, further legal advice will be needed to ensure this risk remains low.

Planning

The development proposals contained within the strategy will require planning consent and may be subject to requirements that require contributions to highway infrastructure, commitment to affordable housing and other obligations that will bind the developer of the site. Absent a planning consent any costs incurred to deliver the strategy set out in this report will be at the Council's own risk.

Property

The Council is under a duty by virtue of S123 of the Local Government Act 1972 to achieve best value for its assets and any disposal should be at the best price reasonably obtainable.

Legal Team Leader: Eric Andrews 23 April 2019

Joanne Mansfield 17th April 2019

Andrew Jones 17th April 2019

3. Implications on IT: There are no identifiable IT implications arising from this report.

IT Team Leader: Ian Gale

4. HR Advice: No HR implications evident

HR Partner: Chris Hather, 18 April 2019

EDM Sign-off	Colin Molton	3 April 2019
Cabinet Member sign-off	CLlr Paul Smith	1 April 2019
For Key Decisions - Mayor's Office sign-off	Mayor's Office	8 April 2019

Appendix A – Site Boundary and Indicative Site Layout <i>See attached Appendix.</i>	YES
Appendix B – Details of consultation carried out - internal and external. The Statement of Community Involvement from previous Outline Planning Application (18/03537/PB) can be viewed online click on this link	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment <i>See attached Appendix.</i>	YES
Appendix E – Equalities screening / impact assessment of proposal. <i>See attached Appendix.</i>	YES
Appendix F – Eco-impact screening/ impact assessment of proposal <i>See attached Appendix.</i>	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information <i>See attached Appendix.</i>	YES
Appendix J – HR advice	NO
Appendix K – ICT	NO