

Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 01 September 2020

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| TITLE | Funding for Hengrove Park Enabling Works - Primary School and Highways Improvements |
| Ward(s) | Hengrove and Whitchurch Park, City-wide |
| Authors: | Declan Cooney, Senior Project Manager, Housing Delivery Service |
| Cabinet lead: | CLlr Craig Cheney |
| Executive Director lead: | Stephen Peacock |
| Proposal origin: | <i>BCC Staff</i> |
| Decision maker: | Cabinet Member |
| Decision forum: | <i>Cabinet</i> |
| Purpose of the Report: | |
| <p>To update Cabinet on the redevelopment of Hengrove Park and the delivery of two enabling infrastructure projects i.e. a new primary school, and improved highways junctions and sustainable travel provision.</p> <p>To seek Cabinet approval for funding to rebuild and expand Perry Court Primary School, and deliver 3 new highways junctions and related sustainable travel improvements.</p> | |
| Evidence Base: | |
| Background: | |
| <p>In March 2017, Cabinet agreed to progress the comprehensive residential-led development of Hengrove Park, a 49 hectare Council owned site.</p> <p>In May 2019 Cabinet authorised the delivery of the regeneration of Hengrove Park to include:</p> <ol style="list-style-type: none"> a. Securing vacant possession of Hengrove Park b. Agreeing the disposal strategy for Hengrove Park c. Authorising the procurement of a Development Partner and the delivery of enabling infrastructure including a new park, highways, public realm, and education facilities. <p>In February 2020 the Council secured Outline Planning Consent to deliver c. 1435 new homes (minimum 30% affordable homes), a new public park plus new employment, commercial and community facilities at Hengrove Park.</p> <p>Since February 2020 the Council has been preparing to undertake an OJEU procurement process to procure a delivery partner for Hengrove Park. It is anticipated the procurement process will commence in September 2020.</p> | |
| Enabling Infrastructure - Education | |
| <p>Over time, the delivery of new homes will create a need for additional primary school places. This was a key issue raised by the community during public consultation.</p> <p>The Council's Education Capital Programme identified this need will be met through the rebuilding and expanding of</p> | |

Perry Court Primary E-Act Academy. Planning Permission for the new school has been granted. The project is estimated to cost £10m; the Council's Local Education Partnership is ready to commence works on site in October 2020 and deliver the new school by December 2021, ready for expanded pupil intake in 2022.

In May 2019 Cabinet authorised the following funding strategy to rebuild and expand Perry Court Primary E-Act Academy:

- £5m from either Housing Infrastructure Funding (HIF) if awarded, or Strategic Community Infrastructure Levy (Strategic CIL) funds, and
- £5m West of England Combined Authority Early Investment Programme (WECA EIP) funding.

The HIF funding has not been awarded. WECA have since confirmed that the EIP funding will not be available under the previously anticipated funding scheme or within the required project timescales. The overall viability of the Hengrove Park development is marginal, thus this additional cost cannot be borne by the development.

Cabinet Approval is therefore sought

1. Subject to ongoing discussions with WECA in relation to a new funding bid:

To authorise a new funding application for £10m to the West of England Combined Authority, and acceptance of any funding award incorporated into the council's capital programme, to deliver the rebuilding and expansion of Perry Court Primary School and facilitate the redevelopment of Hengrove Park

and

2. If the new WECA funding bid is unable to proceed or is unsuccessful, to approve the allocation of up to an additional £5m of Strategic CIL funding (in addition to re-confirming the £5m Strategic CIL allocation already approved by Cabinet in May 2019) to deliver the rebuilding and expansion of Perry Court Primary School, and facilitate the redevelopment of Hengrove Park. There are sufficient unallocated Strategic CIL funds in relation to the approval being sought.

Enabling Infrastructure - Highways

Significant on and off site highway works are also required to enable the delivery of new homes at Hengrove Park.

Planning Conditions relating to the outline planning consent require 3 key access junctions to be delivered, including works to improve safety, capacity and pedestrian and cycle facilities, before homes are occupied at Hengrove Park. Delivering these access junction improvement works is therefore critical to unlock the corresponding phases of residential development, and to enable and accelerate delivery of new homes.

In May 2019 Cabinet authorised the following funding strategy to deliver the 3 highways junction improvement projects (as shown on the location plan at Appendix A4)

- £3m West of England Combined Authority Early Investment Programme (WECA EIP)

Following subsequent design work for the 3 junctions, in March 2020 a Full Business Case to fund the highways works was submitted to WECA for £4.8m (the original cost estimate had increased following completion of detailed design work, and developing a Full Business Case).

WECA have since confirmed that the EIP funding will not be available under the previously anticipated funding scheme or within the required project timescales. The overall viability of the Hengrove Park development is marginal, thus this additional cost cannot be borne by the development.

Cabinet Approval is therefore sought

3. Subject to ongoing discussions with WECA in relation to a new funding bid:

To authorise a new funding application for £4.8m to the West of England Combined Authority, and acceptance of any funding award incorporated into the council's capital programme, to deliver 3 new highways junctions and related sustainable travel improvements and facilitate the redevelopment of Hengrove Park

and

4. If the new WECA funding bid is unable to proceed or is unsuccessful, to approve the allocation of up to £4.8m of Strategic Community Infrastructure Levy (Strategic CIL) funding to deliver 3 new highways junctions and related sustainable travel improvements, and facilitate the redevelopment of Hengrove Park. There are sufficient unallocated Strategic CIL funds in relation to the approval being sought.

Conclusion

Completing the education and highways infrastructure in advance of the first phase of development at Hengrove Park will

- address a number of the concerns raised through the community consultation
- improve the overall viability of this marginal development and de-risk the site, making it more attractive to the high quality Development Partners the Council aspires to work with to deliver the redevelopment of Hengrove Park over the next 10 - 15years
- accelerate delivery of the redevelopment of Hengrove Park, including up to 1435 new homes (minimum 30% affordable housing), a new high-quality public park, and new employment, education and community facilities.

Cabinet Member / Officer Recommendations:

That Cabinet

1. Approve new funding applications to the West of England Combined Authority.
2. Authorise the Executive Director Growth and Regeneration to take all steps required to accept any funding award to be incorporated into the council's capital programme, to deliver the rebuilding and expansion of Perry Court Primary School and facilitate the redevelopment of Hengrove Park.
3. Authorise the Executive Director Growth and Regeneration, to approve the allocation of up to an additional £5m of Strategic CIL funding (in addition to re-confirming the £5m allocation already approved by Cabinet in May 2019) to deliver the rebuilding and expansion of Perry Court Primary School, and facilitate the redevelopment of Hengrove Park, if the new WECA funding bid is unable to proceed or is unsuccessful.
4. Authorise the Executive Director Growth and Regeneration to take all steps required to accept any funding award to be incorporated into the council's capital programme, to deliver 3 new highways junctions and related sustainable travel improvements and facilitate the redevelopment of Hengrove Park .
5. Authorise the Executive Director Growth and Regeneration to allocate up to £4.8m of Strategic Community Infrastructure Levy (Strategic CIL) funding to deliver 3 new highways junctions and related sustainable travel improvements, and facilitate the redevelopment of Hengrove Park, if the new WECA funding bid is unable to proceed or is unsuccessful

Corporate Strategy alignment:

1. Delivery of the new homes, public park and employment and community facilities at Hengrove Park aligns primarily with the 'Fair and Inclusive' Theme in the Corporate Strategy, and 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. The proposals will support delivery of the Fair and Inclusive Key Commitment: Help develop balanced communities which are inclusive and avoid negative impacts from gentrification.
3. The proposals 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.
4. The proposals will improve educational outcomes and reduce educational inequality, whilst ensuring there are enough school places to meet demand and a transparent admissions process.

City Benefits:

Hengrove Park is a residential-led development project in South Bristol on land owned by Bristol City Council, where outline planning consent has been secured to deliver c. 1435 new homes (minimum 30% affordable homes), a new public park plus new employment, commercial and community facilities. The site is the largest housing development site in the city, and a key contributor to delivering more and better affordable and market housing in Bristol.

Planning Consent for the rebuild and expansion of Perry Court Primary School has been granted. The Council's Local Education Partnership is ready to commence works on site in October 2020 and deliver the new school by December 2021, ready for expanded pupil intake in 2022.

Rebuilding and expanding the primary school, and delivering the highways junctions and sustainable travel improvements, will deliver benefits both to existing and new residents in the area and are key to unlocking the new housing and park development, and entering into an agreement with a future Development Partner following procurement.

Consultation Details:

Public and other stakeholder consultation on the enabling projects (new school, and highways junctions/ sustainable travel improvements) has been carried out during the public consultation on the Hengrove Park outline planning application, and the separate planning application for Perry Court Primary School.

For further details, please see the relevant planning applications on the Bristol City Council website [here](#), as follows: planning application reference 19/02632/PB, specifically the document titled 'Community Involvement Statement' under the Documents tab; and planning application reference 19/04258/F, specifically the document titled 'Statement of Community Involvement' under the Documents tab.

Background Documents: Please see Appendices at the end of this report.

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| Revenue Cost | £ NA | Source of Revenue Funding | |
| Capital Cost | £ Up to £14.8m | Source of Capital Funding | WECA Funding or Strategic CIL |
| One off cost <input checked="" type="checkbox"/> | Ongoing cost <input type="checkbox"/> | Saving Proposal <input type="checkbox"/> | Income generation proposal <input type="checkbox"/> |

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

1. Finance Advice:

The full financial implications for the investment are detailed in the Cabinet reports as detailed in the report. However the funding position has changed since the report in May 2019. There are ongoing discussions with WECA and Full Business Cases are to be submitted to WECA in October 2020 to bid for £14.8m of Early Investment Programme funding to deliver these schemes as originally envisaged.

Should funding from WECA not be available it is proposed to fund from Strategic CIL. We currently hold £25m Strategic CIL of which £8.1 million is formally allocated. The residual £17m and an estimate of future CIL is made within the overall capital programme within 'GR07 - Areas for Growth and Regeneration' and HIF programmes.

If required from Strategic CIL this would need to be allocated from GR07, the above shows we have the CIL available to spend in line with the proposal if WECA grant isn't forthcoming.

Finance Business Partner: *Michael Pilcher, Chief Accountant 20 August 2020.*

2. Legal Advice: Section 216 (2) of the Planning Act 2008 and the Community Infrastructure Levy (CIL) regulations as amended provide that CIL can be used to fund a wide range of infrastructure including transport and schools. Local Authorities must spend the CIL on infrastructure needed to support development in their area, and they can decide what is needed. If unallocated CIL funds are available then the Council can decide to apply them in the way that is outlined in this report.

Legal Team Leader: *Joanne Mansfield, Planning Property and Transport Team, Legal Services 20th August 2020.*

3. Implications on IT: No anticipated impact on IT Services.

IT Team Leader: *Simon Oliver, Director, Digital Transformation, 15 July 2020.*

4. HR Advice: There are no HR implications evident.

HR Partner: *Celia Williams, HR Business Partner, 21 July 2020.*

5. Procurement Advice: Section to be completed by the Procurement Category Manager **ONLY**. If there are none, this must be stated by the Category Manager partner. Additional information can be added in **Appendix L**.

Category Manager: *Category Manager to enter their name to confirm they have provided comments on the full and final report and the date.*

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| EDM Sign-off | Stephen Peacock Executive Director Growth and Regeneration (Growth and Regeneration EDM 15 July 2020) | 15 July 2020 |
| Cabinet Member sign-off | Cllr Cheney, Deputy Mayor - Finance, Governance and Performance | 10 August 2020 |
| For Key Decisions - Mayor's Office sign-off | | Forward Plan Publication date 3 August 2020 |

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| Appendix A2 - Hengrove Park May 2019 Cabinet Report | |
| The full Cabinet Report is here - the relevant item is the second report in the pack Agenda Item 15 - To Seek Approval for the Disposal Strategy for the Regeneration of Hengrove Park. | |
| Appendix A4 – Plan Showing Location of 3 Highways Junctions | |
| Appendix B – Details of consultation carried out - internal and external | |
| Appendix C – Summary of any engagement with scrutiny | |
| Appendix D – Risk assessment | YES |
| Appendix E – Equalities screening / impact assessment of proposal | YES |
| Appendix F – Eco-impact screening/ impact assessment of proposal | YES |
| Appendix G – Financial Advice | See comments above |
| Appendix H – Legal Advice | See comments above |
| Appendix I – Exempt Information | NA |
| Appendix J – HR advice | See comments above |
| Appendix K – ICT | See comments above |
| Appendix L – Procurement | See comments above |