

**BRISTOL CITY COUNCIL  
CABINET**

**22nd March 2007**

**Report of: Director of Central Support Services**

**Title: Hengrove Park – Land Transactions**

**Ward: Hengrove**

**Officer presenting report: Carew Reynell**  
Director of Central Support Services

**Contact telephone number: (0117) 9224420**

**RECOMMENDATION**

That in consultation with the Leader the Director of Central Support Services is instructed to complete the following contracts subject to a successful outcome of negotiations, (which ensure the council's wider aspirations for Hengrove Park are not compromised).

- 1) Contract with Bristol Primary Care Trust for the sale of land Hengrove Park at market value for the development of South Bristol Community Hospital.
- 2) Contract with Computershare for the sale of a land at Hengrove Park at full market value for the development of a new European Headquarters.
- 3) Contracts with Constellation Europe and South West Regional Development Agency for the acquisition of land at Whitchurch Lane adjoining Hengrove Park at nil cost to the Council.

**Summary**

The report describes the proposals and programme expectations.

**The significant issues in the report are:**

- Facilitating the delivery of South Bristol Community Hospital
- Consolidating Computershare as a major employer in South Bristol

- Enabling the acquisition of a key regeneration site adjoining Hengrove Park

## **Policy**

1. The proposals are in accordance with the Council's planning policy and corporate plan objectives for Hengrove Park. They are expected to protect existing and create opportunities for new jobs in the future, improve the provision of and access to high quality health facilities and further stimulate business confidence in the area. Care will need to be taken in the negotiations to ensure that our Green Capital Sustainable Development and Best Value policies are not compromised by allowing excessive car parking or unduly large spatial footprints to emerge from these proposals.

## **Consultation**

### **2. Internal**

Director of Planning Transport and Sustainable Development,  
Head of Regeneration, Head of Parks Estates and Sport.

### **External**

Bristol Primary Care Trust (BPCT) and the Council have undertaken widespread public consultation and targeted work with stakeholder groups regarding the location of and services provided within South Bristol Community Hospital. SWRDA BPCT and City of Bristol College have been consulted on the other proposals, There has not been any public consultation.

## **South Bristol Community Hospital (SBCH)**

3. In November 2003 Cabinet agreed to reserve a site for SBCH within a Masterplan that was being developed for Hengrove Park. A plan was agreed and outline-planning consent granted in June 2005. This located the Hospital on Hengrove Park opposite the proposed Sports Centre with highway access from Witchcruch Lane.
4. During this time BPCT have been developing their project to the extent that an important milestone has just been achieved. A business plan and procurement strategy has now been formally agreed by the Department of Health. This has released funds for the development of a detailed design for the building and

submission of a planning application. The main services to be provided are as follows;

- Minor Injuries Unit
- Inpatient beds for rehabilitation
- Two operating theatres
- Diagnostic facilities including X ray and Endoscopy
- Outpatient Clinics
- Dental teaching facilities including NHS community community dental services

5. The programme for the delivery of SBCH as part of Phase 1 of Hengrove Park is set out in Appendix 1. The final location of the site will be agreed as part of a review of the masterplan for Phase 1. Space for future possible Hospital Expansion will be included.

### **Computershare**

6. Computershare are the world's largest and only global share registry, and a leading provider of financial market services and technology to the global securities industry. Computershare operates in seventeen countries, on five continents, providing services and solutions to listed companies, investors, employees, exchanges and other financial institutions.
7. Computershare's European Headquarters is based in Bristol at the Pavilions building on Bedminster Down. They employ 1400 staff there undertaking relationship management, IT systems provision, transactions processing, call centre and document handling work in addition to head office activities. Computershare occupy approximately 13,000 sqm at Pavilions and a 6,000sqm document storage facility at Cater Road Business Park on a series of short-term leases. Computershare are one of the largest employers in the South Bristol.
8. In December Computershare approached the Council and advised that it was considering options for consolidating operations into improved premises as follows:-
  - i. Identifying opportunities for alternative new or existing premises in the Bristol area.
  - ii. Considering moving the operation out of the Bristol area.
9. At Computershare's request a meeting was held at Pavilions in early January 2007. They indicated a strong desire to stay in

South Bristol as over 60% of their staff live there. Computershare advised that they had already considered a number of possible sites but discounted them on the grounds of poor visibility, lack of public transport and inflexible existing buildings. They had heard about the Hengrove Park development and wanted to explore its potential in more detail before contemplating option ii above.

10. Computershare were briefed on the prospect of Hengrove Park Phase 1 infrastructure servicing a development plot fronting Whitchurch Lane. They subsequently confirmed that they wanted to actively consider the opportunity of developing a 19,000 sqm office and warehouse facility.
11. Negotiations are at a very early stage. The location of the site including the extent of car parking will be agreed as part of the masterplan review of the first Phase of development on Hengrove Park. Space for future possible expansion could be included. A programme has not yet been developed but Computershare ideally would like to open the facility in late 2008 / early 2009. Any scheme proposed by Computershare will still have to obtain full planning permission and there are no firm proposals at present for consideration.

### **Constellation Europe Site**

12. Constellation is the world's largest wine company. In Bristol it employs close to 800 people. 650 work at their site located on Whitchurch Lane adjoining Hengrove Park which is an administrative and bottling / storage facility. 150 work at their National Distribution Centre in Avonmouth. All their UK imports come through Bristol Docks.
13. In June 2006 the Council was approached by Constellation concerning its plans for business expansion / consolidation and asked to help facilitate keeping the operation in Bristol.
14. Constellation advised that they were working to improve the efficiency of their bottling storage and distribution operation though consolidating it into a new facility in Avonmouth. This would displace 190 jobs from the Whitchurch site. In addition they were keen to develop a new administrative centre on part of the Whitchurch site due to it being accessible for the majority of the 460 remaining workforce. In one option (now the favoured option) Constellation planned to sell off the remainder of the Whitchurch site to help fund / justify the new investment. They were seeking financial certainty on the land disposal. The Council invited South

West Regional Development Agency (SWRDA) to consider a purchase of the surplus land to enable the new administrative centre to be built, to increase its involvement in Regenerating South Bristol and to afford the opportunity of fully integrating future redevelopment of the site with the Hengrove Park Masterplan.

15. Constellation are now ready to sign an agreement that will see a new 80,000 sq m building developed at Avonmouth. In parallel SWRDA have agreed terms for the acquisition of the surplus 5.6 hectare site at Whitchurch Lane on the basis that the transaction is completed by 31<sup>st</sup> March 2007. The intention is that the site will be immediately leased back to Constellation until Avonmouth becomes available. Constellation has agreed to develop a new 5,500sq m administrative centre on their retained 2 hectare site within the next three years. Once vacated SWRDA or a development partner intend to demolish the existing buildings and bring the site forward for employment led mixed use development that is integrated with the Council's plans for the rest of Hengrove Park.
16. Due to its accounting regulations SWRDA has asked the Council to accept a grant and financial indemnity to take its place in the contract with Constellation and legally acquire and manage the continued occupation. SWRDA will control when and how the site is brought forward for development subject to planning approval. The site identified on the plan at appendix 2.

## **Risk Assessment**

17. A risk assessment has been completed for each proposal and a summary of the major risks is detailed below:
  - (i) The main risks of not agreeing to this course of action are as follows:-

SBCH is likely to fail as there is no alternative site readily available.

The lack of alternative sites could force Computershare to leave Bristol with the loss of 1400 jobs.

Without public sector ownership it is much less likely that the future development of former Constellation site will be employment led and appropriately integrated with the Hengrove Park Masterplan.

- (ii) The main risks of agreeing to this course of action are as follows:-

With five organisations (SWRDA, The Council, City of Bristol College, The PCT, Computershare) now coming together to deliver the first phase of the Hengrove Park project there is a risk that the complexity of development co-ordination will create delay.

Computershare and the BPCT may not succeed in delivering their projects thus tying up land that could otherwise be brought forward for development.

The Computershare requirement and the prospect of the Constellation site coming forward for development have prompted a review of Phase 1 Masterplan for Hengrove Park. The outcome could mean a departure from the outline planning consent granted in 2005 in terms of location and use and may present difficulties or delays with securing planning consent.

As yet there has been no public consultation on the Computershare development or revised Phase 1 Masterplan.

- (iii) The action taken to mitigate these risks is:-

A technical Programme Board comprising senior representatives from each of the partner organisations had been established to help ensure effective co ordination. Computershare will be invited to join.

Advice has been sought on a possible departure from the outline planning consent. The scope of the review is such that Phase 1 will deliver many of the aspirations of the original plan in broadly the same location accessed from Whitchurch Lane including; the Sports Centre, Hospital, a significant number of retained / some new jobs and South Bristol Skills Academy. Subject to the outcome of planned public consultation such a departure is not expected to present a significant planning risk.

Contracts for the sale of the land to Computershare and BPCT will be conditional upon receipt of planning consent and will be time limited.

18. The proposals are expected to improve access and opportunities for all equalities groups. Monitoring will take place as detailed plans develop.

### **Legal and Resource Implications:**

19. **Legal** The Council may dispose of land provided it obtains the best consideration reasonably obtainable. This test is applied to the land being sold and is a valuation test, not a legal one, what is the best consideration the market would be willing to give.

Legal advice given by: Dru Brooke -Taylor for  
Head of Legal Services

20. **Financial:**

**Revenue** The Council will secure additional contributions towards funding public transport subsidies that are anticipated to be required for the Hengrove Park development as a whole.

**Capital** Capital receipts from the sale of land to BPCT and Computershare will be available for expenditure on other aspects of the development of Hengrove Park.

Financial advice given by: Carew Reynell

**Land** The land is owned by the City Council

21. **Personnel** None.

**Appendices:** Appendix 1 – Phase 1 programme  
Appendix 2 - Plan identifying Constellation Site

### **ACCESS TO INFORMATION Background Papers**

None

## Appendix 1

### Phase 1 Programme

	Infrastructure Works (roads and utilities)	South Bristol Community Hospital	Sports Centre	South Bristol Skills Academy
Initial Funding Approval	July 2006	March 2007	Dec 2006	April 2007
Planning Consent	Sept 2007	Sept 2007	TBC	Sept 2007
Final Funding Approval	Oct 2007	Feb 2008	Sept 2008	Nov 2007
Start Construction Works	Oct 2007	Feb 2008	Oct 2008	Nov 2007
Opening	June 2008	Phase 1 October 2008 Phase 2 Feb 2009	April 2010	Sept 2009

## Appendix 2

### Constellation Site

