

Decision Pathway

PURPOSE: Key decision

MEETING: Cabinet

DATE: 6th June 2023



TITLE	Southmead Regeneration	
Ward(s)	Southmead	
Authors: Mohammed Al-Bayatti and Tim Midwood	Job titles: Housing Development Manager and Senior Housing Development Manager	
Cabinet lead: Cllr Renhard, Cabinet Member Housing Delivery and Homes	Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration	
Proposal origin: <i>Other</i>		
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>		
Purpose of Report: <ol style="list-style-type: none"> 1. This report seeks Cabinet approval and authorisation of an additional sum of up to £620k (in addition to £7m previous cabinet decision in February 2021) from Strategic Community Infrastructure Levy for non-residential elements of the revised Glencoyne Square Scheme and authorisation to implement key aspects of the scheme. 2. It also notes progress with, and amendments to, the 'Southmead Masterplan'. 		
Evidence Base: <p>In 2018 an ambitious community-led 'Southmead Masterplan' was developed to guide regeneration in Southmead. The Masterplan shows the spatial redevelopment of a range of central Southmead sites to support improved public service provision, local amenity, regeneration, and the delivery of new homes. A copy of the Masterplan showing spatial plans can be found at: https://www.southmead.org/wp-content/uploads/2018/10/FV_18061_U01_002_Masterplan-Report_181010.pdf.</p> <p>The overall aims of the masterplan are to:</p> <ul style="list-style-type: none"> • Provide high quality floor space and open space for community, health and commercial use. • Deliver 240-330 new homes in central Southmead, with a mix of new affordable and market housing options, including smaller homes to enable downsizing and reduce under-occupation. • Enable a sustainable income for Southmead Development Trust to deliver its charitable objectives. • Provide appropriate anchor supermarket provision. • Improve the sense of place and public realm within the Arnside area. <p>Implementation of the Southmead Masterplan is being undertaken over several phases. It will enhance development densities, protect retail provision, provide a sustainable future for the local centre, and improve the accessibility and efficiency of local services.</p> <p>In 2019 Bristol City Council (BCC) received a £3.6m Housing Infrastructure Fund (HIF) funding award from Homes England to support the delivery of the Masterplan, including site acquisition, public realm works, and sustainable drainage improvements.</p>		

Significant progress against the Masterplan has been made by the Council working in partnership with the Arside and Glencoyne Regeneration Project Group (AGRP) and Southmead Development Trust (SDT):

- Public realm and sustainable urban drainage (SuDs) improvements to Arside have been completed and opened to the public in May 2022. These sustainable drainage improvements will mitigate the impact of building homes identified in the Southmead Masterplan.
- The White Hall site has been purchased by Bristol City Council for re-development with the former building now demolished.
- Planning permission has been granted for the first major new housing scheme on Glencoyne Square, for 120 new homes and the scheme has subsequently been enlarged and re-designed to improve viability with an additional level of HIF funding made available toward pre-development costs and enabling work.
- The Youth Centre has been returned to Bristol City Council, and local youth services have been consolidated and improved on the Ranch Adventure Playground (not HIF funded).
- The Library has been relocated temporarily to Southmead House (not HIF funded).

To date, circa £2.2m of HIF funding has been spent, with a further £290k contributed by the Wessex Water, and BCC Flood and City Design Teams for SuDs and public realm Arside improvements.

Southmead Masterplan Changes to note

Southmead Masterplan is an aspirational document put in place following widescale community consultation but is not an adopted Supplementary Planning Document (SDP) in planning terms. The Masterplan set out some strategic objectives and site proposals for central Southmead which have evolved over time due to land assembly options and spatial or physical constraints. Cabinet is asked to note the following changes to the proposed individual site plans within the Masterplan:

- The re-location of Southmead Health Centre to the new development on Glencoyne Square is not progressing as the Council was unable to enter into an agreement with NHS Partners because of unavailability of sufficient match funding from the NHS. Provision will be maintained at the existing site and enhanced through the inclusion of a new health and wellbeing hub on Glencoyne Square.
- The location of a play area in the central new park is not possible due to residential proximity and extant tree cover limiting actual space available.
- Aldi are no longer expanding their store at the current time although it is expected that the store will be refurbished, and Aldi will remain on site.
- The non-residential ground floor space on Glencoyne Square has been redesigned.

Glencoyne Square:

At the centre of the regeneration project is the community-led housing project at Glencoyne Square. BCC have agreed to sell open space at Glencoyne Square to the Southmead Development Trust (SDT) for £1 (the Market Value as at the exchange of option agreement in March 2022) to facilitate the first phase of delivery of new homes and community 'hub' facilities. BCC Development Control Committee resolved to grant permission for a scheme at Glencoyne Square for up to 120 homes, a new health centre, library, live workspace and community space in May 2020. In February 2021, Cabinet agreed to fund up to £7m in non-residential space through Strategic CIL, which will support the wider delivery of affordable housing, community space and the wider regeneration of Southmead. This included investment into a new shared health centre and library alongside further community enterprise space, and temporary relocation costs for Southmead Library. The previous cabinet paper can be found at: [Southmead Regeneration \(bristol.gov.uk\)](https://www.bristol.gov.uk/southmead-regeneration).

Following cabinet approval in February 2021, viability issues became more significant on the residential part of the Glencoyne scheme, and the council was unable to enter into an agreement with NHS partners for a new health centre provided within the non-residential part of Glencoyne scheme because of unavailability of sufficient match funding from NHS Partners. Also, there were viability issue around the housing part of the scheme due to the number of dwellings, scheme design and construction methods. In response to this, a new planning application has been developed by SDT to address these issues and is currently awaiting determination. SDT are resolving a number of minor items with the view to the scheme being taken to committee in June 2023. The new scheme is expected to

provide up to 187 homes, of which approximately 66% will be affordable, alongside a new shared library, advice and learning hub, community enterprise space and a health and well-being hub. The provision of non-residential uses at ground floor has been maintained in the new application to meet planning requirements and the principles of the community-led Southmead Masterplan. Key differences to the previous scheme include:

- An increase in the number of dwellings from 120 to 187, whilst maintaining a similar building footprint through some height increase and a more efficient design.
- A smaller health and well-being hub will be included in the plans with the current health centre remaining at its existing location. This will see an increase in overall health and wellbeing provision.
- The library is proposed to share space with learning and training spaces, run by SDT, with a shared reception funded by income through the wider uses across the site. This will enable the provision of library service as previously envisaged.

BCC are seeking to renew the cabinet authorisation for capital funding from Strategic CIL to fund non-residential space at Glencoyne Square to support an 'enterprise, learning, health and well-being hub' at Glencoyne Square and enable the delivery of affordable housing alongside the community space. A significant area of public realm is also proposed containing a redesigned public park and a central spine with a cycle route.

In addition to the CIL funding, BCC has negotiated grant funding to SDT as part of the existing HIF £3.6m to be used directly to support the pre-development infrastructure and planning and predevelopment costs at Glencoyne Square development.

The report seeks Cabinet approval of additional CIL funding of £620K to deliver the project, the required contribution increasing from £7.0m (approved by Cabinet in February 2021) to £7.62m. The revision represents the costs of covering the relocation of the library and the funding gap emerging from Aldi's decision not to progress with the expansion of its store. SDT have undertaken, and have given written assurance, that they would provide £175K through fundraising towards the project as well as fund any gaps that may arise from cost overruns. SDT advised that the Glencoyne Square scheme will facilitate £83m of social and economic value over the first eight years. This figure has been calculated through assessing the scheme using the TOMs, HACT, and New Homes Bonus model. Following the 8-year period each year has the potential to continue generating c£29m of social value measured through the HACT model.

Committed sums are to cover the cost of future maintenance of highways and other assets to be adopted by the authority as a result of the Glencoyne Square development.

SDT has asked for an appropriate portion of the CIL fund towards pre-development fees and costs, subject to keeping within the budget outlined in the report.

Southmead Library, Southmead Youth Centre:

The Southmead Masterplan proposed the relocation of Southmead Library to a shared premises at Glencoyne Square, providing an enhanced service offer. BCC has co-ordinated the temporary relocation of Southmead Library to Southmead House. The library is now open, with re-location costs funded through cabinet authorisation of £7m Strategic CIL from Feb 2021.

The Southmead Youth Centre building was leased to Southmead Development Trust in 2014 for a period of 15 years. As part of the works to mitigate the impact of the youth centre's closure to allow the ALDI expansion, BCC has contributed grant funding to support improvements to The Ranch Adventure Playground. All youth services have now been moved to alternative locations in Southmead and the full renovation of the Ranch Adventure Playground has been completed by Southmead Development Trust utilising the grant funding and its own funding sources.

The anchor supermarket operator, Aldi, has recently declined to expand their store and instead is expected to refurbish the facility within the existing store footprint. Until there is greater clarity on the future reuse of the library and youth centre site the former Youth Centre has been granted for use on a license to an existing occupier, Gracie Barra Jiu Jitsu Club.

Next Steps:

- It is expected that a Registered Provider partner will be selected to work in partnership with Southmead Development Trust to help deliver the new scheme and provide management services for the whole scheme with SDT owning, managing and running the ground floor spaces.
- A decision on the current planning application is anticipated in June 2023.
- Start on site of the main residential development is expected in 2024, with completion by 2026, subject to viability.
- CIL spend has already covered the temporary relocation of the library and will commence with predevelopment design and procurement work in 2023 required as part of the overall scheme costs.

Cabinet Member / Officer Recommendations:**That Cabinet:**

1. Note the progress towards and delivery of the Southmead Masterplan and the amendments to individual sites within the Masterplan area.
2. Note previous Cabinet approval on 25 February 2021 to allocate capital investment of up to £7m from Strategic Community Infrastructure Levy for non-residential elements of the revised Glencoyne Square Scheme.
3. Approve an additional sum of up to £620k from Strategic Community Infrastructure Levy for non-residential elements of the revised Glencoyne Square Scheme to support the additional cost increase.
4. Authorise the Executive Director Growth & Regeneration, (in consultation with the S151 Officer, Cabinet Member for Finance, Governance & Performance, and Cabinet Member for Housing Delivery and Homes to:
(i) Use Strategic CIL funds up to £7.62m to deliver the non-residential elements of the Glencoyne Square scheme, supporting the non-residential development including], public realm, commuted sums, library relocations, and delivery of advice learning, Library and training hub and new Health, and Well-Being Hub at Glencoyne Square by SDT;
(ii) To negotiate and agree all remaining further property and financial transactions, and to procure all necessary contracts (goods, services, grants and works) contract which may be above key decision threshold, required to deliver the CIL funded works subject to keeping within the budget outlined in the report:
(iii) take all steps required to negotiate terms for the total CIL funding drawdown and spend.

Corporate Strategy alignment:

Bristol's Corporate Strategy 2018–2023 includes a strong focus upon working with city partners to secure objectives, to build a better Bristol, to develop people and places and to improve outcomes whilst empowering communities and reducing the need for council services. The proposed Southmead Regeneration plans support increased housing provision in line with BCC Housing Targets within the context of strong place-making which creates a healthy, inclusive and sustainable area for local people and directly addresses the Corporate Strategy themes of: Empowering and Caring, Fair and Inclusive, Well Connected, and Wellbeing.

City Benefits:

The transformation of Southmead, including the provision of new homes, an improved town centre and a healthy and inclusive local community environment will contribute to city-wide targets for housing and for developing economic and social opportunity and environmental sustainability.

The co-location of new high-quality homes, the wellbeing hub and improved open space will contribute to the new Integrated Care Board Mission for BNSSG "Healthier Together by Working Together" though improving outcomes in population health and tackling inequalities.

Through co-locating the services within the new hub with the Southmead Library, footfall, opening hours and social impact will increase. This will deliver against Bristol City Council Libraries Strategy which supports innovation and reform in the libraries service "By 2024 we will have a library service that is shaped by local communities and delivered in partnership with Bristol's residents...By sharing space and looking for new partnerships with organisations including business start-up hubs, we can explore ways to grow the role of libraries and make better use of these valuable assets"

Consultation Details:

The Southmead Masterplan has been the subject of extensive community-led consultation within Southmead led by Southmead Development Trust.

Pre planning application consultation for planning application in April 2022 – only 4 objections and 14 comments of support received to the proposed scheme which was submitted for planning in June 2022, and is currently awaiting determination.

Background Documents: Southmead Masterplan: https://www.southmead.org/wp-content/uploads/2018/10/FV_18061_U01_002_Masterplan-Report_181010.pdf

Glencoyne Square Planning Application 2022: [22/03309/F | Development of site for up to 187 residential units and a mix of non-residential uses falling within Use Classes E, F1 and F2, together with associated external works and public realm, including a new park layout, cycle routes and central spine. | Open Space Glencoyne Square Bristol BS10 6DE](#)

Revenue Cost	n/a	Source of Revenue Funding	n/a
Capital Cost	Up to £7.62m	Source of Capital Funding	Strategic Community Infrastructure Levy (CIL)
One off cost <input checked="" 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:

This report seeks a refresh of the previous commitment given by the Cabinet to fund the non-residential aspects of the Southmead Masterplan. Cabinet approved the original plan in February 2021 when authority was given to invest £7.0million of Strategic Community Infrastructure Levy (SCIL) resources in the Glencoyne Square Scheme. However, since then, the project costs have been revised to circa, £7.8m, of which the Council’s share has increased to £7.62m. The project costs include a contingency provision in accordance with the Council’s usual policy.

The report also seeks Cabinet approval of additional CIL funding of £620K to deliver the project, the required contribution increasing from £7.0m to £7.62m. The revision represents the increase in costs of covering the relocations of the library (£245k) and the funding gap emerging from Aldi’s decision not to progress with the expansion of its store (£375K). Funding is available from the Community Infrastructure Levy asset to cover this additional investment.

Southmead Development Trust (SDT) have undertaken, and have given written assurance, that they would provide £175K towards the project as well as fund any gaps that may arise from cost overruns. The Trust’s latest financial statements show a bank balance in excess of £1.3m and unrestricted reserves of £3.5m. The organisation has been successful in many fund-raising ventures.

Work undertaken by the Environmental Performance and Growth and Regeneration Teams has shown the project has the potential to deliver substantial economic and social value over many years. Particularly, the Glencoyne Square scheme will facilitate £83m of social and economic value during the first eight years, after which, each year has the potential to continue generating c£29million of social value. These figures have been calculated by assessing the scheme using the TOMs, HACT, and New Homes Bonus models.

The social and economic value will be achieved through increasing affordable homes, creating employment, reducing crime & anti-social behaviour and sustainability measures as the scheme is being built to the highest standards of energy and transport sustainability. Furthermore, the scheme has been designed with mental and physical wellbeing at its heart which includes access to non-clinical health provider space, a fitness and wellbeing studio, training, and workshop.

Finance Team: Michael Jarrett and Archa Campbell Finance Business Partner – 11 May 2023

2. Legal Advice: Any contracts for the purchase of services, goods and/or works in relation to the project, including

professional services, will need to comply with the council’s procurement rules and the Public Contracts Regulations 2015 (PCR2015). Legal advice should be taken on the procurement of and terms of any contract with any external contractors to deliver the project.

The Council is under a duty by virtue of S123 of the Local Government Act 1972 to achieve best value for its assets and any disposal should ordinarily be at the best price reasonably obtainable. The duty to seek best consideration is subject to certain exceptions, most notably section 3 of the Local Government Act 2000 providing the Council with well-being powers to accept a disposal at undervalue within the £2 million threshold, where the authority considers the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its citizens.

The Council’s power to acquire property by agreement and at market value falls within the Local Government Act 1972 for the purpose of any of its functions or for the benefit, improvement, or development of the area.

Legal Team Leader: Eric Andrews, Team Manager: Commercial and Governance Lawyer, Legal Services, 18 May 2023

3. Implications on ICT: There will be some business-as-usual work for IT but apart from that I can see no implications on IT in regard to this activity.

ICT Team Leader: Alex Simpson – Senior Solution Architect, 25 May 2023

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams, HR Business Partner, 25 May 2023

G&R EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	23 May 2023
Housing Delivery Board Sign-off	Stephen Peacock, Executive Director Growth and Regeneration	24 November 2022
Cabinet Member sign-off	Cllr Renhard, Cabinet Member for Housing Delivery and Homes	14 March 2023 and 16 May 2023
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	5 May 2023

Appendix A – 1) Information summary of Glencoyne Hub for Enterprise, Learning and Wellbeing Business Case, 2) Information summary of Social and Economic Value report	YES
Appendix B – Details of consultation carried out - internal and external	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: a) Comparison table between the previous & the current scheme, b) Southmead Development Trust fundraising track record letter, c) Glencoyne Hub for Enterprise, Learning and Wellbeing Business Case, d) Social and Economic Value report	YES
Appendix J – HR advice	NO
Appendix K – ICT	NO

