

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 22 June 2021

<b>TITLE</b>	New Regeneration Service & Funding		
<b>Ward(s)</b>	All		
<b>Author:</b> Abigail Stratford	<b>Job title:</b> Head of Regeneration		
<b>Cabinet lead:</b> Mayor	<b>Executive Director lead:</b> Stephen Peacock		
<b>Proposal origin:</b> Mayor			
<b>Decision maker:</b> Mayor <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b> <ol style="list-style-type: none"><li>To authorise the establishment of a new Regeneration Service within the Growth &amp; Regeneration Directorate and create associated additional capacity through reallocating Growth and Regeneration budgets totalling £825k to the regeneration service (£657k) and the Executive Director of Growth &amp; Regenerations Account (£168k) for seed funding purposes.</li><li>To authorise drawing down and spending West of England Combined Authority (WECA) funding to deliver regeneration projects in Central Bristol.</li></ol>			
<b>Evidence Base:</b>			
<b>Background:</b> <p>Bristol City Council is committed to building a better Bristol: a city of hope and aspiration where everyone shares in its success; a city which builds on its strengths and valued character whilst we innovate for the future.</p> <p>In October 2020, Cabinet approved Progressing Bristol's Development ('PBD'), which outlines how new development will contribute to inclusive growth and respond to the climate and ecological emergencies that we face. The PDB reconfirms the Council's ambitious vision for areas of growth and regeneration, identifying specific locations for change and development.</p> <p>Developer partners are actively acquiring and bringing forward land for development in many of the areas identified for growth and regeneration in the PBD.</p> <p>To achieve our aspirations of sustainable and inclusive growth, the Council needs to work with communities, developer partners and stakeholders to ensure the physical, social and community infrastructure needed to support our growing population is delivered.</p> <p>Historically, with a lack of dedicated resource to lead this work, communities and developer partners have had to negotiate with individual Council department separately. This often delayed delivery, more significantly however opportunities to take a place-based approach to drive and deliver inclusive and sustainable growth have at times been overlooked.</p> <p>A new multi-disciplinary Regeneration Team will now work across the Council, improving internal systems and co-ordination to provide a single coherent voice for the Council when working with communities,</p>			

developers, stakeholders and partners in areas of growth and regeneration. The Regeneration Team will seek to work in partnership to harness the regeneration benefits of growth to enable residents, businesses and communities to thrive, prosper and enjoy a high quality of life. The Regeneration Team will encourage and shape growth through:

- Taking a place based approach to regeneration, promoting inclusive and sustainable growth
- Promoting a range of housing to meet local housing need, including affordable housing
- Promoting high quality developments, public realm and place making
- Promoting local employment, training and apprenticeships
- Supporting local businesses, high streets and the night-time economy
- Responding to the climate and ecological emergencies
- Embedding the UN Sustainable Development Goals
- Identifying and delivering the physical, social and community infrastructure required to support growth

Approval is sought to create a recurrent annual revenue budget of £751,336 to create capacity to establish the new Regeneration Service. This will be used to provide additional resource to deliver projects primarily in the following areas of growth & regeneration;

1. **Central Bristol:** which incorporates.

- **City Centre** - building on the principles set out in the City Centre Framework approved by Cabinet on 14th June 2020, complete the City Centre Development & Delivery Plan.
- **Western Harbour** - develop a place shaping vision for the transformation of Western Harbour to inform and underpin a subsequent masterplan and delivery plan for the area.
- **Harbour** - develop a place vision for the harbour.
- **Frome Gateway** - working with developers, landowners, stakeholders, local businesses and community to develop a Spatial Framework to guide the future transformation of the area.

2. **Central Bedminster:** which incorporates.

- **Bedminster Green 1** - Working with developers, landowners, stakeholders and the community to deliver the Bedminster Green Framework approved by Cabinet on 5th March 2019.
- **Whitehouse Street** - working with developers, landowners, stakeholders, local businesses and community to develop a Spatial Framework to guide the future transformation of the area.

3. **Temple Quarter** - In October 2020 Cabinet authorised the establishment and operation of a Joint Delivery Team (JDT) for Temple Quarter. The new Regeneration Team will also provide strategic support and co-ordination with the JDT.

The total funding available to the new regeneration service in 21/22 is proposed as follows:

	Payroll costs	Non-payroll costs	Total budget
<b>Annual recurring budget</b>			
Existing regeneration service budget	94,000		94,000
Proposed virement to regeneration service	431,948	225,418	657,366
<b>Recurring budget</b>	<b>525,948</b>	<b>225,418</b>	<b>751,366</b>
<b>21/22 additional one-off funding</b>			
Strategic Partner Seed Funding from Executive Director's budget CC 10880		75,000	75,000
Reserves:			
BCC Reserve (City Centre): B4016		71,607	71,607
Western Harbour Enabling reserve: BX002		92,700	92,700
Project management reserve: B4011		75,000	75,000
<b>Total available funding 20/21</b>	<b>525,948</b>	<b>539,725</b>	<b>1,065,673</b>

The remaining £168k will be seed funding for projects under control of the Executive Director for Growth and Regeneration.

Approval is sought to create additional recurring revenue expenditure through redirection of budgets from within the Growth and Regeneration directorate. The following virement is proposed:

Division	Service	Account category	Value	Source of funding
Development of Place	Development Management	Employees	-29,288	Unfilled vacancies
Management of Place	Traffic & Highways maintenance	Employees	-70,719	Unfilled vacancies
Management of Place	Parks and Green Spaces	Employees	-78,360	Unfilled vacancies
Management of Place	Energy Programme Manager (Corporate)	Employees	-63,343	Unfilled vacancies
Management of Place	Bristol Operations Centre	Supplies and Services	-74,227	Spare discretionary budget
Economy of Place	Culture Services	To be confirmed	-125,497	Savings target
Economy of Place	Library Services	Supplies and Services	-30,000	Reduction in book fund
Economy of Place	Culture Services	Third Party Payments	-117,000	Contracted reduction in funding to third parties
Housing & Landlord Services	GF - Private Housing & Accessible Homes	Employees	-89,000	Unfilled vacancies
Economy of Place	Major Projects	Employees	-88,009	Unfilled vacancies
Economy of Place	Major Projects	Supplies and Services	-60,000	Spare discretionary budget
Economy of Place	Regeneration	Employees	431,948	
Economy of Place	Regeneration	Supplies and Services	225,418	
Economy of Place	Directors Office	Supplies and Services	168,077	
			0	
		<b>Gross value of virement</b>	<b>825,443</b>	
		Additional regeneration service funding	657,366	
		Executive Director regeneration seed funding	168,077	
		<b>Total regeneration funding</b>	<b>825,443</b>	

### **West of England Combined Authority (WECA) Funding**

To secure further additional resource to deliver the regeneration projects identified in Central Bristol, a funding bid has been submitted and approved by to WECA for £955k of Strategic Masterplan Funding. Approval is sought to enter into the grant funding agreement, draw down and spend the WECA funding to deliver regeneration projects in Central Bristol.

**Cabinet Member / Officer Recommendations:**

That Cabinet:

1. Note the creation of a new Regeneration Service within the Growth & Regeneration Directorate
2. Authorise a £825,443 virement and reallocation of resources noted in the report to establish a total recurring annual revenue budget of £751k for the regeneration service, and £168k seed funding budget for projects under the control of the Executive Director for Growth and Regeneration.
3. Note the submission of a bid for Strategic Masterplan funding of £955,000 to the West of England Combine Authority.
4. Authorise the Executive Director of Growth and Regeneration in consultation with the Section 151 Officers and Mayor to enter into a grant funding agreement, drawdown and spend £955k West of England Combined Authority Strategic Masterplanning Funding.

**Corporate Strategy alignment:**

The recommendations align with the following fair and inclusive commitments in our Corporate Strategy:

1. Help develop balanced communities which are inclusive and avoid negative impacts from gentrification.
2. Make sure that 2,000 new homes – 800 affordable – are built in Bristol each year by 2020

**City Benefits:**

The Regeneration Service will seek to harness the benefits for growth to deliver;

1. Inclusive, sustainable developments and neighbourhoods
2. A range of housing to meet local housing need including affordable housing
3. Employment, training and apprenticeship opportunities
4. Support for local businesses, high streets and the night time economy
5. Sustainable transport and improved connectivity
6. Liveable neighbourhoods

**Consultation Details:**

Not Applicable

**Background Documents:** None

<b>Revenue Cost</b>	<b>£825,443</b>	<b>Source of Revenue Funding</b>	G&R services - see virement table
<b>Capital Cost</b>	<b>£</b>	<b>Source of Capital Funding</b>	e.g. grant/ prudential borrowing etc.
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input checked="" type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:****1. Finance Advice:****Creation of regeneration service and proposed virement**

This report seeks approval to create and fund a regeneration service within the Economy of Place Division.

A budget review exercise was undertaken between the Growth and Regeneration Executive Director and Divisional Directors throughout 20/21, in which budgets totalling £825,443 were identified that could be reallocated to the regeneration service. The identified sources of funding are either transfer of budget for long standing unfilled vacancies, or savings that will be generated from specific initiatives in 21/22 identified by the G&R leadership team and heads of service. The source of funding is as follows:

Division	Service	Account category	Value	Source of funding
Development of Place	Development Management	Employees	-29,288	Unfilled vacancies
Management of Place	Traffic & Highways maintenance	Employees	-70,719	Unfilled vacancies
Management of Place	Parks and Green Spaces	Employees	-78,360	Unfilled vacancies
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			0	

**Gross value of virement                    825,443**

- Unfilled vacancies (£419k): the division has historically underspent on employee costs. In 20/21, employee costs across the division were underspent by £1.8m. It is therefore unlikely that the transfer of budget for long held vacancies will cause additional budget pressure.
- Spare discretionary budget (£134k): the divisional directors have identified discretionary budget that can be reallocated. This is budget unallocated for a specific purpose, and so will have no service impact.
- Contracted reduction in funding to third parties (£117k): relates to negotiations with third parties where reduction in spend by the culture service has been agreed.
- Savings target (£125k): The culture service have agreed a savings target and are developing plans to deliver within 21/22. As these plans are not finalised, there is the risk that they will not be delivered in year.
- Reduction in book fund (30k): initiative identified by the head of service, and agreed with the G&R leadership team.

All of the sources of funding outlined above, except for the savings target, carry minimal risk of creating a budget pressure within the relevant services – the sources are either a transfer of unused budget, or are initiatives that have been developed with the heads of service and G&R directors, to be delivered in year. The savings target plan is not finalised and therefore carries risk of delivery. If any budget pressure is caused by the funding virement then this must be absorbed by the G&R directorate.

### **Bid for strategic masterplanning funding**

The Regeneration Service have submitted a bid to WECA for £955,000 of funding to fund feasibility and development studies for the following:

- Western Harbour City Wide Vision
- City Centre Development & Delivery Plan
- Frome Gateway

The total estimated project cost is £1.415m, and requires match funding of 460k. The summary of cost is as follows:

	Total WECA funding	BCC Match	Total	Match source
Western Harbour City Wide Vision	150,000	30,000	<b>180,000</b>	Reserve BX002 (Western Harbour funding)
City Centre Development & Delivery Plan	500,000	100,000	<b>600,000</b>	Reserve B4016 and Regeneration service revenue funding (pending regeneration team funding virement)
Frome Gateway	300,000	110,000	<b>410,000</b>	Regeneration service revenue funding (pending regeneration team funding virement)
Internal staff costs		220,000	<b>220,000</b>	Regeneration service revenue funding (pending regeneration team funding virement)
Corporate overheads	5,000		<b>5,000</b>	
	<b>955,000</b>	<b>460,000</b>	<b>1,415,000</b>	

Match funding is either from reserves held for specific regeneration development purposes, or from revenue funding that will be released from the regeneration funding virement within this report.

Cost estimates for the project are based either upon quotes for the studies that have been received, or historical cost for similar projects. Contingency is held within each project at 6%. The service must deliver within this envelope, and any additional cost must be absorbed by the service.

**Finance Business Partner:** Mike Pilcher, Chief Accountant, Growth and Regeneration, 14/06/21

**2. Legal Advice:** The submission of the bid for funding does not raise any specific legal issues. Legal services will advise and assist officers with regard to the grant agreement and if applicable, the conduct of any procurement processes and the resulting contractual arrangements.

**Legal Team Leader:** Husinara Jones, Team Leader/Solicitor, 30 April 2021

**3. Implications on IT:** No anticipated impact on IT Services. If a 'Digital Place' agenda is required, we will be fully supportive of any opportunities and welcome further discussion.

**IT Team Leader:** Simon Oliver, Director: Digital Transformation 4<sup>th</sup> May 2021

**4. HR Advice:** HR have scrutinised the proposals to create the new Regeneration Service, which is to be delivered over 2 phases. HR advice is to approve the establishment of the new service.

**HR Partner:** Celia Williams, HR Business Partner 4<sup>th</sup> May 2021

<b>EDM Sign-off</b>	Stephen Peacock, Executive Director Growth and Regeneration	7 <sup>th</sup> May 2021
<b>Cabinet Member sign-off</b>	Mayor	1 <sup>st</sup> June 2021
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	1 <sup>st</sup> June 2021

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>