

Decision Pathway - Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 October 2023

TITLE	Overview of Hengrove Park Delivery Approach, and Approval to Draw Down WECA DIF Funding Award for Enabling Infrastructure		
Ward(s)	Hengrove and Whitchurch Park		
Author:	Declan Cooney	Job title:	Senior Housing Development Manager, Housing Delivery Service
Cabinet lead:	Cllr Craig Cheney, Cabinet Member for Finance, Governance and Performance	Executive Director lead:	John Smith, Interim Executive Director, Growth and Regeneration
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
1.0	Purpose of Report:		
To provide an update on the Hengrove Park Delivery Approach, and to seek approval to accept and spend the WECA DIF Funding award to deliver enabling infrastructure at Hengrove Park, and to repay the repayable grant element.			
2.0	Background:		
2.1	<i>The Council's Ambition for a High-Quality New Residential-led Development at Hengrove Park - Outline Planning Consent, Masterplan and Design Codes</i>		
<ul style="list-style-type: none"> In May 2019 Cabinet approved the 'Hengrove Park - Delivery of a New Housing Development' Cabinet Report which sets out the Council's ambition for bringing forward a high-quality new residential-led development on Council-owned land at the former Whitchurch Airport site at Hengrove Park (a c. 49 hectare 'brownfield' site which was allocated for housing development and a new public park in the 2014 Bristol Local Plan). The May 2019 Cabinet Report sets out the Council's ambition to deliver an exemplar development with excellent development quality and sustainability, to create a mixed-tenure balanced and sustainable community, and a thriving new neighbourhood in South Bristol. <i>(For further details of the relevant Cabinet Decision please see the 'Background Documents' section below).</i> In May 2019 Cabinet also approved a separate Cabinet Report, 'Hengrove Park- Re-provision of Rugby Club and Scout Hut Facilities' which approved the delivery of 2 enabling projects: to deliver replacement facilities at Fulford Road in Hartcliffe for St Bernadette's Old Boys Rugby Club; and to deliver a new Scout Hut for the Hengrove and Whitchurch Park Scout Group; both to support continued provision of these important community activities, and to secure vacant possession of land on the Hengrove Park site for the future housing development. <i>(For further details of the relevant Cabinet Decision please see the 'Background Documents' section below).</i> 			

- In February 2020 the Council secured Outline Planning Consent for the masterplan redevelopment of Hengrove Park to deliver up to 1435 new homes (up to 50% of which will be Affordable Homes), a 22-hectare new public park plus high-quality community, sports and employment facilities.

The Outline Planning Consent (19/02632/PB) is based on a Masterplan and approved Design Codes which set out an ambitious vision for a high-quality new residential-led development, which delivers an excellent standard of housing and urban design quality, well designed and well maintained public realm and enhanced open green space, and new employment, community and sports facilities.

The redevelopment of Hengrove Park will be brought forward in a series of phases over several years, in accordance with the approved Outline Planning Consent (19/02632/PB), Masterplan and Design Codes. Appendix A3 shows the 'Illustrative Phasing Plan' (developed as part of the Outline Planning Consent) for the Hengrove Park Masterplan development.

2.2 Decision to Bring Forward the Development via Goram Homes

- In September 2018 Cabinet approved the 'Creation of the Housing Company' Cabinet Report which approved the establishment of the Council's wholly owned Local Housing Development Company, Goram Homes.
- In March 2021 Cabinet approved the 'Goram Homes Land Disposal' Cabinet Report which specifies the governance process for approving transfer of land parcels/ phases from the Council to Goram Homes, at the point at which each site or phase is ready to come forward for development.
- In March 2022 Cabinet approved the 'Goram Homes – Pipeline of Housing Development Sites (2022)' Cabinet Report which added Hengrove Park to the pipeline of sites allocated for development by Goram Homes. *(For further details of the relevant Cabinet Decisions please see the 'Background Documents' section below).*
- In May 2023 Goram Homes selected Vistry Group/ Countryside Partnerships as their preferred Joint Venture Development Partner to bring forward the development. Goram Homes and Vistry Group/ Countryside Partnerships have submitted a Reserved Matters planning application (23/02376/M) in June 2023 for their first major phase of housing and new public park ('Hengrove Park Phase 1B').

2.3 Delivery of Affordable Housing within the Development as New Council Homes

- The 'HRA Development Programme' approved by Cabinet in January 2023 (as part of 'Housing Revenue Account (HRA) Business Plan'), included approval for the HRA to acquire the Affordable Housing in future phases of the Hengrove Park development as new Council Homes, subject to detailed approval and viability as each phase comes forward.

The HRA Development Programme approved by Cabinet included approval to deliver the 'Residential Bookend Plot/ Plot E2' as an early phase of 100% Affordable Housing to provide high-quality new Council Homes, in line with the earlier May 2019 Cabinet Decision.

The Council has entered into a Development Agreement with Goram Homes, who have appointed Hill Partnerships as their construction contractors, to bring forward a development of 53 apartments on Plot E2 in accordance with the Full Planning Consent the Council has secured (21/02982/FB), which adheres to the overall Masterplan and Design Codes.

(For further details of the relevant Cabinet Decisions please see the 'Background Documents' section below).

2.4 Securing WECA Funding to Contribute to Costs of Enabling Infrastructure

- In September 2020 Cabinet approved the 'Hengrove Park Enabling Funding' Cabinet Report, which provided approval to submit a funding application to the WECA DIF fund for £14.8m for Hengrove Park enabling

infrastructure, and to draw down the future potential funding award (based on initial, early-stage proposals then available at Outline Business Case stage).

- The Council's successful Outline Business Case (OBC) funding application was approved by WECA Committee in December 2020.
- Subsequent work to develop the detailed delivery strategy for Hengrove Park, including a more in-depth Full Business Case funding application to WECA (which built on the preliminary OBC work), has developed a more detailed scope of the enabling infrastructure workpackages; the delivery routes; detailed design and planning consents; programme; costs; and the final amount of the funding award, financial terms and 'funding flows'.
- In September 2022 WECA Committee approved the Council's more detailed Full Business Case (FBC) funding application for £19.8m of Development Infrastructure Funding (DIF), for enabling infrastructure to accelerate the development at Hengrove Park.
- The £19.8m WECA DIF funding award is made up of £14.8m non-repayable grant and a further £5m repayable grant.
- The approved funding agreement makes provision for the Council to draw down the funds from WECA in 3 financial years 2022/23 to 2024/25, and to repay the £5m repayable grant element to WECA over the 3 financial years 2027/28 to 2029/30. Details are set out in Tables 2 and 3 under Finance Advice.
- The Council will draw down funding from WECA quarterly in arrears to pay for the works, in accordance with a standard grant claims process, as per the terms of the Funding Agreement between the Council and WECA (see Appendix A2).
- As set out in the Council's Full Business Case funding application approved by WECA Committee, the £19.8m funding will be used to deliver 3 workpackages designed to achieve the greatest impact in terms of enabling and accelerating the development at Hengrove Park, as follows
- **Workpackage 1 – Upgrades to 3 Enabling Highways Junctions and Walking and Cycling Provision;** required by planning conditions, and a key enabler for the delivery of the whole Hengrove Park masterplan development.

For Work Package 1, the Council will use c. £7.8m of the WECA funding to fund the relevant highways junctions' upgrades, with delivery of this work package led and project managed by the Council's Transport Team. A portion of the funding for Work Package 1, c. £900k, has already been drawn down in 2022/23 to fund the now completed 'Junction 1 – Bamfield Road' upgrade.

- **Workpackage 2 – Highways Realignment and Public Realm Works on 'Residential Bookend Plot E2';** required by planning conditions, and a key enabler for the delivery of 53 new Council Homes and creating the 'gateway' and neighbourhood centre to the overall new Hengrove Park development.

Delivery of this work package will be led by Goram Homes and their construction contractors, Hill Partnerships, with the Council's Housing Development Team acting as the end client for the completed development.

For Work Package 2, the Council will use c. £1.9m of the WECA funding to fund the relevant highways realignment and public realm enabling works, via the Development Agreement between the Council and Goram Homes for delivery of the 'Residential Bookend Plot/ Plot E2'.

- **Workpackage 3 – Access & Infrastructure for 'Hengrove Park Phase 1B'**, enabling the delivery of c. 210 new homes, of which 50% will be Affordable Housing, and the delivery of the first phase of the enhanced New

Public Park.

Delivery of this work package will be led by Goram Homes and their Development Partner for Hengrove Park, Countryside Partnerships.

For Work Package 3, the Council will transfer up to £10.1m of the WECA funding to Goram Homes to fund the delivery of the relevant 'Hengrove Park Phase 1B' enabling works, via a 'pass down funding agreement' between the Council and Goram Homes which will mirror the terms of the Council's overall funding agreement with WECA. Goram Homes will repay the £5m 'repayable grant' element of this funding to the Council from 2027/28 to 2029/30, in line with the timescale when the Council is required to repay this element to WECA.

- For more details of the scope of the 3 Work Packages, project delivery approach and funding agreements, please see Appendix A1.

3.0 Cabinet Member/ Officer Recommendations:

That Cabinet

1. Notes the Council's overall delivery strategy for the redevelopment of Hengrove Park to deliver up to 1435 new homes (up to 50% of which will be Affordable Homes), a 22-hectare new public park plus high-quality community, sports and employment facilities, as set out in this and previous Cabinet Reports.
2. Notes the Council's successful Full Business Case submission to WECA which has secured £19.8m of WECA Development Infrastructure Funding (WECA DIF), to deliver enabling infrastructure to accelerate the redevelopment of Hengrove Park.
3. Notes the agreed WECA DIF Hengrove Park project scope, delivery approach and funding award which, as a result of in-depth planning and design work and development of the Full Business Case funding application, have now been developed in greater detail since the previous Cabinet approval in September 2020 to submit the initial Outline Business Case (OBC).
4. Authorises the Executive Director Growth and Regeneration, in consultation with the Director of Finance, Cabinet Member for Finance Governance and Performance and Cabinet Member for Housing Delivery and Homes to take all steps required to draw down and spend the £19.8m WECA DIF funding award, including to procure and award contracts over the key decision threshold and negotiate and conclude all appropriate grant or other agreements, for the delivery of the Hengrove Park enabling infrastructure work packages, and to repay the £5m repayable grant element, in accordance with the approved Full Business Case and Funding Award and as outlined in this Report.

4.0 Corporate Strategy alignment:

Contributes to achieving the goals set out in the Council's Corporate Strategy 2022 to 2027, in particular 'Theme 5 – Homes and Communities', which includes 'Housing Supply' and 'Modern Methods of Construction (MMC)'. Contributes to the 'Project 1000 – Bristol's Affordable Housing Delivery Plan' commitment to accelerate home-building in the city, building over 2000 homes a year, of which at least 1,000 will be Affordable Homes, by 2024.

5.0 City Benefits:

The proposal enables the delivery of up to 1435 new homes at Hengrove Park, of which up to 50% will be Affordable Housing, therefore facilitating greater supply of market and affordable housing which will benefit the whole city. The lack of affordable housing causes homelessness, and the people who are owed a homelessness duty by the council are disproportionately young people, disabled people, Black Asian & Minority Ethnic people, and lone parents who are mainly women. Lack of accessible housing mainly affects older people and disabled people.

6.0 Consultation Details:

All development sites will be subject to planning approval and relevant public consultation in the future, as they progress through the development lifecycle.

7.0 Background Documents:

- **May 2019 Cabinet Report ‘Hengrove Park – Delivery of New Housing Development’**
(sets out the Council’s ambition and delivery strategy for bringing forward a high-quality new development on Council-owned land at Hengrove Park).
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **May 2019 Cabinet Report ‘Hengrove Park – Reprovision of Rugby Club and Scout Hut Facilities’**
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **September 2018 Cabinet Report ‘Creation of Local Housing Company’**
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **March 2021 Cabinet Report ‘Goram Homes Land Disposal’**
(specifies the governance process for approving transfer of land parcels/ phases from the Council to Goram Homes, at the point at which each phase is ready to come forward for development).
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **March 2022 Cabinet Report ‘Goram Homes – Pipeline of Housing Development Sites (2022)’**
(includes approval to add Hengrove Park to the Goram Homes Pipeline).
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **January 2023 HRA Business Plan Cabinet Report**
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **September 2020 Cabinet Report ‘Funding for Hengrove Park Enabling Works’**
(includes approval to submit funding bid to WECA and draw down funding, based on early, initial scope and approach at Outline Business Case stage).
Link to [Cabinet Report](#)
Link to [Cabinet Decision](#)
- **WECA Committee (23 September 2022) approval of Hengrove Park Enabling Infrastructure Full Business Case**
[Link to WECA Committee Papers](#)
[Link to WECA Committee Decision](#)

Revenue Cost	N/A	Source of Revenue Funding	
Capital Cost	N/A	Source of Capital Funding	£19.8m – WECA DIF Funding
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

8.0 Required information to be completed by Financial/Legal/ICT/ HR partners:

Finance Advice:

As noted in this report, WECA approved funding to deliver initial enabling works at Hengrove Park to the value of £19.8m. The funding comprises two elements; a £14.8m non-repayable grant and a £5m repayable loan.

The £19.8m grant will fund the delivery of three work packages, designed to achieve the greatest impact in terms of enabling and accelerating the Hengrove Park development.

The table below provides a breakdown of the £19.8m & funding element against each work package.

Enabling works at Hengrove & funding streams WECA following FBC submission			WECA Funding	
Work Package	Delivered by	Est Cost £m	Grant £m	Loan £m
Table 2 WECA FBC				
WP1 Highways Junctions (3) <i>(Bamfield, Filwood, Creswicke Junctions)</i>	BCC Transport Teams	7.8	7.8	
Table 3 WECA FBC				
WP2 HRA Bookend Plot E2 <i>redesigned highway, landscaping and public realm on Hengrove Boulevard in front of the building. (53 Apartments + Commercial/Retail)</i>	Goram & Hill	1.9	1.9	
Table 4 WECA FBC				
WP3 Access and Targeted Enabling works Phase 1b <i>Access & Infrastructure for 'Plot B/ Hengrove Park Phase 1B' (220 Homes); plus 'New Public Park Phase 1 (220 homes)</i>	Goram & JV Delivery Partner (Vistry)	10.1	5.1	5.0
Total		19.8	14.8	5.0

Tables 2 and 3 set out the WECA drawdown Profile & Loan Repayment element.

Table 4 sets out the planned expenditure profile as submitted in the FBC.

Table 2		Table 3	
Maximum value of Grant that will be paid	£m	Grant Funding - Repayable element	£m
2022-23	1.96	2027-28	1.67
2023-24	7.59	2028-29	1.67
2024-25	10.28	2029-30	1.67
Total	19.83	Total	5.00
Grant Payable Quarterly in arrears		Loan is Interest Free and to be repaid no later than 31	

Table 4

Cost Profile - £s		22-23	23-24	24-25	25-26	Total
Table 20 WECA FBC						
(i)	Bamfield (Junction 1)	786,336				786,336
(ii)	Filwood/Creswicke (Junction 2 & 3)		4,757,159	2,119,208		6,876,367
(iii)	Landscaping Part 1		1,243,333	5,116,892		6,360,225
(iv)	Plot E2 (Residential Bookend)	1,171,851	852,574			2,024,425
(v)	Zone C Infrastructure		739,646	3,043,988		3,783,634
Total		1,958,187	7,592,712	10,280,088	-	19,830,987
Anticipated Grant Drawdown		1,085,671	4,498,889	12,348,709	1,897,718	19,830,987

The mechanism for claiming the WECA grant allows the Council to drawdown the funding on a quarterly basis in arrears against eligible capital expenditure. An initial claim of £898K was made during 2022/23 and further amounts will be drawn-down in accordance with the profile of works, as may be amended, in Table 4.

As set out in this report, £10.1m of the WECA funding will transfer to Goram Homes to fund the delivery of the relevant 'Hengrove Park Phase 1B' enabling works, via a 'pass down, back-to-back funding agreement' between the Council and Goram Homes.

It is expected that Goram Homes will manage the program of works and submit quarterly returns to enable the Council to comply with its obligations under the terms of the Offer Funding from WECA.

It is also expected that Goram Homes will ensure that the £5m repayable loan element will be repaid to the Council in line with the profile in Table 3, to allow the Council to repay WECA.

Finance Business Partner: Paul Keegan Finance, Business Partner 16 August 2023

9.0 Legal Advice:

The intention is that grant will be passed down on terms mirroring those to which the Council itself is subject. These flow down grant arrangements should include provision for the repayment of the grant in the event that any such call is made on the Council, for whatever reason. The Public Contract Regulations and Council's own procurement rules must be followed, where applicable, in respect of any relevant contracts – particularly with regard to Work Package 1. In addition, in passing down the grant to Goram Homes, the Council must be mindful of its obligations to comply with public subsidy rules and of the advice previously received from external lawyers on public subsidy and the approach outlined in its bid submissions to WECA. The legal advice did identify areas where particular care was needed so as to comply with the public subsidy principles (e.g. ensuring the grant is directed at the public works elements (public realm, highways etc)), and emphasised the need for the support to deliver an accelerated development programme. We should also be conscious of any further guidance etc since the advice was provided, especially where it may work to the advantage of the Council. Legal Services will assist in the drafting of a suitable flow down agreement.

Legal Team Leader: Eric Andrews, Legal Services, 30 August 2023

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

IT Team Leader: Alex Simpson, Senior Solutions Architect, 25 April 2023

11.0 HR Advice: No HR implications evident

HR Partner: Celia Williams, HR Business Partner, 24 April 2023

EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	G&R EDM on 16 Aug 2023
Cabinet Member(s) sign-off	Cllr Craig Cheney, Cabinet Member Finance, Governance and Performance Cllr Tom Renhard, Cabinet Member Housing Delivery and Homes	Cllr Renhard Briefing 21 Aug 2023 Cllr Cheney 6 Sept 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	4 September 2023

Appendix A1 - Overview Slides	YES
Appendix A2 - WECA Funding Award Letter	YES
Appendix A3 - Hengrove Park Illustrative Phasing Plan	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 Impact Assessment of proposal	YES
Appendix F – Environmental Impact Assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO