

Cabinet – 06.09.16 Executive Summary of Agenda Item 11

REPORT TITLE: EXTENSION OF TEMPLE QUARTER ENTERPRISE ZONE (TQEZ)

Ward(s) affected by this report: Central, Lawrence Hill, Windmill Hill, Brislington West and Southville Wards

Strategic Director: Barra Mac Ruairi

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Purpose of the report: The purpose of this report is to seek approval for the extension of the boundary of the Temple Quarter Enterprise Zone and to seek approval from Government for the extension of the life of the Zone to the end of 2052.

RECOMMENDATION for the Mayor's approval:

- i. To approve the extension of the Temple Quarter Enterprise Zone in accordance with the proposals set out in this report and within the boundaries shown on the map in Appendix 1.
- ii. To authorise the Strategic Director of Place to submit the proposals set out in this report in the form of a draft implementation plan to the West of England LEP prior to 30th September 2016 for onward submission to DCLG for formal consideration and approval, and to include a request to Government that the Enterprise Zone Extension and existing Bristol Temple Quarter Enterprise Zone be extended to both end on 31st March 2052
- iii. To authorise the Strategic Director of Place to enter into discussions with partners including Network Rail, Homes and Communities Agency, and Departments of Government, through the Bristol Temple Quarter Strategic Directors Board with the aim of bringing forward an affordable and jointly funded proposal for the comprehensive development of Bristol Temple Meads Station. This will secure an integrated transport hub and the opening up of Temple Meads East. These proposals to be brought forward to Cabinet for consideration at a later date.

The proposal:

1. In July 2015, government announced an open competition for the submission of bids for new and extended Enterprise Zones (EZs) in England. A proposal to double the size of TQEZ by a further 70ha. on land in and around the Redcliffe/City Centre fringe was approved by Government in principle in the

autumn. The approval was made as a joint one with BANES who also received approval for the re-designation of Bath's Waterside Enterprise Area as an EZ and a newly designated rural EZ in the Somer Valley area of the district.

2. The purpose in seeking a TQEZ extension was to provide a funding mechanism to secure the comprehensive renovation of Temple Meads Station. Whilst good progress is being made in the generation of new jobs and development since TQEZ was designated in 2012, renovation of Temple Meads is seen as the cornerstone of the EZ growth strategy. At this stage it is not yet clear how a funding package to secure the comprehensive development of the station, including an integrated transport hub, and the opening up of Temple Meads East can be brought together. However a substantial contribution to this programme of works can be generated through EZ expansion
3. Temple Meads is one of the last remaining unimproved UK mainline city train stations. The business case for extending the EZ rests on the argument that a fit for purpose 21st century regional transport hub with Brunel's Grade 1 listed station at its heart is needed if the full economic, social and place making potential of a new and inclusive urban quarter for Bristol is to be achieved.
4. NR's current funding programme provides for the electrification of the Great Western Rail network linking London and Bristol with quicker and more frequent services. The Metrobus and Metrowest transport investments will similarly boost journey and rail accessibility in the region. Passenger usage of the station is projected to rise from 11 million to over 22 million by the end of the next decade. Network Rail's current investment plans will provide for the reconfiguration of the station to accommodate electrification, including substantial investment in signalling and engineering operations. However, much of the station estate will remain untouched.
5. Feasibility work undertaken by NR gives a provisional estimate of £250 million to fund extended and improved public and ticketed areas in the station. It would provide for more associated retail and leisure uses, a multi-storey car park to replace surface parking on adjacent development sites. In particular, it would also provide a new underground "street" underneath the station linking a new northern station entrance facing the Friary through to the east onto the Council owned Cattle Market Road site (former sorting office depot). The latter is seen as an important component in creating an integrated transport hub, opening up Temple Meads East and providing much improved public access between the station, Arena Island and adjacent neighbourhood communities such as the Dings.
6. Those wider improvement works are currently unfunded. In recognising that substantial investment is needed in the station estate and surroundings, the Council and its EZ partners have explored funding options in consultation with Government over the last two years. In brief summary, these have included a bid for Government infrastructure funding for the station as one of its "top 40" national infrastructure priorities; a Growth Strategy bid made as part of the wider funding allocation for HS2 and latterly, a bid to expand TQEZ and use retained projected business rate revenues over the 25 year life of the EZ as a basis for borrowing and funding the capital costs of station improvements.
7. To date, Government has been unequivocal in confirming that the only funding

option on the table is the EZ business rate revenue funding option. This places much of the financial risk directly on to the Council, potentially as a joint major contributor to a partnership funding agreement with Network Rail. The financial implications of this route are presented in the internal consultations section below.

8. NR will embark on a masterplan exercise later this year to refine the station development proposals and provide a more robust cost estimate based on site investigation works. On NR's assessment, it is unlikely that the new appraisal and costings will be available before mid-2017 at the earliest. This major piece of work is essential if a more robust cost plan is to be obtained with a more accurate assessment of investment priorities from each of the partners' perspective. It is this work that will form the basis of future discussions with partners including Network Rail, Homes and Communities Agency, and Departments of Government, through the Bristol Temple Quarter Strategic Directors Board with the aim of bringing forward an affordable and jointly funded proposal for the comprehensive development of Bristol Temple Meads Station.
9. The Council is required to submit its proposals and implementation strategy for the extended TQEZ to Government by 30th September 2016 and therefore in advance of any further more reliable projected redevelopment costs for the station. There will be further consultations after this date on the proposals with the Council, its partners and other Government departments in the following months. Subject to government approval, it is anticipated that legislation for the latest round of new or extended EZs will be presented to Parliament early in 2017, with the extended TQEZ going live on 1st April 2017.