

Decision Pathway – Report



PURPOSE: [Key decision](#)

MEETING: Cabinet

DATE: 06 December 2022

TITLE	Application for Grant from Brownfield Land Release Fund to facilitate the development at Redcliffe Wharf, Bristol.		
Ward(s)	Central		
Author: James Lazarus	Job title: Interim Regeneration Manager		
Cabinet lead: Mayor Rees	Executive Director Lead: Stephen Peacock, Executive Director Growth and Regeneration		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report	<ol style="list-style-type: none">1. To note the decision to submit a grant application of £1.5m to the Brownfield Land Release Fund2. To seek approval, to enter into a grant funding agreement for the awarded amount of £516,000, and thereafter drawdown and spend up to £516,000 to facilitate the development of Redcliffe Wharf, Bristol3. To seek approval to enter into an appropriate legal variation arrangements with the Development Partner, prior to the use of the Grant monies.		
Evidence Base:	<ol style="list-style-type: none">1. The Redcliffe Wharf site, as identified red on plan at appendix 1 has remained vacant and undeveloped for many years. The site is in the freehold ownership of the Council.2. In 2012, having undertaken a selection process, the Council selected a private sector development partner, Complex Development Projects Ltd, who has entered into an Agreement for Lease with the Council. Since then, the development partner has secured planning consent for a high quality mixed use scheme comprising:<ul style="list-style-type: none">- 45 homes of which 3 are affordable- 5,976 sq m (c.65,000 sq ft) of office and ground floor commercial, retail and leisure use.- 12 new moorings- New water bus stop- Extensive and high quality public realm3. The Agreement for Lease places an obligation on the development partner to appoint a professional team, design a scheme, secure planning consent and develop the consented scheme. The Agreement contains longstop dates on the event of the Development Partner not fulfilling those obligations, in which case the Agreement would fall away and the Council would take back full control of the site.4. Due to high enabling costs on this brownfield site, the development partners have to date been unable to deliver a viable policy compliant development at Redcliffe Wharf. Funds from the Brownfield Land Release Fund (BLRF) are available to Local Authorities, to facilitate the release of developable land.5. On 22nd August 2022 CLB approved the submission of an application for £1.5m to the BLRF. The funding application sought grant to fund the delivery of enabling works to facilitate a viable mixed-use development		

at Redcliffe Wharf.

6. A decision on the Application was received on Friday 14th October. £516,000 was awarded, which is significantly lower than the sum applied for. The grant funding award was to fund the cost of:
 - Relocation of Victorian Water Main
 - Demolition and remediation work
 - Site Preparation
7. The sum had been downgraded as the adjudication panel judged that some of costs anticipated were non allowable.
8. It is a requirement of the DLUHC Grant Approval that the Council enter into a Funding Agreement on or before 28 October 2022 and receive the funds before 30th November. Given the value of the award such an agreement would ordinarily require Cabinet approval. However, in order to not lose the funding, the Executive Director signed the Agreement subject to a condition that it would not become effective unless and until Cabinet gave its approval. If Cabinet declined the agreement would not come into effect and any monies received would be returned.
9. It is intended the Council will enter into an Agreement with the development partner to undertake the funded enabling works at Redcliffe Wharf. This Agreement will have regard to the terms and conditions, including clawback, imposed upon the Council by DLUHC. Any agreement entered into with the development partner would ensure that the conditions contained in the Grant Funding Agreement are mirrored so as to ensure that there is no risk of financial exposure to the Council.
10. The Council will also enter into an appropriate legal variation arrangements with the Development Partner, prior to the use of the Grant monies, to address a number of other issues which are impacting on the developer's ability to finance the development.
11. Subject to agreeing terms with the development partner it is anticipated that the enabling works would be undertaken during Q1 & 2 2023. However, if there is failure to agree terms the grant monies would be returned to DLUHC in full. Assuming this work is completed as expected, the timeframe to deliver the entire scheme would be approximately 2 years from commencement of the main construction contract.
12. If the Council is unable to agree terms with the developer partner or the developer partner is unable to bring forward the site for redevelopment, the Council will explore alternative delivery options.

Cabinet Member Recommendations:

That cabinet:

1. Note the submission of a £1.5m Grant Funding Application to the Brownfield Land Release Fund (to facilitate the development at Redcliffe Wharf, Bristol) which led to the award of funding of £516k.
2. Note the decision to conclude a conditional grant agreement, implementation of which was subject to Cabinet approval.
3. Endorse the action taken by the Executive Director Growth and Regeneration to secure the funding as outlined in this report.
4. Authorise the Executive Director Growth and Regeneration in consultation with the Mayor, to take all steps required to enter into the grant funding agreement and to accept, draw down and use the £516k grant to deliver the qualifying works, as outlined in this report.
5. Authorise the Executive Director Growth and Regeneration, in consultation with the Mayor, to enter into any further appropriate arrangements (including variations to existing agreements) with the Development Partner aimed at facilitating the development.

Corporate Strategy alignment:

The proposals align with several corporate priorities, including:

- Develop a diverse economy that offers opportunity to all;
- Deliver new homes, to help deliver the requirement to have homes built in Bristol each year;
- 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

1. Improved public realm and access to the waterfront
2. Provision of new housing
3. Generation of new employment opportunities
4. Improvement of city centre transport facilities

Consultation Details

1. The grant application, although submitted by the Council, in accordance with the requirements of the Fund, has been assembled through cooperation with the Council's Development Partners
2. A requirement of the bid process was that the MP (Thangam Debonnaire) was informed of the application, this was done by e-mail on 23rd August 2023.

Background Documents Please see link to HM Government website outlining the details of the Brownfield Land Release Fund, which is a £180m fund available to Local Authorities announced by the DLUHC, Cabinet office and Minister on 8th July 2022.

[Derelict sites to be transformed into new homes as new brownfield fund opens - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/deluhc-announces-180-million-brownfield-land-release-fund)

Revenue Cost	£ N/A	Source of Revenue Funding	N/A
Capital Cost	£516k	Source of Capital Funding	Grant
One off cost <input 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 report seeks Cabinet approval to accept the award of a grant of £0.516m from the Brownfield Land Release Fund (BLRF). The BLRF is a cross-government initiative between the Department for Levelling Up, Housing and Communities (DLUHC) and One Public Estate (OPE) which is delivered in partnership by the Local Government Association and the Cabinet Office.

The grant has been awarded to fund the cost of relocation of the Victorian water main, demolition and remediation work site preparation. The amount awarded was much less than the £1.5m amount requested. The BLRF will require certain specified works to be delivered otherwise there is a risk they would demand that the grant is returned.

It is therefore imperative that adequate legal binding provisions are put in place to safeguard the council's financial interests, so that delivery of the specified works is secured **before** the grant is paid over.

The grant funding will only be remitted to the Developer once they have satisfactorily completed the enabling works required according to the grant conditions, and such certification is confirmed by a qualified Officer of the Council or appointed professional.

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner for Growth and Regeneration, 24 November 2022

2. Legal Advice: The submission of a bid for grant funding does not raise any specific legal implications, however given the value of the award, authority to spend (or commit to spend) any grant awarded ordinarily requires cabinet

approval. In the circumstances facing the Council (namely the requirement to sign a funding agreement by 28 October or lose the funding) a decision was taken to conclude, in effect, a conditional agreement. Making clear that implementation of the agreement was subject to cabinet approval, failing which the agreement would be void.

Furthermore, in order to mitigate the risk to the Council arising under the Funding Agreement (once it become effective) an agreement will be concluded with the Developer making clear the funds will only be flowed down after all works to which they relate have been completed. Other commitments will also be sought to ensure the Council meets its obligations under the funding agreement.

Legal Team Leader: Eric Andrews Team Manager, 26 October 2022.

3. Implications on IT: I can see no implications on IT in regard to this activity.

IT Team Leader: Alex Simpson – Senior Solution Architect 19 October 2022

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams - HR Business Partner – Growth and Regeneration 11 October 2022

EDM Sign-off	Stephen Peacock, Executive Director Growth and Regeneration	11 October 2022
Cabinet Member sign-off	Cllr Cheney, Cabinet Member for Finance, Governance and Performance	17 October 2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	7 November 2022

Appendix A – Further essential background / detail on the proposal Location Plan attached.	YES
Appendix B – No consultation has taken place in respect of the Grant application, however there was a significant amount of public consultation undertaken by the Development Partner as part of the Planning Application process involving Stakeholders and Stakeholder Groups	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 advic	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO