



25th February 2021 Cabinet

Development of Hawkfield Business Park

Appendix A - Further essential background / detail on the proposal

This appendix includes the following supporting documents referred to in the text:

- The Bottle Yard Studios Business Plan (commercial information redacted) (Appendix A1)
- The Bottle Yard Studios – Impact of Screen Expenditure on Bristol (Appendix A2)
- AHR Architects Layout Design (Appendix A3)

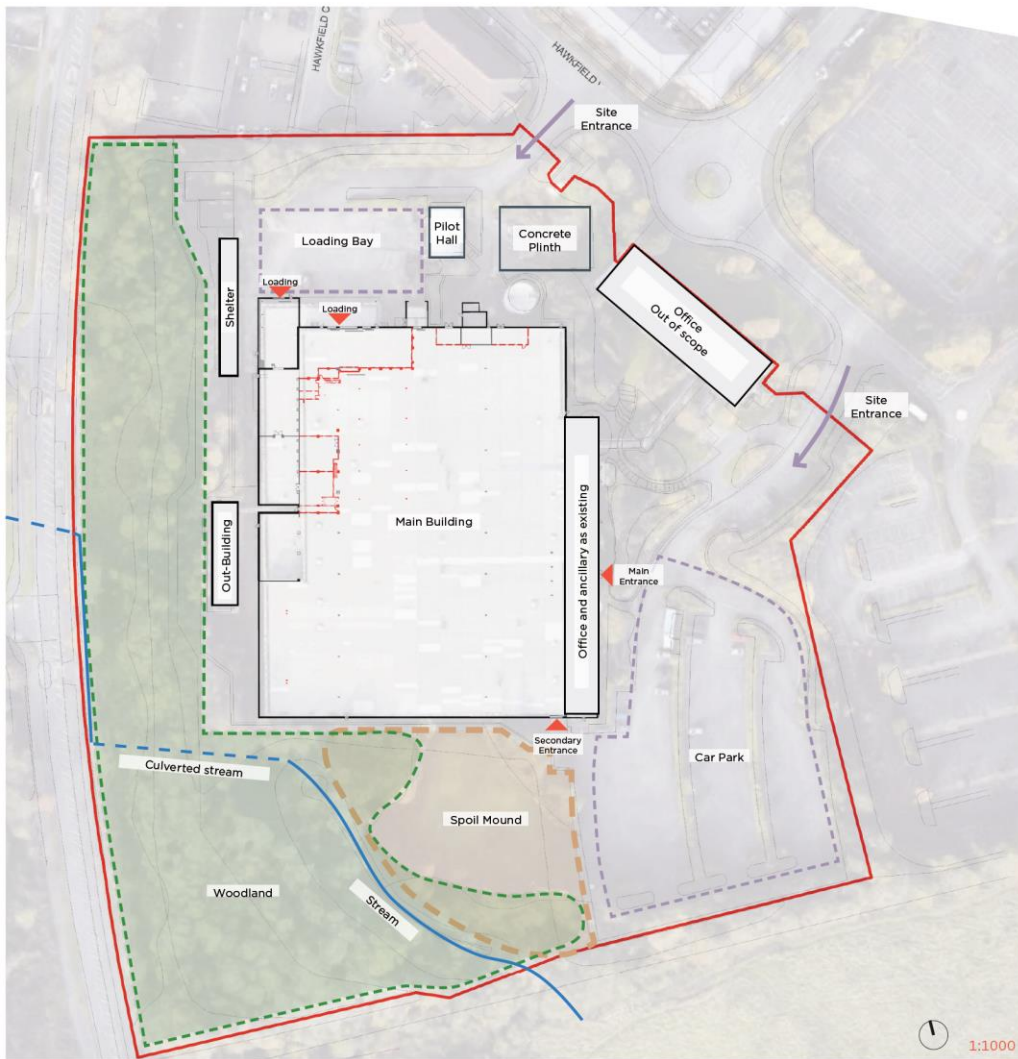
Development of the Hawkfield Business Park Site

The purchase of the Hawkfield Business Park (HBP) site half a mile from the main site enables an upscaling of studio and office space that would form the next stage of The Bottle Yard Studios' business growth, whilst utilising existing back office support. The proposals create further employment opportunities by intensifying the use of the site, which is complimented by the proposed WECA and ERDF funded South Bristol Light Industrial Workspace project at 601 Whitchurch Lane and the development of over 1,400 new homes, as well as commercial and open public spaces at Hengrove Park.

The HBP site was constructed in 1988 and comprises a detached two storey headquarters office building on the site frontage and a standalone high bay warehouse/production facility incorporating ancillary office and amenity areas. The two buildings are linked by a covered walkway. The site has two points of access, vehicular access to the loading bays and separate access to a car park which provides 164 spaces.

No works are proposed to external areas as part of the project except for minor internal site vehicular access improvements to the main building and minor site security improvements. The scheme will also retain the circa 1400m² of existing office accommodation, which will also fall outside the scope of the project's refurbishment works. The office space will be utilised by TBYS for the management of the studios and to let to the production companies filming on the site.

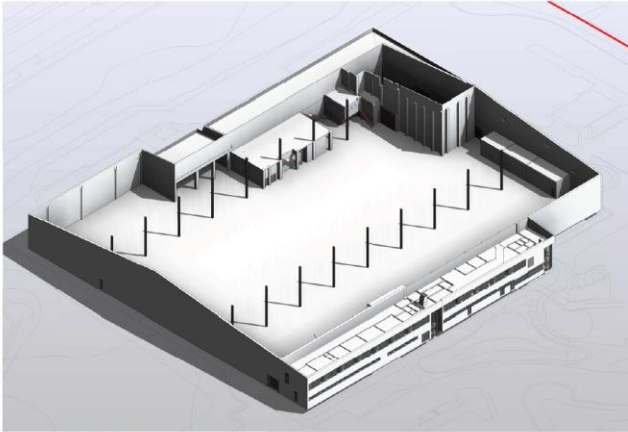
The proposals for the project relate to the conversion of circa 7600m² of ground floor space within the main production building into three studios and back of house provision. The site layout is shown in the plan overleaf, including required internal demolitions within the production building outlined in red.



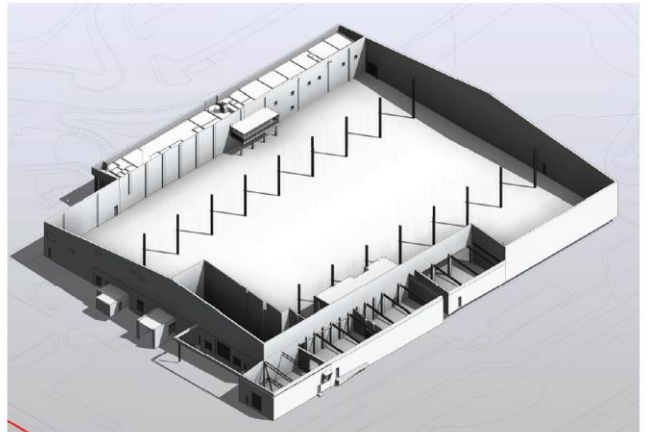
Overall the scheme will refurbish circa. 7600m² of the ground floor of the existing building to create three new large studios (c.4,000m²); Back of House construction area for sets, prop stores and dimmer rooms (c.1650m²); circulation (c.1300m²) and supporting welfare and ancillary spaces (c.650m²).

It is proposed that the Council's BNET ducting shall be used to connect the existing TBYS and HBP sites via private fibre. It has been confirmed that a connection to the BCC Network will not be required (staff will use the TBYS network to access the internet and BCC systems via VPN).

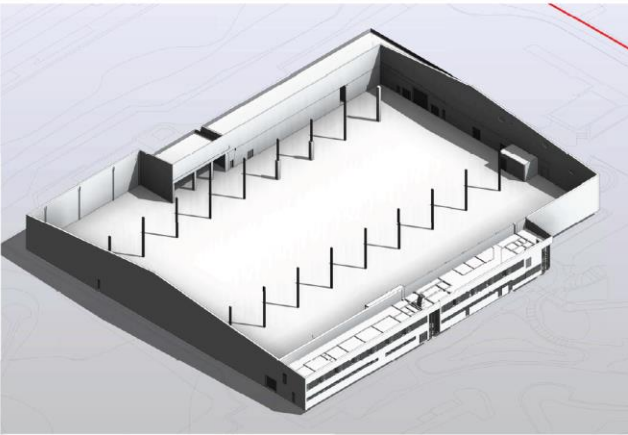
The 3D models overleaf show the internal layout of the production building as existing and following demolition of internal walls to fully open-up the production floor for creation of the new studio spaces. A site layout plan with proposed layout is provided as Appendix A3.



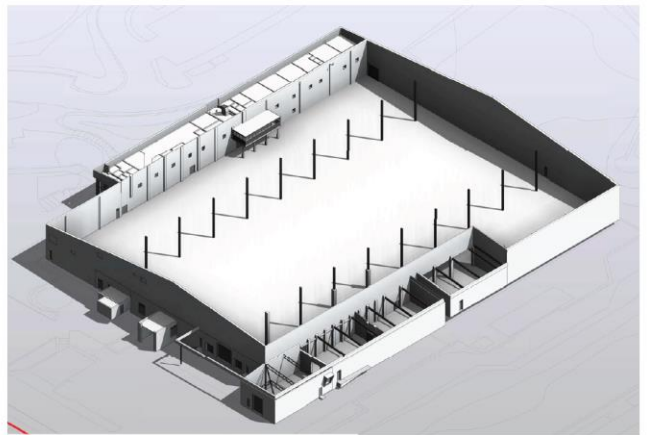
Axonometric South east - Existing



Axonometric North west - Existing

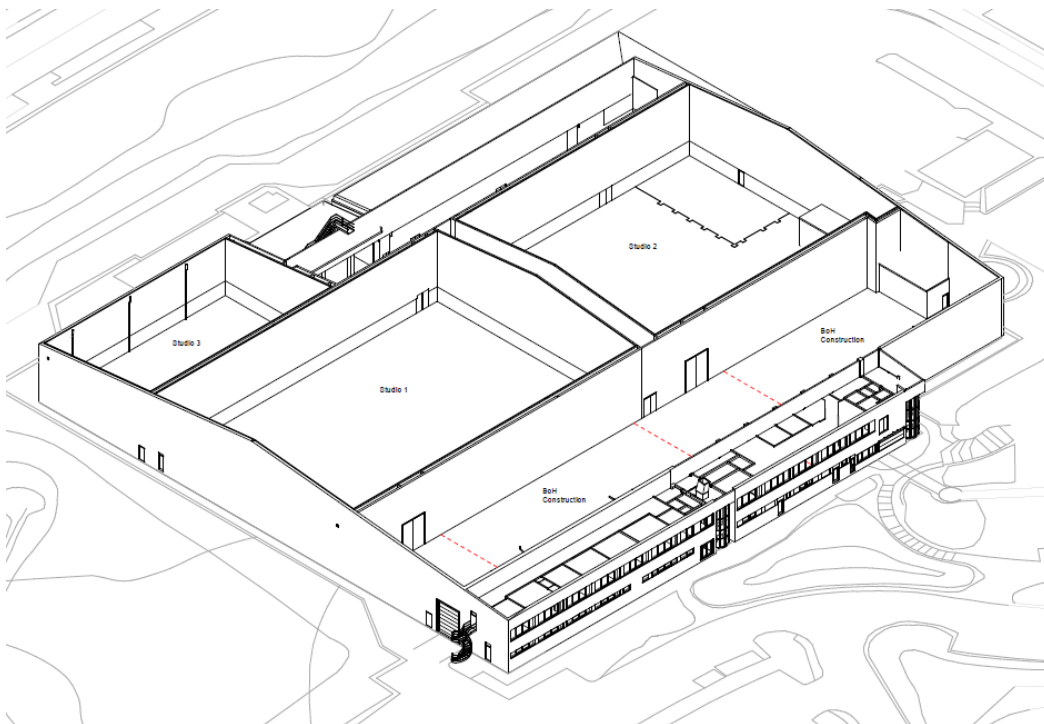


Axonometric South east - After demolition



Axonometric North west - After demolition

The below 3D model shows the proposed conversion works to create three studios.



Growth of Screen Production to support Economic Recovery

Investment at The Bottle Yard Studios (TBYS) is framed within economic development objectives for South Bristol within the Bristol One City Economic Renewal and Recovery Strategy, which sets the strategic need for investment within South Bristol and identifies the significant potential to develop existing assets in film and TV production and associated supply chain.

Nationally the screen sector has been identified as a key growth area with strong potential to significantly assist economic recovery from the COVID-19 pandemic. At TBYS this is reflected in significant post-COVID demand for studio space, with production companies seeking to secure studios for periods of up to five years. Industry Coronavirus Protocol and guidelines were published on 1st June 2020 and studios started opening up again on 2nd June 2020, TBYS being one of the first. Since then

- 85% of domestic film and television production is up and running;
- The British Film Institute has confirmed that the gateway to UK tax relief will remain unchanged;
- Emergency quarantine exemption agreed for key overseas cast and crew (albeit with strict rules around what they can and can't do in the UK for first 14 days);
- Brexit – not expected to impact on people coming to the UK to make films, more UK production companies wanting to film in Europe; and
- The demand for stage space and skills is growing exponentially and the British Film Commission now has a new role – ensuring the growth of UK stage space to meet this demand and have written in support of the project

All of the points listed above point to the film and tv industry being one of the key areas of fast recovery and significant growth for the UK, which is further supported by recent reporting that Netflix will be doubling their investment in the UK this year to £1bn, second only to the USA.

Bristol and the West of England region have built a strong reputation for its creative sector, which has seen the recent arrivals of both Channel 4 and Netflix. Developing screen production capacity at Hawkfield Business Park (HBP) provides a unique opportunity to build on this. We are therefore proposing to create three new studios at HBP financed through a 50% repayable grant from WECA to covering the site purchase and development costs, which combined are presently estimated at up to £11.8m (£5.6m Purchase Price plus estimated up to £6.2m Development Costs). The development of studios at the HBP site provides the opportunity to significantly increase the employment density use of this important site.

A case Study of a high-end drama filmed at TBYS alongside locations entirely in Bristol and Surrounding Regions is provided within a Screen Impact Report provided as appendix A2. Of the approx. £5.1m production budget, £2.3 million (45%) was directly spent on businesses and persons based in Bristol. Somerset was the region to receive the second largest share of direct expenditure (£711,000, or 14%) which reflects the project's extensive use of locations in the county. Around 25% of the production budget (£1.3 million) could not be allocated to any location in the UK due to incomplete data. Further analysis of spend within Bristol identified around half (48%, or £1.1 million) was directly attributable to businesses or persons based in any of the 11 wards of the City of Bristol South of the River Avon, of which £848,000 was spent in the SBRA. The case study illustrates the

significant and important impact of filming at TBYS for South Bristol, the City of Bristol and also the direct expenditure benefits for on location filming in the wider West of England region, including the knock on benefits of increased exposure for the region, generating more income for local Councils and businesses, and further raising the region's profile as a popular tourist destination.

Economic Benefits within South Bristol

The project aims to deliver economic and social benefits to the residents and businesses in the highly disadvantaged South Bristol regeneration target area on its outer periphery centred on the wards of Filwood, Hengrove and Whitchurch Park, and Hartcliffe & Withywood. It is designed to complement the South Bristol Enterprise Support project (currently underway as a separate ERDF/WECA co-funded project until April 2023) which provides advice and support tailored to SMEs in both 'traditional' and emerging new sectors of the South Bristol economy, in particular including those which provide services to the Screen Sector at the existing TBYS Site and have potential to grow as part of the expansion to the new HBP site.

Maximising the efficiency of employment land

HBP is currently designated for industrial and warehouse use in the Bristol local plan. The emerging Bristol local plan review proposes to retain this designation.

The draft Bristol employment land study highlights strong market interest for employment space in South Bristol and calls on BCC to both allocate more land where possible and to ensure that existing space is used as efficiently as possible. Organisations representing business interests in the area have also called for the council to ensure the provision of more employment space.

The use proposed for the HBP site featuring in this proposal would intensify employment on the site, and BCC economic development officers are of the firm view that it is broadly compatible with the designation of the site and the city's objectives for economic growth. It will drive employment opportunities both for the current south Bristol workforce and new entrants as new housing developments come forward.

Development of additional high skilled jobs and apprenticeships

The development of new studio provision at HBP is expected to deliver circa 905 new FTE Jobs over a 10-year period.

To help facilitate this it is proposed that workforce development proposals will be developed in collaboration with partner organisations. TBYS is in discussion over a potential partnership between TBYS, UWE and City of Bristol College. The ambition is to set up apprenticeship schemes based at a mini campus on the City of Bristol Whitchurch Lane site, which is located midway between TBYS and HBP locations.

Vocational training with access to studios such as TBYS provides young people with the opportunity to acquire valuable soft skills which significantly assist their entry into and progression through the industry. Crew trained and basing themselves in the West of England are also well-placed to provide freelance services to London, Cardiff, Birmingham etc, giving them a far wider range of work

opportunities. TBYS are exploring links and opportunities to develop initiatives with Channel 4 and ScreenSkills, a national film skills training organisation.

TBYS is committed to improving pathways into the production industry for young people from all backgrounds. Onsite classrooms are home to more than 70 16-19 year olds studying a Film & TV Production Diploma taught in a working studio environment, delivered by further education provider Boomsatsuma. Development of the HBP will help facilitate building on the success of Boomsatsuma, which is consistently growing its student numbers on site at TBYS and is encouraging them to interact with the tenants to create short videos, i.e. free advertising content for the tenants whilst giving the students hands-on experience. Boomsatsuma is planning to extend this service to the local South Bristol community by forming a production company, South of the River, and bringing back some of their graduates to create film assets for businesses in the local community. They have also just launched a Filmmaking Degree course and the Bristol School of Acting, both supported by TBYS.

Detailed proposals for training and skills will be developed and detailed within the Full Business Case to be submitted to WECA for approval later in 2021.

Cumulative Jobs and GVA

The FTE annual estimates have been projected in below table to reflect a mid range job creation, assuming each cumulative annual job creation total from 2022 is reduced by 50% to factor in the proportion of jobs created not sustained beyond 12 months.

Year (2022-26)	2022	2023	2024	2025	2026
Jobs created (FTE)	290	290	290	290	290
Cumulative Jobs	290	435	580	725	870
Productivity per job (£)	50,398	50,398	50,398	50,398	50,398
GVA (£ m) per year	14,615,420	21,923,130	29,230,840	36,538,550	43,846,260

Year (2027 -31)	2027	2028	2029	2030	2031	TOTAL
Jobs created (FTE)	409	409	409	409	409	3,495
Cumulative Jobs	1074.5	1279	1483.5	1688	1892.5	1892.5
Productivity per job (£)	50,398	50,398	50,398	50,398	50,398	
GVA (£ m) per year	54,152,651	64,459,042	74,765,433	85,071,824	95,378,215	£519,981,000

47.8% of cumulative jobs and GVA has been attributable to development of the HBP site as follows:

- **HBP Cumulative FTE Jobs – 904.6**
- **HBP Site GVA - £248,551,000**

The Bottle Yard Studios Business Plan

Olsberg•SPI, a TV and film industry sector specialist, were commissioned to develop a business plan for TBYS. A copy of the Business Plan is provided as a supporting document (Appendix A1) and finance comments are provided in the Executive Summary.

The requirements of the Business Plan were to:

- I. Provide an overview of the anticipated trajectory of Film & TV drama production in the UK for the next ten years
- II. Provide an oversight of TBYS' position within the UK's studios' infrastructure so that it can prepare a ten year Strategic Plan for TBYS operation.
- III. Provide an overview of how TBYS can/should be positioned as a catalyst for sector growth within the City, assisting in growing the number of jobs in the sector as well as the promotion of inclusive growth
- IV. Prepare a Draft Business Plan that - in order to inform any decisions over capital investment - takes into account local issues currently challenging the business, demonstrates value for money for the City and reassures the Council that TBYS business will continue to be viable in order to inform any decisions over capital investment.
- V. Provide guidance on any interventions it might consider over the creation of an indigenous drama output from within the City that is currently lacking (e.g. production funding).

Item IV. modelled seven development scenarios as set out in the below table:

OPTION	TBYS main site studios in operation	TBY 2 (Hawkfield)	Total no of studios
1	4 studios unavailable from January 2022.	0	4
2	4	3 converted	7
3	4	3 + 2 new	9
4	8	3	11
5	8	5	13
6	0	3 converted	3
7	0	3 + 2 new	5

The Business Plan has been based on all grant funding being by way of a loan and that the TBYS would need to repay Capital Costs expended by the Council for the purchase and development of the HBP site.

Financial forecasts in the Business Plan identify:

- a business case can be identified for investing in HBP and developing the site as a studio facility;
- assigning all capital costs to TBYS has a significant impact on the options modelled;
- for most options, there would need to be some form of additional financial support from BCC or other stakeholders to offset the purchase price and capital costs on the business;

- reducing expansion costs to the TBYS business would improve the option models, and make TBYS more likely to turn a profit sooner and put the business in a position to reinvest, invest in a fund, or return profits to BCC;
- The financial model used to generate these projections is reflective of larger studios with more lettable space, and as a result finds that Option 4, as recommended for approval, would be the most feasible in the long term: maintaining 8 studios at TBYS + 3 converted at HBP.

Project Cost Summary

The below costs are for the delivery of the core requirements for creation of three new Studios at the HBP site, alongside investment required to maintain use of the existing eight studios at the existing TBYS site. The project will consider where appropriate the potential for additional funding and investment for decarbonisation measures, including PVs and new low carbon heating and cooling systems, which if secured and implemented would increase the overall budget envelope for the project.

<i>Cost Heading</i>	<i>Forecast Expenditure</i>
Purchase of Hawkfield Business Park	£5,250,000
<i>Stamp Duty</i>	<i>£304,500</i>
<i>Consultant Fees and Bristol City Council Project Management Costs (includes OBC Project development costs)</i>	<i>£350,000</i>
<i>HBP Conversion Costs</i>	<i>£4,258,000</i>
<i>Contingency (40% of conversion costs)</i>	<i>£1,703,000</i>
<i>Works at Existing Bottle Yard Studios site</i>	<i>£1,600,000</i>
<i>Total</i>	<i>£13,465,500</i>

Procurement

The use of an established Framework for procurement of a Building Contractor for conversion of HBP is presently being considered. The expected route is Lot 1 (South West) of the Southern Construction Framework at the end of the RIBA Stage 3 design process, with contractor involvement in development of the Stage 4 designs through a Pre-Construction Services Agreement (PCSA). It is intended to undertake the procurement for selection of the Contractor in Spring 2021, with appointment through the PCSA in June 2021 directly following WECA approval of the Full Business Case. Delegated approval for award of the building contract is included in the recommendations within the Executive Summary.

The proposals also include procurement of circa £1.6m works for renewal and improvement works at the existing TBYS site, which would be undertaken by the Council’s Building Practice. The recommendations within the Executive Summary include approval of this funding and delegated authority for award of the building contract/s.

Programme

The below table details the target key milestone dates for the HBP Project. The construction durations are indicative and will be further informed by developed designs and market engagement. The programme will be finalised following the appointment of the Contractor.

Milestone	Target Date
Section 73 application to remove planning condition restriction on percentage of B1 Use to allow more flexible employment use of HBP site.	December 2020 – March 2021
RIBA Stage 3 Design Development	January 2021 - April 2021
Cabinet	25 th February 2021
Development of Tender Documents for Contractor Procurement	March – April 2021
Finalisation of WECA Full Business Case	April 2021 – June 2021
Contractor Tender and Evaluation	May 2021 – June 2021
WECA Joint Committee for Full Business Case	June 2021
Stage 4 design including Contractor work package designs	July – September 2021
Construction	Autumn 2021 to Spring 2022
Opening	Summer 2022