

Report title: Grant agreement for Hengrove Park and The Bottle Yard Studios

Wards affected: City wide generally with specific benefits to Knowle, Filwood, Hengrove & Whitchurch Park

Strategic Director: Barra Mac Ruairí

Report Author: Howard Swift

RECOMMENDATION for the Mayor's approval:

1. To note the significant contribution of The Bottle Yard Studios (TBYS) facility to the City Economy and employment in South Bristol
2. Approve the continuation of The Bottle Yard Studios operations as a 'going concern' with a review of its Governance arrangements
3. To agree that the Council will merge the existing two grant agreements with HCA relating to land known as Hengrove Park and land known as Constellation/The Bottle Yard Studios into a new single consolidated grant agreement with HCA.
4. To authorise the Strategic Director: Place to approve the completion of the new grant agreement and to resolve any other issues in the terms of the new agreement including land ownership issues within the scope of the defined land area, where the agreed purchase price of the land contained in the new licence agreement is in excess of £500,000, subject to:
 - 4.1. Briefing of the Cabinet Member for Place on due diligence, detail of the grant agreement and legal arrangements, and the contribution of the grant agreement to the overall regeneration and economic growth in the area.
 - 4.2. Advice from the Service Director: Property recommending the terms of the grant agreement and any other property implications that might affect the Council's interests as a result of the new agreement.
5. To approve the investment of capital funding of £692k for essential renewal and improvements protecting BCC reputation and enhancing business potential.

Key background / detail:

a. Purpose of report:

- Enable the success achieved with The Bottle Yard Studios to be continued into the medium term.
- Resolve repair needs at The Bottle Yard Studios to support continued growth in activity and revenue.
- Relieve the Council of an existing £8.5m balance sheet liability linked to previous infrastructure delivery at Hengrove Park.

- Conclude a revised grant agreement aligned to housing delivery priorities.
- To obtain Cabinet approval to consolidate two existing grant agreements with the Homes & Communities Agency (HCA) into a single agreement to facilitate delivery of regeneration at Hengrove Park and retention of The Bottle Yard Studios by the Council. To review the positive performance of the Bottle Yard Studios facility, and to reconsider its 'meanwhile use' status to allow investment in future growth.

b. Key details:

1. There are currently two separate agreements for grants between the Homes and Communities Agency (HCA) and Bristol City Council (BCC) in relation to Hengrove Park and the Bottleyard Studios. Each of these agreements reflects the expectations from the time that they were entered into. The passage of time, and changes in intentions mean that each of the current agreements presents significant difficulties for BCC.

2. Engagement with the HCA, and their general supportive partnership for the prosperity of the city, has enabled us to agree principles for a new single grant agreement to replace the two current agreements. The opportunity now presents itself to restructure these agreements to the benefit of both the Council and the HCA. For the Council this will mean that a provision of £8.5m for the future repayment of HCA grant will no longer be required.

3. The success of the Bottlyard Studios operations since its inception as a pop-up, meanwhile use film studios leads us to review this temporary status, to encourage the future growth of the facility and to invest in its continued growth.