

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 06 October 2020

TITLE	Temple Quarter – Development Update		
Ward(s)	Windmill Hill and Lawrence Hill		
Author: Colin Molton	Job title: Interim Project Director, Temple Quarter		
Cabinet lead: The Mayor	Executive Director lead: Stephen Peacock		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: This report seeks to provide a comprehensive update across a number of areas of work within the Temple Quarter, specifically:- <ol style="list-style-type: none"> 1. An update on the progress of the Temple Quarter Development Framework; 2. Proposals to create bespoke delivery capacity for Temple Quarter, together with proposals for a bid to be submitted for WECA funding for delivery capacity and for the repurposing of clawback owed to Homes England by BCC as match funding; 3. An update on the status of the proposed enabling works at Temple Island and the bid to WECA for funding for those works, and; 4. Proposals to establish a Member led scrutiny Group as part of the broader governance arrangements for Temple Quarter. 			
Evidence Base: <ol style="list-style-type: none"> 1. Temple Quarter Development Framework On the 7th November 2017, approval was given to the receipt and use of WECA grant funding to support the delivery of a Development Framework for Temple Quarter. The Development Framework was commissioned by Bristol City Council, Network Rail, Homes England and West of England Combined Authority. The Framework is intended to reflect the combined aspirations and objectives of these parties through evidence-based proposals for the future development of the area. Following its initial commissioning in Summer 2018, the Mott MacDonald led consultant team has progressed the Framework in order to provide a new, holistic vision for Bristol Temple Quarter and St Philip's Marsh. The scope of the Framework is to examine and reimagine the use of the area, responding to the needs and aspirations of the city. The emerging Framework seeks to identify opportunities for the future and proposes a set of principles and concept designs to guide their development. Short, medium and long-term interventions have been considered, from temporary meanwhile use through to enabling infrastructure and construction of new homes and workplaces. The proposals have been subject to a comprehensive and iterative deliverability appraisal to test their financial viability. A place-making approach has been adopted throughout to embed sustainable and inclusive urban design principles with people at the centre. A degree of flexibility has been incorporated to create a framework with clear objectives while still being responsive to new information and direction. 			
Inclusive and Sustainable Growth			

Central to the development of any future proposals for regeneration of the area is the consideration of how growth can be inclusive and sustainable for all of Bristol's citizens. This includes consideration and management of economic, physical and social factors.

- Economic – by working with developments that are coming forward to support the principles of inclusive and sustainable growth, creating employment opportunities, good quality jobs/ on site skills academy, utilizing the development pipeline through planning, inward investment, linking with Economic Development and Employability and Skills on job brokerage.
- Physical – by improving access to the area and jobs, ensuring proposals coming forward to improve connectivity of community to city and reduce severance, overcome physical and perceived barriers, and leveraging contributions to create these improvements.
- Social – by ensuring people are informed on city developments coming forward, engaged on city issues linking to physical environment, upskilled in planning, design & development, and ensuring ownership, engagement and employment in meanwhile projects.

Future growth and regeneration of the area must also be grounded in considerations of environmental sustainability, with consideration of the city's ambitions for carbon neutrality by 2030.

Engagement

A programme of engagement activity is underway and will be ongoing throughout the lifetime of the programme to ensure that all stakeholders are informed about the changes happening in the area and can shape how future proposals are developed.

Further stages of engagement have been put on hold currently whilst the Development Framework is finalised – and as a result of the practical difficulties associated with Covid-19. However, the plan is that further engagement will take place which aims to:

- Keep external stakeholders informed about the next steps and how they can influence future stages
- Engage groups not previously involved (particularly in local communities)
- Engage existing businesses and establish mechanism for continued engagement
- Raise the profile of the vision and opportunities embedded in the programme
- Raise the profile of projects due to start in 2020/21
- Develop proposal for on-site meanwhile use for continued engagement and to sign post to jobs and opportunities

The emerging framework has considered the approach to six sub-areas to reflect the local character, opportunities and constraints of each:

- Bristol Temple Meads Station
- City Gateway
- The Friary North
- Temple Gate
- Mead Street
- St Philip's Marsh and Central Innovation District

The proposals being developed are at different levels of detail for each area due to differing levels of progress associated with each. This is particularly influenced by the approach to flood risk and patterns of land ownership. Work is on-going to address greater flexibility in St Philip's Marsh to accommodate an optimum number of homes and to address the potential impacts of Covid19 on the proposed development mix.

BCC officers are currently working with the consultant team to address these issues, and it is anticipated that the

development framework will be completed by the end of 2020, whereupon it will pass through the governance arrangements of other project partners for endorsement and presented to BCC Cabinet.

Planning Issues

The Bristol Local Plan Review (March 2019) sets out draft strategic planning policies for the Temple Quarter and St Philip's Marsh areas. Those were subject to consultation in March 2019 and the feedback has been published. For Bristol Temple Quarter the draft policies are an update to the policies in the adopted local plan (Bristol Central Area Plan Policy BCAP35) and set out the vision for a new city quarter with a wide range of uses. At St Philip's Marsh, the draft policies propose moving from an existing policy that retains the land exclusively for industry and warehousing (Site Allocations and Development Management Policy DM13), to one which allows for a great mix and diversity of land uses and an increased number of jobs. The Bristol Local Plan Review is on-going and is discussed in a separate report to Cabinet.

When the Temple Quarter Development Framework has been completed, its proposals will be the basis of planning policy documents to be used to guide decisions on planning applications. These are expected to be based around the 6 zones discussed above and will constitute supplementary planning documents, spatial frameworks and/or master plans, with the choice of document being tailored to the circumstances of each location. Any documents will be subject to public consultation. On approval by Cabinet they will become material planning considerations.

The preparation of HIF2 (Housing Infrastructure Fund) and SHIF (Strategic Housing Infrastructure Fund) bids.

Since Feb 2020, the Temple Quarter project partners have been working to secure central government funding for approximately £80-100m for enabling infrastructure to support the first catalytic phase of the Bristol Temple Quarter Development Framework. This covers the new Northern and Southern City Gateways around Bristol Temple Meads Station as identified by the Development Framework.

The West of England Combined Authority (WECA) submitted an initial Strategic Outline Business Case (SOBC) to Homes England for funding for Bristol Temple Quarter Strategic Enabling Infrastructure works in May 2020. This followed an earlier unsuccessful WECA Housing Infrastructure Fund bid in 2018 for the Bristol to Bath Strategic Corridor which included some elements of the Bristol Temple Quarter infrastructure requirements. Homes England have provided informal feedback that the Bristol Temple Quarter business case should have the level of detail of an Outline Business Case and needs further refinement to be eligible for funding support in areas including:

1. Working out the fundamental market failure arguments for the proposed interventions;
2. The linkage between housing (additionality or acceleration) to infrastructure; and
3. Setting out which sites would be unlocked and how through the proposed works to Bristol Temple Meads (BTM) station.

There is also a need for refinement of the technical analysis (including site viability assessment, infrastructure costings, and related economic appraisal) associated with these strategic questions.

In July 2020, Bristol City Council, WECA, Homes England and Network Rail commissioned a refinement of the Strategic Outline Business Case (SOBC) to an Outline Business Case (OBC) in accordance with the feedback received from earlier bids, with the aim to submit as part of MHCLG's SHIF (Strategic Housing Infrastructure Fund) programme by early October 2020.

2. Bespoke Delivery Capacity for Temple Quarter

In 2018, BCC, WECA, Homes England and Network Rail, in collaboration with other key national and local stakeholders, agreed to work together and formed the Temple Quarter Strategic Board and Steering Group to oversee and support the planning and delivery of the redevelopment and modernisation of Bristol Temple Meads Station and the regeneration of the wider Temple Quarter Area.

As the principal public sector funders and delivery bodies with an interest in Temple Quarter, partners have agreed the

need to strengthen the collaboration between them as work moves from master planning into scheme delivery, and establish appropriate delivery capacity whilst exploring a range of options for longer term delivery structures.

A draft Memorandum of Understanding (MOU) has been prepared which articulates a shared vision “to create a sustainable, connected and flourishing quarter that is welcoming to all to live, work, learn, and enjoy leisure time and builds on Bristol’s strengths as a world class city where everyone can share in its success”.

Temple Quarter is one of the largest development opportunities in the UK with the potential to create 22,000 jobs, a minimum of 10,000 homes and an economic boost of £1.6 billion per annum to the region.

The following Strategic Enablers have been identified which are key to unlocking Temple Quarter:

1. **The station;** where the partners are preparing joint business cases for investment from Ministry of Housing Communities and Local Government (MHCLG) and the Homes England and supporting later stages of the project to be included in the Rail Network Enhancements Pipeline;
2. **The University Campus;** where the partners are supporting the University of Bristol in its funding case to the Universities Research Sustainability Taskforce;
3. **Flood resilience;** where the partners are working with the Environment Agency to identify necessary protection measures and private and public funding to deliver them.

The development proposals should seek to embed the principles of inclusive growth and demonstrate how they contribute to Sustainable Development Goals.

As part of the draft MOU, which will be presented to the Temple Quarter Strategic Board for comment/endorsement on the 25th September, in order to provide appropriate delivery capacity, the partners have agreed to establish a Joint Delivery Team (JDT) and to seek to identify required resources or funding between them to allow the mobilisation of the JDT as quickly as possible.

Progress to date has included the agreement of a team structure, agreement to appoint a Project Director initially on a 2 year fixed term to lead the team, and “in principle” agreement from all 4 partners to contribute to funding the JDT.

It is proposed that the JDT be governed by the existing Strategic Board which meets Quarterly, and that beneath that, a Directors Board be established made up of Executive Directors of 4 host organisations, with the JDT Director reporting at this Board. Executive Directors making up the Directors Board to be responsible for securing any necessary upwards approvals to meet host organisations internal governance/approvals processes.

The JDT would be tasked with drafting an overall Delivery Strategy for Temple Quarter which considers options for longer-term delivery strategies and possible delivery vehicles, and sets out the deliverables, roles and responsibilities of each of the Parties. It is proposed that the JDT would be established for an initial period of 3 years at which point the position will be reviewed. It is proposed that a bid would be made to the WECA Investment Fund to substantially cash flow the JDT with part of the contribution to matching the WECA funding being explored with Homes England in recognition of the importance Homes England places on establishing delivery capacity for Temple Quarter

The arrangements for the JDT, Delivery Strategy and updated governance arrangements will be presented to the Temple Quarter Strategic Board on the 25th September 2020 for endorsement.

3. Temple Island Enabling Works

At the 4th February 2020 Cabinet, an update on progress with L&G on the Temple Island project within the context of the wider growth and regeneration plans for Bristol was provided, and Cabinet gave approval to (i) enter in to all necessary legal documentation to take the project forward (ii) for funding to continue progression of the scheme (including on site investigations), and (iii) for the development and submission of funding applications to WECA to support enabling works.

Over the past 6 months, further work has been undertaken to scope the enabling works, and Aecom have now been appointed to oversee the development and implementation of these works on behalf of the Council. We have submitted a bid to WECA/WoE LEP in relation to the £32m approved at the February Cabinet from the EDF funding as agreed, and await the outcome of the meeting of the Joint Committee on the 9th October.

Subject to approval of the bid, works will progress in accordance with an agreed timeframe which complements the plans of Network Rail and the University of Bristol for the construction of the Eastern Entrance and the Innovation Campus respectively. Both the University and Network Rail will site contractors' compounds on Temple Island so there will be significant activity on site commencing over the coming months. A communications strategy and protocol is being developed to ensure active and continuous engagement with businesses and residents in the area.

In the current Covid-19 crisis, it is crucial that projects like this are kept on course and Temple Quarter is well placed to lead our economic recovery in Bristol. The enabling works alone will deliver 270 gross annual new jobs and £16m of net GVA to the West of England economy 2 years after construction start and can be got underway within months. Key projects continue to move forward and all partners are committed to making significant investment to secure the major change we are seeking around the station and wider masterplan area.

Discussions with L & G are continuing and a further update will be provided to Cabinet once the Agreement for Lease has been completed.

4. Proposal to establish a Member led scrutiny Group for Temple Quarter as part of the broader governance arrangements.

At a recent scrutiny session on Temple Island it was suggested that a BCC Temple Island Group should be set up with a member from Scrutiny invited to sit on this group. In consultation with the Chair of G&R Scrutiny and the Cabinet Member for Planning and City Design it has been agreed that a group should be established with a broader remit to include all of Temple Quarter. This would be useful point to decide to convene this BCC member-led scrutiny group as part of other proposed changes to the broader governance arrangements for Temple Quarter. We will arrange a first meeting of this new group before the end of 2020.

Cabinet Member Recommendations:

That Cabinet:

1. Authorises the Executive Director for Growth and Regeneration, in consultation with the Mayor, the S.151 Officer, and Director of Legal Services to finalise plans for the establishment and operation of a Joint Delivery Team for Temple Quarter, and conclude all necessary legal, financial and other agreements between the parties in connection with the JDT, including the form and content of the Business Case to WECA for Investment Fund monies to cash flow the establishment of the JDT, and to deploy such funding in accordance with the terms of the funding decision.
2. Authorises the Executive Director of Growth and Regeneration, in consultation with the Mayor, the S.151 Officer, and Director of Legal Services to further explore and agree the use of Homes England to support the establishment of the JDT and to funding outstanding infrastructure works in Temple Quarter, subject to receipt of a letter of authorisation from Homes England.
3. Authorises the Executive Director for Growth and Regeneration, in consultation with the Mayor, the S.151 Officer, and Director of Legal Services, subject to the approval of the bid to WECA/WoE LEP, to take all steps required to spend the repurposed EDF funding of up to £32m on the Enabling Works including the procurement of all contracts (goods, services or works), to be approved in accordance with the terms of the funding decision.
4. Notes the work undertaken in respect of the Development Framework for Temple Quarter and the proposed way forward in developing planning guidance.

5. Notes the position in relation to the Temple Island Enabling works and Agreement for lease, and the establishment of a member-led scrutiny group to oversee governance arrangements.

Corporate Strategy alignment:

The proposals align with a number of corporate priorities, including:

- Develop a diverse economy that offers opportunity to all;
- Deliver 2,000 homes, of which 800 are affordable, built in Bristol each year by 2020;
- Develop an inclusive economy that offers opportunity to all and makes quality work experience and apprenticeships available to every young person, and;
- Reduce social and economic isolation and help to connect people to people, people to jobs and people to opportunities.

City Benefits:

Significant city benefits are anticipated to accrue through the redevelopment of the University Campus, Station redevelopment and development of the Temple Island site. Overall the Temple Quarter regeneration programme is anticipated to deliver 22000 new jobs, over 10000 new homes and an economic uplift to the local economy in the region of £1.6billion per annum from 2041.

Consultation Details:

Proposals have been developed and discussed with the Deputy Mayor Finance Governance and Performance.

Background Documents:

November 2017, July 2019 and February 2020 Cabinet Reports (which can be accessed via the following weblink: <https://democracy.bristol.gov.uk/mgChooseDocPack.aspx?ID=3685>)

Bristol Local Plan Review March 2019 www.bristol.gov.uk/localplanreview March 2019

Revenue Cost	£TBA	Source of Revenue Funding	Grant funding – Investment fund/EDF/HE
Capital Cost	£TBA	Source of Capital Funding	Grant funding – Investment fund/EDF/HE
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:

Finance Advice: The report provides an update on the Temple Quarter Development Framework which is due to be completed by Autumn 2020, and is to form the basis of planning policy documents, guiding decisions on planning applications. There are no immediate financial implications highlighted at this stage and the completed framework will be presented to Cabinet at a later date and would address any new funding requirements at such time.

The report highlights the fact that since February 2020, the Temple Quarter project partners (Bristol City Council, WECA, Homes England and Network Rail) have been working to secure central government funding (£80-100m) for enabling infrastructure to support the first catalytic phase of the Bristol Temple Quarter Development Framework. In July 2020, project partners started work on Outline Business Case (OBC) in accordance with the feedback received from earlier bids, and intend to submit this as part of MHCLG’s SHIF (Strategic Housing Infrastructure Fund) programme by early October 2020. The bid will be submitted by WECA. It is expected that if approved, the grant will provide significant funding for the proposed Joint Delivery team, as well as fund the delivery of major enabling infrastructure works.

The report seeks delegated authority to work with partners to finalise plans to establish a Joint Delivery Team (JDT), this includes delegated authority to agree all necessary funding arrangements. A draft Memorandum of Understanding (MOU) has been prepared, and by the time this report is considered, the MOU would have been presented to the Temple Quarter Strategic Board for comment/endorsement (board meeting on the 25th September).

The funding arrangements to be agreed will involve the repurposing of Homes England monies (subject to HE

authorisation), as well as bids that are being submitted by partners to secure grant funding that will support the work of the JDT.

The proposal is to establish the JDT for an initial period of 3 years at which point the position will be reviewed. A bid would be made to the WECA Investment Fund (by partners) to substantially cash flow the JDT and that will be matched by both the repurposed monies from HE. This report seeks authority to spend any monies approved by WECA as well as dedicated EDF funding already assigned to the TQ area. As discussions on the MOU are ongoing, delegated authority is being sort to finalise the financial arrangements, which will involve input from the S151 Officer.

Pending the agreement of the funding arrangement, the only new role being recruited to is the post of Project Director. The Council already has staff working on the TQ projects as part of the EZ EDF funded works. They will continue to be funded from the EDF grant pending the setup of the JDT. It is anticipated that the new role will be recruited to and funded from the investment fund.

The February Cabinet had already granted approval regarding the proposed repurposing of EDF funding and this report seeks permission to deploy such funds.

This report has no new financial implications for the Council at this stage.

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth & Regeneration 24th September 2020

2. Legal Advice: The nature and detail of the proposed agreement establishing the Joint Delivery Team (including the resourcing and other commitments being given by each party) will need to be fleshed between the parties, and legal services will assist in this. Homes England agreement to the repurposing of “clawback” monies and agreement for its alternative use should be formalised. The procurement of all enabling works in connection with the Temple island site will need to comply with the necessary procurement rules.

Legal Team Leader: Eric Andrews, Team Leader, Legal Services – 9th Sept 2020

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

IT Team Leader: Simon Oliver, Director Digital Transformation

4. HR Advice: The report seeks approval for the establishment of a Joint Delivery Team (JDT) which will be governed by the Strategic Board and beneath that, a Directors Board, comprising Executive Directors from the 4 host organisations. A team structure has been agreed by the partners, which includes a number of vacant roles.

WECA are designated as employer for JDT new roles, including the TQ Director fixed term (2 years) post which will report to the Directors Board. Recruitment to the TQ Director post will be prioritised ahead of other vacant roles in the structure.

The proposed JDT team structure includes 9 BCC roles which are shown as ‘assigned’ to the project. In line with recent changes to the Council’s secondment policy, all temporary opportunities should be advertised across the organisation to ensure equality of opportunity and development. The HR advice therefore is to advertise these roles as secondment opportunities, unless the proposal is to assign existing posts where the substantive job content relates in its entirety to the Temple Quarter Programme, and the only change will therefore be reporting lines into the JDT.

HR Partner: Celia Williams, HR Business Partner, 14th Sept 2020

EDM Sign-off	Stephen Peacock	9 th September 2020
Cabinet Member sign-off	Cllr Craig Cheney	8 th September 2020
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	7 th September 2020

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO

Appendix C – Summary of any engagement with scrutiny	NO
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	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO