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# South Bristol Sustainable Urban Development (SUD) Strategy



**European Union**  
European Structural  
and Investment Funds

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## BRISTOL SUSTAINABLE URBAN DEVELOPMENT (SUD) STRATEGY

### Section 1: Description of the urban area targeted by the strategy and resources allocated

#### 1.1 The Bristol SUD Area and Strategy

The SUD Strategy for Bristol is to be mainly focussed on the South Bristol Regeneration Area (SBRA), a longer standing area of intervention targeting both socio-economic deprivation and land development opportunities in and around the communities of Knowle West, Hartcliffe, Hengrove and Bedminster with a population in 2014 of around 97,500 (intersecting 6 wards at the heart of the southern segment of the City of Bristol. However, it is intended that the strategy should have a flexible boundary so as to enable connection to activities and opportunities in the wider South Bristol area which comprises all 12 City wards south of the River Avon with a population of 145,000. SUD interventions in Bristol will thus be co-ordinated across an inner and outer core area, although mainly impacting on the inner SBRA.

The City of Bristol (population 442,000) is the largest urban area within the West of England Local Enterprise Partnership (LEP) Area, also known as the Bristol and Bath city-region, with a population of 1.1 million. The Maps 1-4 below illustrate the concentric areas. The SBRA thus represents 22% of the City of Bristol and 8.8% of the West of England population. It is distinctive in being one of the most disadvantaged areas, yet with great untapped potential, in one of the wealthiest cities in the UK.

#### 1.2 ESI Funds Allocation to the West of England

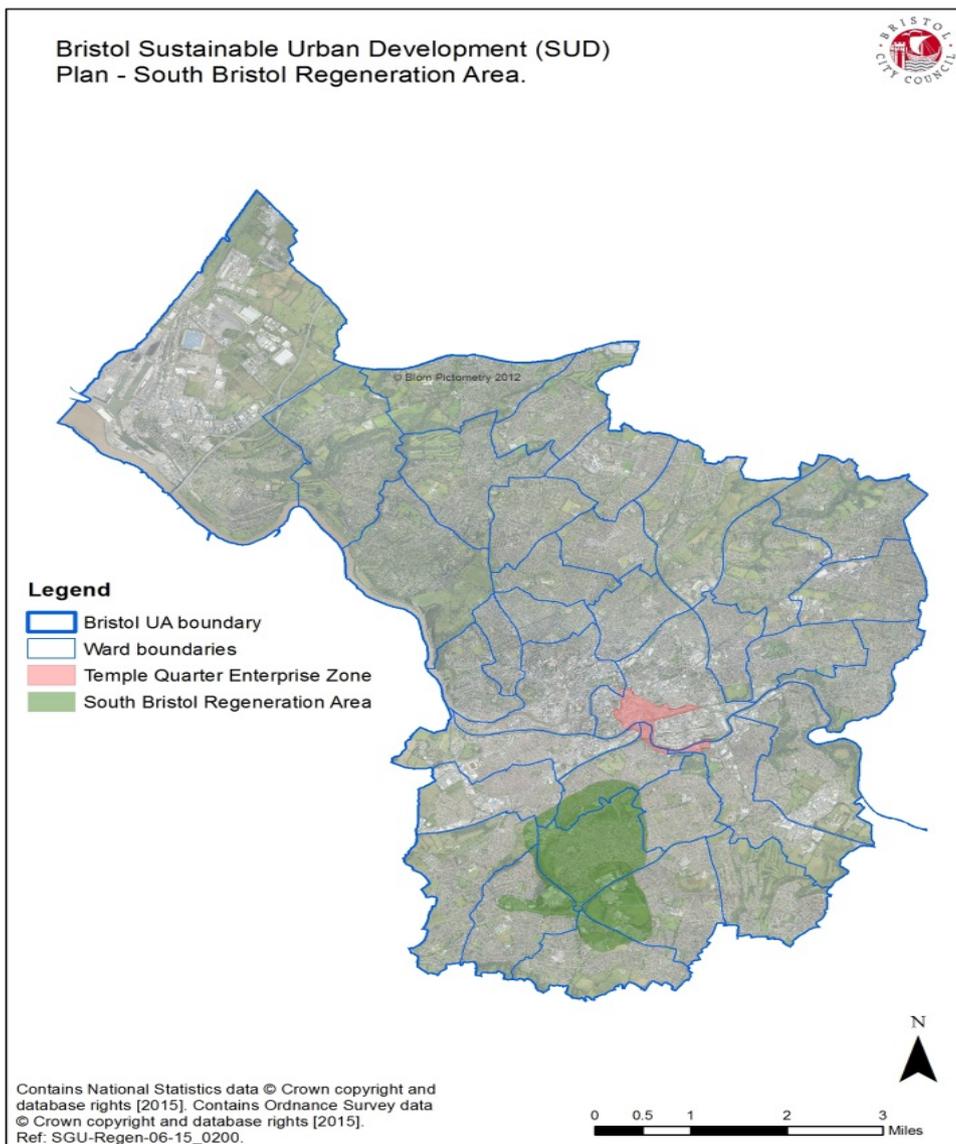
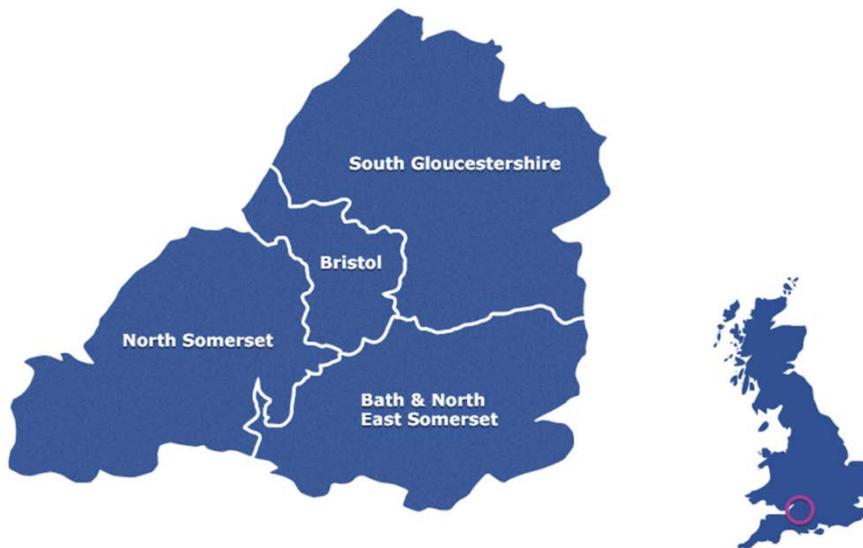
The West of England LEP Area is classified by the EU as a 'More Developed Region' (GDP/head >= 90% of EU-27 average), and, under the European Structural and Investment (ESI) Funds framework for the 2014-20 period, has been allocated:

<b>ESI Funds – West of England LEP Area</b>		€ million
European Regional Development Fund	ERDF	35.08
European Social Fund	ESF	34.92
European Agricultural Fund for Rural Development	EAFRD	1.40
<b>TOTAL</b>		<b>71.40</b>

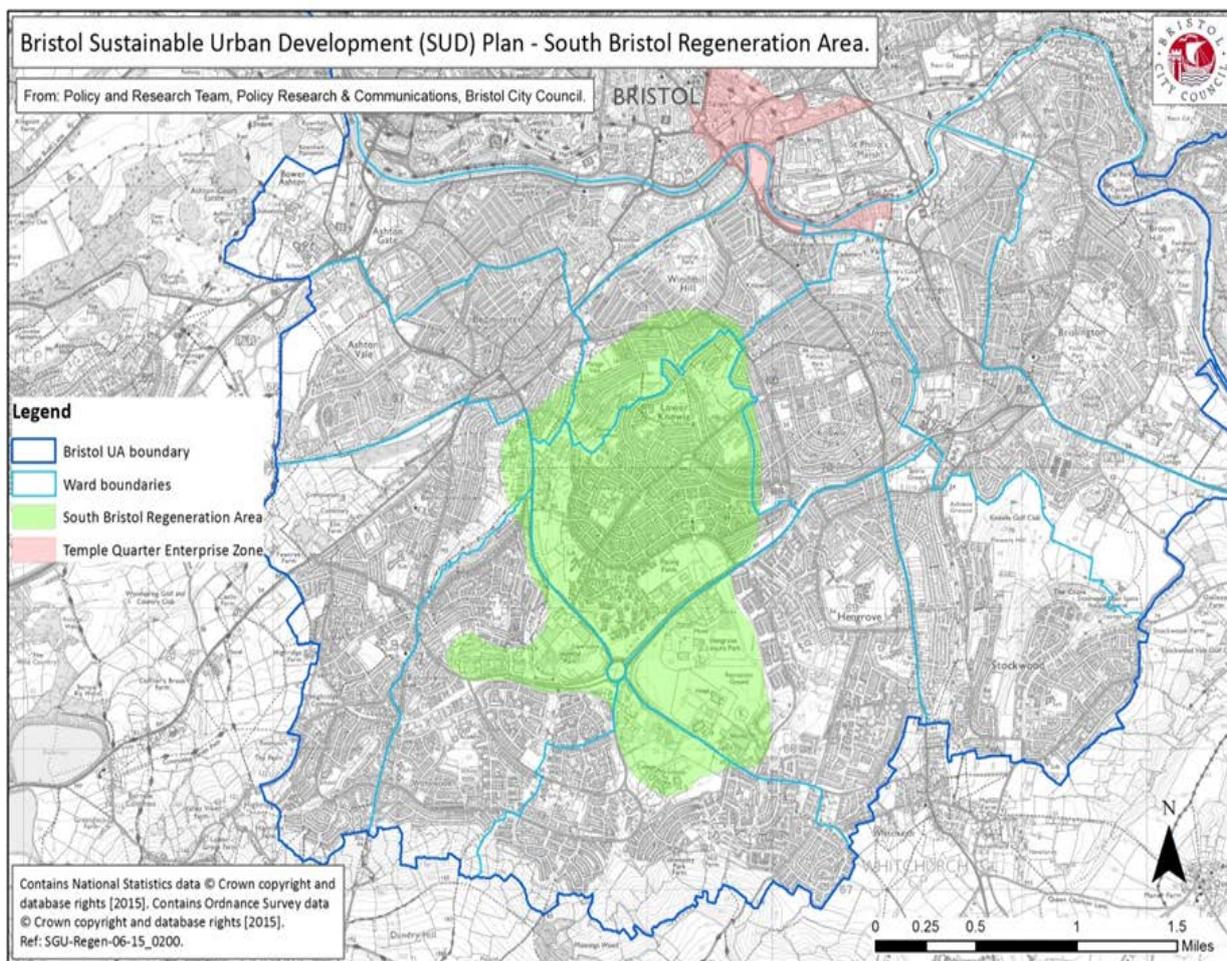
In accordance with EU Urban Policy, and specifically Article 7 of the ERDF Regulation 1301/2013, the UK government's Ministry of Housing, Communities and Local Government (MHCLG), which is managing authority for the England ERDF Operational Programme, has established a specific priority Axis 10 in the programme for Sustainable Urban Development. It has determined that 10% of the ERDF programme in the West of England will be delivered in Bristol under a SUD Strategy, with Bristol City Council acting as the Intermediate Body (see section 4 on governance for further information).

The SUD allocation amounts to €3.508 million (£2.667 million at January 2016 £0.76 exchange rate) ERDF which has to be matched by at least €3.508m of eligible funding from local, regional or national sources (public or private), assuming a maximum ERDF project intervention rate of 50%. There is no ESF allocation falling under the Bristol SUD Strategy.

Maps 1 and 2: West of England LEP area, showing the constituent Local Authority areas, and the Bristol City Council area



Map 3: Bristol Sustainable Urban Development Target Area



## **Section 2: Summary of the socio-economic context and identification of the main problems, policy challenges and opportunities faced by the urban area**

### **2.1 Overview of the West of England Economy**

The West of England is a robust, functional economic area of 133,244 hectares and a population of 1.1 million covering the four unitary local authority areas of Bath & North East Somerset, City of Bristol, North Somerset and South Gloucestershire. It has an outstanding strategic location with a diverse and high quality hinterland, and provides a gateway to both the South West of England and South Wales. The M4 motorway connects Bristol and the West of England to London and South Wales, as well as the major urban areas of Reading, Swindon, Newport, Cardiff and Swansea; whereas the M5 motorway connects the area to Birmingham in the North and Exeter in the South. The West of England also benefits from good transport links through mainline railway services, Bristol International Airport and the Port of Bristol.

The area is highly fortunate in having one of the best-educated and skilled workforces in the UK supporting a diverse and strongly performing economy led by several knowledge intensive sectors, including professional services and high tech manufacturing. Overall, the West of England is a relatively prosperous area in UK terms, as measured by average GVA per head of population, with an excellent quality of life and an emerging national and international profile. However, rapid growth and the changing current economic situation means that the area faces increasing pressure on its strategic and community infrastructures. In addition there are a number of neighbourhoods, which do not share in the prosperity of the area.

### **2.2 West of England Strategic Economic Plan and Joint Strategic Plan and Role of ESI Funds and SUD Strategies**

The **Vision** set out in the **SEP** is that by 2030 the West of England will have:

- one of Europe's fastest growing and most prosperous sub regions which has closed the gap between disadvantaged and other communities – driven by major developments in employment and Government backed infrastructure improvements in South Bristol and North Somerset.
- a buoyant economy competing internationally, based on investment by innovative, knowledge-based businesses and a high level of graduate and vocational skills.
- a rising quality of life for all, achieved by the promotion of healthy lifestyles, access to better quality healthcare, an upturn in the supply of affordable housing of all types and the development of sustainable communities.
- easier local, national and international travel, thanks to transport solutions that link communities to employment opportunities and local services, control and reduce congestion and improve strategic connections by road, rail and through Bristol Airport and Bristol Port.
- cultural attractions that are the envy of competitor city regions across Europe, making the West of England the place of choice for talented, creative workers and affluent visitors.
- success secured in ways that are energy efficient, protect air quality, minimize and manage waste and protect and enhance the natural and built environment.
- built upon the benefits of its distinctive mix of urban and rural areas.
- real influence with regional and national government, by demonstrating vision and leadership and delivering these achievements.

The SEP adopts a smart specialisation approach to invest in and enable the growth of five priority industrial sectors (high tech, aerospace and advanced engineering, low carbon, creative and digital and professional services) and using four levers of growth (people and skills, investment and promotion, place and infrastructure, and SME business support).

The spatial strategy centres on the government-designated Bristol Temple Quarter Enterprise Area and five other Enterprise Areas. Although these EZ/EAs did not include South Bristol, the priority of improving the infrastructure and connectivity of South Bristol to attract investment and support local growth was recognised in the SEP. Headline targets for South Bristol under the SEP were the creation of 10,400 jobs and 8,000 new homes. But it should be noted that such targets may be modified as a result of the current process to agree a Joint Strategic Plan for the West of England to 2036 (see below).

A new **West of England Joint Strategic Plan for 2016-2036** is being prepared with a draft published for consultation. The purpose is the JSP is to take account of the outputs of the new Strategic Housing Market Assessment (SHMA) for the area alongside other evidence and technical studies. The distribution of housing development will be determined through the JSP policy framework, involving, where appropriate, cross boundary agreement. The JSP will be a statutory development plan document prepared in accordance with the Planning and Compulsory Purchase Act 2004. As well as determining the housing delivery requirement across and within the four local authority areas, it will determine the broad spatial distribution of development following the assessment of, and consultation on, a range of spatial options.

The **West of England ESI Funds Strategy** adopted in 2014 is designed to align as closely as possible with the SEP and enable its delivery with the ERDF resources allocated to Innovation, SME Competitiveness and Low Carbon axes as set out below:

<b>Programme Axis</b>	<b>Activities</b>	<b>ERDF allocation</b>
<b>Innovation</b>	1) growth-oriented research collaborations between public & private sectors for key sectors & clusters 2) creation of an environment & infrastructure which supports growth through research & innovation 3) stimulate development of market ready new products & services, business process & innovation	<b>38%</b>
<b>SME Competitiveness</b>	4) increasing growth capability in SMEs by providing access to business support services, incl. funding 5) helping businesses with potential to succeed in international markets	<b>38%</b>
<b>Low Carbon</b>	6) stimulating growth in low carbon industries and decarbonisation of the West of England economy 7) using the environment as an enabler instead of a blocker and supporting resource efficiency measures	<b>24%</b>

Within the city-regional context, the SUD Strategy seeks to complement and reinforce the delivery of the West Of England Strategic Economic Plan and ESIF Strategy in Bristol’s urban area to

specifically address identified urban problems and smart specialisation opportunities with the assistance and support of Bristol City Council and the local community, business and third sector stakeholders in South Bristol.

## 2.3 Overview of the SUD Area and Issues within a Bristol City context

### 2.3.1 City Policy and Planning Context

The **Bristol Mayor's Vision** includes support for the regeneration of communities around the city, most notably in South Bristol, with the redevelopment of Hengrove Park and development of sites in and around Knowle West as major priorities. The headline objective of the **Council's Corporate Plan 2014-17** which has a particular bearing on the SUD Strategy development is:

'Bristol City Council will work to address inequalities of health, wealth and opportunity in the city supporting every citizen to reach their potential by creating successful places in which to live, work and play.'

The other themes of direct relevance to the SUD strategy are:

- global green capital (taking advantage of EU Green Capital 2015 status as a platform for promoting the city on the world stage, to attract investment and jobs)
- keep Bristol moving (improving public transport, cycling and walking infrastructure)
- building successful places (a city of well-connected neighbourhoods with a strong sense of identity and belonging, where a diverse mix of housing types and tenures ensures that homes are increasingly affordable to all that need them)
- keeping Bristol working and learning (a learning city where every citizen has access to good education and is able to acquire the skills they need to join Bristol's world class workforce)
- vibrant Bristol (a place where the streets are alive with activity, and where every citizen and community participates in the cultural life of our city).

The **Bristol Core Strategy** (Local Plan) to 2026 (adopted in June 2011) states that South Bristol will be developed as a counterpoint to the rapidly developing north, and transformed through a comprehensive approach to social economic and physical regeneration, together with significant new employment uses, including offices, new homes and a potential new centre. Development will focus on the major regeneration areas of Hengrove Park and environs and Knowle West, and will encompass a mix of uses to include:

- around 60,000m<sup>2</sup> of net additional office floor space focused on existing local centres and the major regeneration areas.
- up to 10 hectares of new industrial and warehousing land
- the provision of around 8,000 new homes of a mix of type, size and tenure.

The Core Strategy envisages development primarily on previously developed land but will require the planned release of some open space not needed as green infrastructure provision. Development will be supported by a range of improvements to key public services, transport, housing and community infrastructure. The Site Allocations and Development Management Policies Local Plan (SADMPLP) was adopted in July 2014. This provides more detailed policies and site specific allocations to deliver the strategy, and safeguards land and sites for new employment uses

including around 4 hectares of industrial and warehousing land adjacent to existing estates of Novers Hill (Knowle West), Whitchurch Lane (Hartcliffe) and Vale Lane (Bedminster Down), and new offices and workspace as part of mixed use developments at Hengrove Park, Hawkfield Road / Hartcliffe Campus and in other South Bristol local centres (Bedminster and Brislington).

### 2.3.2 Demography and Socio-Economic Situation

As outlined above, the SUD Strategy will focus on the South Bristol Regeneration Area, which includes all or parts of the following wards - **Filwood, Hengrove, Windmill Hill, Knowle, Hartcliffe, Bishopsworth, Whitchurch Park and Bedminster** (green area on Map 3 above). The SBRA has a growing population but a slightly lower rate than the City as a whole. However it is expected to increase further up to 2026 through the planned development of 5,700 new homes across this area. The economic activity rate is some 4% lower than the City as a whole with 64% of people within the SBRA being of working age (16-64 year olds) compared to 68% in the City as a whole.

The SBRA includes a population of 19,460 across 12 neighbourhoods (LSOAs) which fall within the most disadvantaged 5% nationally in the Index of Multiple Deprivation 2015, with income, employment, education, skills, training, health and disability being particular issues. Many of these issues are strongly linked to persistent unemployment.

### 2.3.3 Employment and Industrial Structure

The number of jobs in South Bristol fell from 46,900 in 2009 to 43,900 jobs in 2013, accounting for almost all of the job losses in the City of Bristol over the same period. Although the supply of jobs recovered a little in 2014, South Bristol has seen a steadily declining share of the City's jobs (18.4%) and the SBRA has just 4.4% of the City total.

The manufacturing sector has traditionally been at the heart of South Bristol's economic life, especially tobacco and packaging. Manufacturing still plays a key role locally, providing 11.0% of all jobs (and 47% of all Bristol's manufacturing jobs) but the sector has shrunk by 2.6% in 5 years, having been overtaken by health and social work activities (12.5%). Easily the largest single sector is retail, wholesale & motor repair with 21.1% of jobs, although this too is declining. Other key employment sectors in South Bristol include education (10.7%), administrative & support services (9.3%) and construction (7.5%). There have also been strong shoots of growth in both professional, scientific & technical, and information & communication activities, which, whilst still small in size (3,700 or 8% of jobs), have grown by 50-60 % since 2010.

### 2.3.4 Commercial and Industrial Investment Trends

Despite its positive attributes of proximity, on its south western side, to an expanding Bristol Airport, (now one of the UK's largest regional airports) and a large sized and long established industrial workforce, the area has generally not attracted the higher value service sectors and advanced manufacturing companies which have driven the success of the North and central Bristol economy since the late 1980s. With two or three notable exceptions, inward investment and new business development have been deterred from South Bristol by a combination of factors, but especially its relative distance from the strategic motorway (M4 / M5 / M32) network and the poor vehicular access into many parts of the area.

Over 2012-14, South Bristol accounted for 11.7% of total take up of industrial floor space, and only 3.6% of office floor space in the Greater Bristol commercial property market. There is a lower percentage of small to medium-sized industrial occupiers in South Bristol than other areas of the city, providing an opportunity for growth if transport connectivity can be improved. But industrial stock within the area is generally dated with few landlords being willing to invest to improve their assets. Equally, excepting a few large employers who have remained (see below), South Bristol is not viewed by the regional commercial market as a Grade A office location.

### **2.3.5 Unemployment and Benefit Claimants**

The current level of out of work benefits claimants (including employment support allowance and disability benefits) in the wider South Bristol area is 14.8%, compared to 13.6% for Bristol and 12.2% for England. However, within the SBRA, a much higher concentration of claimants is found - in Filwood (21%), Whitchurch Park (18.2%) and Hartcliffe (17.6%).

Over a 10 year period to 2015, a sizeable population of 13,400 have had persistently high benefit claimant rates - at twice the England average (for 90% of the time).

Bristol City Council's Quality of Life survey suggests that the level of resident satisfaction with jobs in neighbourhoods is low in South Bristol. The latest citywide level is 27%; the majority of South Bristol's wards have a satisfaction level below this. The worst areas are Hartcliffe – 14%, Knowle 16% and Hengrove – 19%.

### **2.3.6 Education and Skills**

Levels of education attainment and university attendance are very low within the SBRA. Three of the wards have the lowest level of 5 A\*-C grade GCSEs (with English and Maths) of the entire city - Filwood: 33.3%, Whitchurch Park: 36.6% and Hartcliffe: 43.0% (compared to the highest level of attainment in Redland at 82.3%). Within the SBRA a substantial population of 29,500 (21 LSOAs) ranks in the worst 10% in England for adults with very low education and skills levels, and this trend has persisted over at least the last 10 years.

Four of the wards have the lowest level of university attendance - Filwood: 5.3%, Hartcliffe: 8.5%, Whitchurch Park: 9.8%, Bishopsworth: 12%. By contrast, the highest level of university attendance is in Clifton 83.8%.

### **2.3.7 Entrepreneurship and Digital Connectivity**

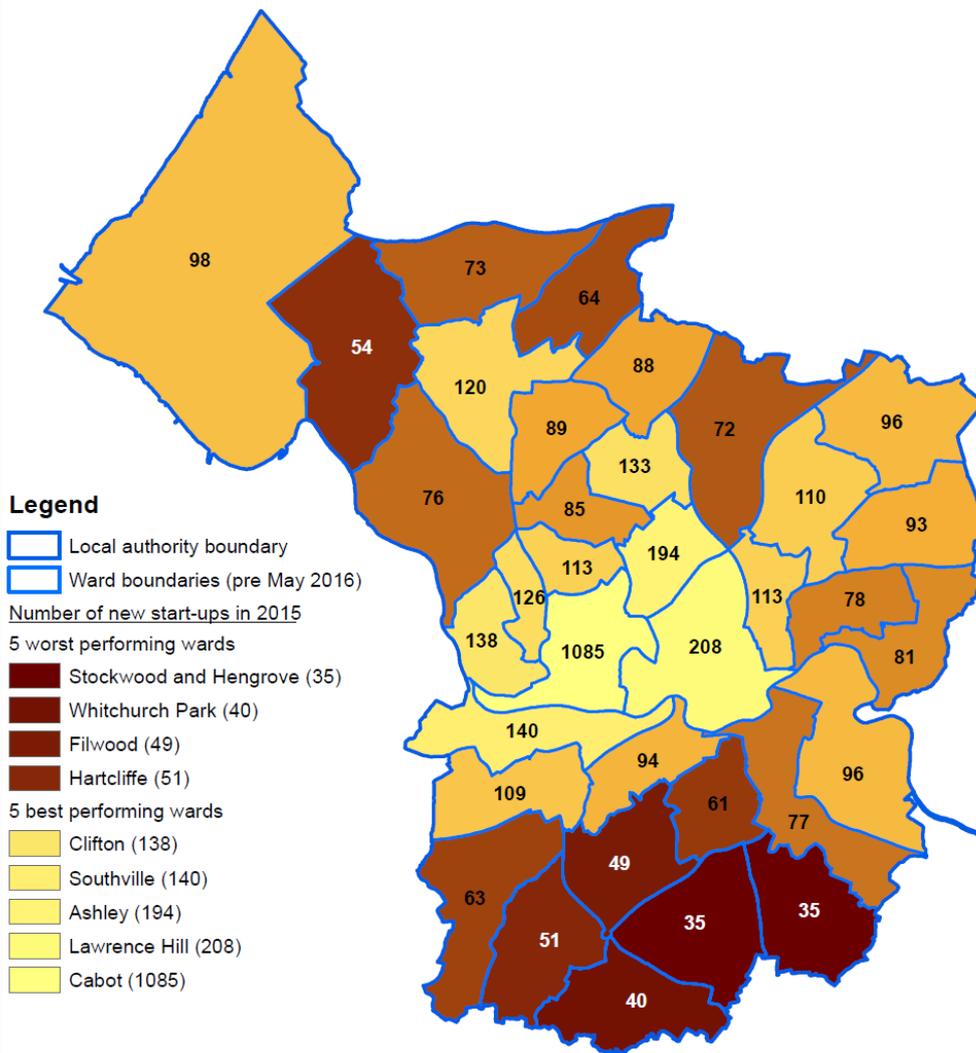
Bristol has one of the highest business start-up rates of major UK cities - over 4,000 new starts in 2015. However, the number in South Bristol was just 731, the lowest annual rate from 2009 to date. Entrepreneurship in South Bristol is very low compared to other parts of the city. In 2015, 7 South Bristol wards featured in the 10 wards with the worst business start-up rates in the city - Hengrove (37 per annum), Stockwood (38), Whitchurch Park (39), Hartcliffe (46), Filwood (53), Knowle (53) and Bishopsworth (65).

Across South Bristol the total number of business units is 4,620, representing 22% of the city's overall business population (where its share of residential population is 33%). Thus the business density per 1,000 working age population in South Bristol is significantly lower at 49, compared to 68.5 in the city as a whole (28% lower).

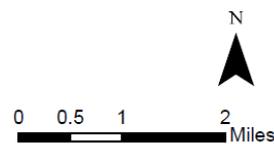
Bristol’s Quality of Life survey asks people about internet usage. In terms of the city, it is at its lowest in Whitchurch Park and Filwood; with less than 61% of people using it, compared to 97% for Cotham in North Bristol. Over 9% of residents in Whitchurch Park and Filwood said that they cannot afford the internet. This is a concern given the increasing need for people to access information, to apply for jobs electronically via the web and to have internet skills to carry out a job.

### New Business Start-Ups, from BankSearch, by Ward for Bristol in 2015.

Analysed by: Economic Development Team, Bristol City Council.



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## 2.4 Strengths, Weaknesses, Opportunities and Threats of the City Region and Urban Area Targeted

The table below expands on the strategic overview and area analyses above, and provides a detailed SWOT analysis comparing the economic, environmental and social situation of South Bristol to the wider West of England city region.

	West of England	South Bristol Regeneration Area
<b>Strengths</b>	<p>A highly skilled workforce, with 38.6% of the working age population educated to NVQ level 4 or higher. Ranking 7th (excluding London) out of all the LEP areas.</p> <p>Four Universities from a full spectrum of mission groups producing over 10,000 graduates a year, undertaking a high volume of world class research and strongly engaged with the business sector. Bristol &amp; Bath acknowledged as leading research intensive universities; UWE &amp; Bath Spa recognised for their teaching excellence. Four Universities generate some £227 million of External Research Income. Bristol &amp; Bath Science Park, recognised as asset of ‘national importance’ and home to the National Composite Centre.</p> <p>Two Creative Cities, and Social Enterprise Cities.</p> <p>Two university-led SETsquared Business Incubation Centres, part of a cluster of successful business incubators that form the most successful non-US business incubator in the world. Help early stage, high tech, high growth ventures.</p> <p>Enterprise Survival rate of 61.0%, higher than that for England as a</p>	<p>Focus area with land for economic regeneration and growth initiatives by the LEP and Bristol City Council.</p> <p>Existing employment sites including Filwood Green Business Park, Hengrove Park and The Bottle Yard Studios providing SME workspace and helping to develop new creative and low carbon sectors in the area.</p> <p>Several industrial estates with good levels of occupancy, including the Cater Road BID.</p> <p>Network of well-established social enterprises at KWMC, The Park, HWV and elsewhere.</p> <p>Investment in new community infrastructure - Hospital, Leisure Centre, Skills Academy at Hengrove Park, Ashton Gate stadium and several schools.</p> <p>Green credentials – from new and existing business projects, energy and waste infrastructure investment in Filwood, Hartcliffe and Bedminster.</p> <p>Readily available, and large workforce in / around the area.</p> <p>Relatively close proximity to the city centre and Temple Quarter Enterprise Zone and to the Airport.</p> <p>Superfast fibre optic broadband infrastructure into Filwood and Hengrove and Hartcliffe.</p> <p>Recognised for smaller-scale manufacturing,</p>

	<p>whole.</p> <p>3rd highest percentage of employees in the knowledge economy (excluding London). With 24% of employees in the 'knowledge economy' compared to 19% for England and a further 3.7% are in high and medium technology manufacturing compared to 3.2% nationally.</p> <p>The scale and diversity of the local economy, and the predominance of growing industries.</p> <p>Good connectivity - accessibility to London and the South East. Major airport and Port, rail and strategic road network.</p> <p>International offer- sites such as the Temple Quarter Enterprise Zone and Enterprise Areas.</p> <p>The favourable 'image', attractive environment and good amenities of the West of England.</p> <p>The 2008 Research Assessment Exercise established that a good number of university departments were undertaking the highest levels of quality research activity possible ('Quality that is world leading in terms of originality, significance and rigour).</p> <p>48% of WofE workplace employees are either managers, directors and senior officials; in professional occupations; and associate professional &amp; technical occupations, compared to 44% nationally.</p> <p>Agreement on strategic infrastructure investment bringing</p>	<p>construction and related trades, but an increasingly diverse economy with a growing services sector.</p> <p>Recent investment in new/refurbished office space by Computershare and Imperial Tobacco, helping to secure over 2,000 jobs.</p> <p>Knowle West Regeneration Partnership and Framework in place and being delivered.</p> <p>Track record of delivering European/public sector funded projects – Knowle West Media Centre, HWV, The Park and Filwood Green Business Park.</p> <p>Economic development work being progressed in partnership with the business community - Federation of Small Businesses, Bristol Junior Chamber, Business West, Knowle West Media Centre and the City of Bristol College.</p>
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	<p>certainty to future developments.</p> <p>Robust joint governance arrangements focussed on delivery.</p>	
<b>Weaknesses</b>	<p>Pockets of low-level skills, economic inactivity and poor educational attainment amongst some local communities leading to social exclusion.</p> <p>A mismatch between skills provision and employment opportunities in growth sectors.</p> <p>Rising congestion within the West of England and on key routes to other regions, and the potential for harm to the environment exacerbated by high levels of growth.</p> <p>Inadequate regional- scale leisure, cultural and sporting facilities.</p> <p>High house prices (one of the highest in the country outside London) and shortages of housing especially affordable units, exacerbated by high levels of growth.</p> <p>Imperfect information amongst entrepreneurs and small businesses with respect to commercialisation and social innovation.</p> <p>Access to finance for small businesses and individual entrepreneurs to develop and commercialise their product service.</p> <p>Imperfect information on the opportunity to invest amongst potential investors.</p>	<p>High levels of deprivation and worklessness.</p> <p>Very low levels of educational attainment and skills.</p> <p>Declining level of jobs in the area with stagnation in key sectors such as manufacturing and construction.</p> <p>Some poor levels of community cohesion.</p> <p>Some businesses report concerns about skills shortages</p> <p>Low business density and levels of entrepreneurship and business start-ups well below the city and regional average.</p> <p>Lack of accessible business support and advice across the area since the closure in 2015 of previous ERDF projects.</p> <p>Poor reputation of certain areas and fear of crime .</p> <p>Not perceived to be a location for business investment, especially by office based businesses.</p> <p>Poor physical (transport and broadband) connectivity. Access to the motorway compared to other parts of the city/West of England is viewed as poor.</p>
<b>Opportunities</b>	<p>Grow and support 'anchor businesses' and SMEs within the West of England particularly</p>	<p>Government designated Housing Zone and availability of major development sites for housing and/or employment, especially at</p>

	<p>exploiting our competitive edge in innovation and the specialist opportunities our priority sectors provide in robotics, advanced engineering, creative and digital media, and low carbon technology.</p> <p>Develop further and forge even stronger linkages between higher education providers and businesses especially in relation to start-ups and SMES in our priority sectors.</p> <p>Underdevelopment of intellectual property. Enterprise M3 LEP, Greater Cambridge &amp; Greater Peterborough LEP and Oxfordshire LEP each had more than 46 patents per 100,000 population in 2009, almost double the WofE rate due to minimal spin-out activity.</p> <p>Promote the success stories and opportunities for sustainable economic development across the West of England to ensure our cultural and environmental assets are protected and continue to attract investment.</p> <p>Develop the WofE as a Region of excellence in relation to Low Carbon technologies and sustainable development by building on the European Green Capital of the year and promoting the area as a global leader.</p> <p>To successfully capture the impact major developments at the airport and port can have at meeting the investment and jobs targets. Implementation of the five major transport schemes, MetroWest and the electrification of the railway in order to enhance connectivity.</p>	<p>Hengrove Park, Filwood Park, Hartcliffe Campus &amp; Bedminster Green.</p> <p>8,000+ new housing will be delivered to 2026 , which will drive demand for retail / leisure provision, but also impact on demand for workspace.</p> <p>Availability of small to medium scale industrial &amp; warehousing sites for development / redevelopment at Knowle West and Cater Road.</p> <p>Build on the impact of the new Filwood Green Business Park and renewable energy investments in the area.</p> <p>Significant improvements in local transport connectivity for residents and businesses from MetroBus and South Bristol Link opening from Winter 2016.</p> <p>Build on a growing creative industries sector. The Bottle Yard is now the largest film production facility in the SW and of national significance, helping to retain and boost film industry in WofE/Bristol.</p> <p>Further develop skills, expertise and business clusters in low carbon / environmental goods and services, including green construction and lean manufacturing technologies.</p> <p>Better communication and promotion of South Bristol’s business community, initiatives and development opportunities.</p>
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	<p>Successfully develop the exciting and complementary opportunities within the Enterprise Zone and Enterprise Areas whilst continuing to support and promote other key strategic business locations.</p> <p>Inward investment support to attract further commercial research facilities and global businesses to the area.</p> <p>Growth in exports that match Government ambitions. Environmental assets to assist in adapting to climate change and as drivers of growth.</p>	
<p><b>Threats</b></p>	<p>Risk of losing key sector industries to other areas, eg. the movement of TV production to Cardiff has implications for our Creative Industries.</p> <p>Further polarisation between communities, and the financial implications of trying to readdress growing disparities.</p> <p>Loss of inward investment to areas of competition, potential implications for maintaining anchor businesses and other growing businesses. Loss of inward investment to areas of competition. Implications on reputation as a national and international competitor.</p> <p>Potential to exacerbate unsustainable commuting patterns, and cause labour shortages in some localities. May lead to rising house prices, issues for those in lower paid jobs.</p> <p>Without the financial incentive, and/or the auxiliary business skills to support their innovation, entrepreneurs and businesses</p>	<p>Competition for business and infrastructure investment from the Enterprise Zones and Areas</p> <p>Major viability challenges associated with delivering new developer led employment space in South Bristol, particularly offices.</p> <p>Lack of financial incentives/grants/business rate relief and capital investment.</p> <p>Traditional manufacturing declining, impacting on jobs growth.</p> <p>Pressure for employment sites to be developed for housing.</p>

	<p>simply do not innovate their products /services. Entrepreneurs and businesses go elsewhere to innovate and commercialise their products / services.</p> <p>Climate change and need to ensure mitigation for a resilient future.</p>	
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## 2.5 Recent Investments, new and emerging activities

### 2.5.1 Physical Infrastructure and Economic Development

Over the last 5 years, the South Bristol Regeneration Area has seen significant public investment in new community facilities, including a Skills Academy operated by the City of Bristol College, offering post 16 vocational training, the Hengrove Park Leisure Centre with Olympic-standard 50 metre swimming pool and a new NHS Community Hospital which were completed between 2010-13. The total investment was around £110m leading to the creation of around 500 jobs.

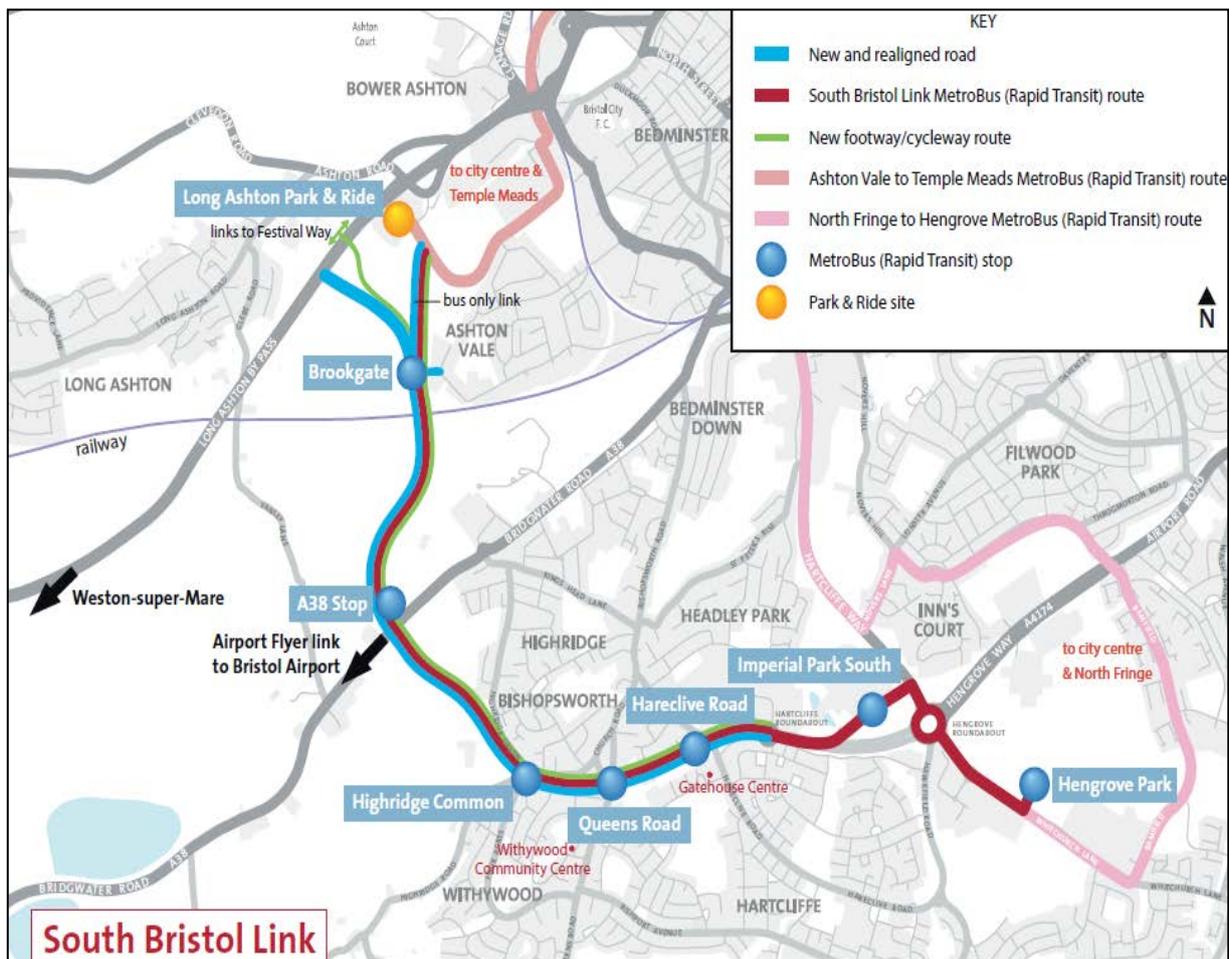
This investment has not yet succeeded in catalysing larger scale commercial or light industrial development on adjacent sites, nor any real ‘step change’ in respect of the headline deprivation and lack of new business investment issues across the wider area. However at Knowle West, where a 20 year community-led Regeneration Framework to deliver better housing, employment, retail and community facilities was launched in 2013 with up to £500 m backing from the Council and the Homes & Communities Agency (HCA), some tangible progress has been made – most notably:

- the opening in May 2015 of the award-winning £12m **Filwood Green Business Park**, (FGBP) off Hengrove Way, providing 71 office and industrial units, flexible workspace and training / meeting rooms over 40,000 sq ft, co-funded by ERDF, Bristol City Council and West of England Regional Infrastructure Fund and rated BREEAM Outstanding. The FGBP is owned and operated by Bristol City Council and is aimed at both supporting new entrepreneurs from the local communities of South Bristol and attracting environmental sector businesses from the wider region. Currently (Nov 17) 95% of the units are let and various business support services are building up a regular presence such as the School for Social Entrepreneurs, the FSB South Bristol business breakfast and Prince’s Trust, following the 2013-15 ERDF enterprise support programme targeting the area delivered by Blue Orchid. An outline scheme has now been prepared to redevelop part of the open work hub area to create an additional 2,314 sq ft of flexible desk /office space and a serviced kitchen / café area.
- the development on adjacent land of Barratt’s Filwood Park scheme for 150 housing units and a new public park.
- 71 affordable homes completed on a new housing site at Torpoint Road and a further 43 affordable units on sites at Kenmare Road and Novers Park Road
- agreement between Linden Homes and HCA to build 80 new new and affordable homes at Marksbury Road next to a new primary school

- opening of the Knowle West Childrens Centre and Play Facilities at Inns Court over 2014-15
- publication in 2012 of a masterplan for Filwood Broadway including a new supermarket and other facilities close to the new bus rapid transit line

Further detailed information on the objectives and projects within the Knowle West Regeneration Framework is available at <https://www.bristol.gov.uk/planning-and-building-regulations/knowle-west-regeneration-framework>

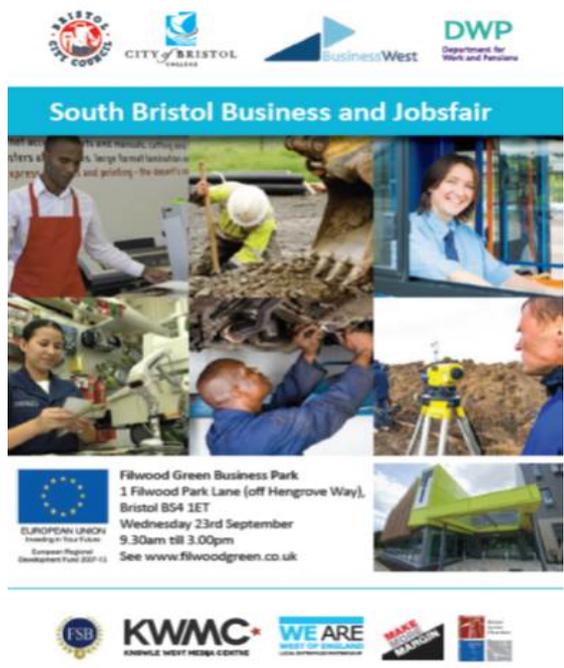
What is now expected to mark the positive tipping point for South Bristol's economic prospects and quality of life, in combination with the above infrastructure investments, is the £200m Department of Transport funded MetroBus and South Bristol Link (SBL) schemes now being delivered by Bristol City Council and the LEP, which will improve the accessibility by road and public transport, reducing congestion and giving better access to employment sites within the area and the wider city. They will provide new rapid bus transport route between Hengrove Park, Filwood and Bedminster to the city centre and Bristol north fringe, and a new multi-modal link (road, bus and cycle way) connecting Hengrove Park to the A38 and the A370 at Long Ashton Park and Ride, by winter 2016. Also, the improved links provided by the SBL to the expanding Bristol airport, with its growing international route network and enhanced passenger facilities, should offer new employment and business supply opportunities. It is anticipated that the South Bristol Link will help unlock 2,500 job opportunities (direct and indirect).



Whilst these public sector led investments have begun to build more confidence and momentum there remains an enterprise deficit in South Bristol and a pressing need to provide further 'soft' economic incentives to attract and private sector investment and boost local business start ups and growth in the Regeneration Area and beyond to the levels seen in the rest of the city region. Despite the net loss of jobs since 2009, and the halting pattern of development here have been a number of significant private sectors in recent years:

- £18 million new global headquarter offices of Imperial Tobacco at Winterstoke Road rated BREEAM 'excellent', completed in 2013 and securing around 550 jobs.
- £13m refurbishment of Computershare Investor Services UK & Ireland headquarter offices at The Pavilions Bedminster Down, completed in 2013 and securing around 1,500 jobs.
- £45 million redevelopment of Ashton Gate stadium by Bristol Sport to increase capacity to 27,000 and accommodate both Bristol City Football and Bristol Rugby Clubs – completed in 2016.
- £24 million redevelopment of St Catherine's Place, Bedminster by Urbis Living for a new retail centre and 188 apartments in a 16 storey tower block was consented in 2014 and followed by Urbis proposals for a £100 million Bedminster Green development on adjacent land to create 800 new homes (250 affordable) between on East Street and Bedminster station.
- More retail and restaurant units completed by The Junction at Imperial Park, Hartcliffe with the final 'phase 6' development of a 60-bed hotel, offices, a pub, 43 homes and residential care home consented in 2012 and due to create 200 jobs.

Bristol City Council continues to support a strategy group for the economic development of South Bristol comprising the Federation of Small Businesses, the City of Bristol College, Business West, Bristol Junior Chamber, Knowle West Media Centre and the Department of Work & Pensions. This initiative has included research with businesses on the barriers to business growth; main barriers highlighted were skills, transport, low cost competition and business rates. These partners organised a Business & Jobs Fair, which took place at Filwood Green Business Park on 22 September 2015:



In addition to the FGBP and commercial developments outlined above, there are several other key business support and economic infrastructures and community enterprise ventures well established in or close to the South Bristol Regeneration Area:

- a) **The Bottle Yard Studios (TBYS)**– the former Matthew Clark drinks bottling plant, is now providing 300,000 sq ft of flexible and low cost space for TV and film production and directly operated by Bristol City Council since 2010. It is served by 1 gigabyte fibre optic broadband as well as free wifi and has evolved to be the largest dedicated facility for creative production in the South West of England and is attracting overseas customers and a growing cluster of industry-leading production specialists amongst its 23 permanent tenants on site. There is a substantial pipeline of enquiries seeking creative production space at TBYS and recently the adjacent 601 Whitchurch Lane premises have been integrated with the main site. There remains unused capacity and potentially strong business case for the Council to intensify and extend both the office and production workspace on the site.
- b) **Knowle West Media Centre (KWMC)** – a social enterprise empowering local residents and communities to develop their creative/digital skills and providing support into business and employment since 1996. It has gained a national / international reputation for its innovative projects as well as its iconic straw bale constructed building, It offers bespoke creative services, such as graphic design, video production, and social media consultancy, and event, meeting and office space for hire. It has also developed a portfolio of community energy, digital training, open data and entrepreneurship projects in conjunction with the local Universities and other technology partners and funders. Of particular relevance is its ‘Do What You Love’ ERDF project which completed in June 2015 and intensively supported local people to develop new skills and co-workers to start craft and technology-led businesses – both social and private. As a result, KWMC opened its manufacturing space, ‘The Factory’, based at and supplying FGBP, which brings together digital fabrication technology, and contemporary furniture and signage design in a community-led enterprise. It has a variety of future business plans, including a Bristol Maker Lab to provide supported access to fabrication equipment and services for SMEs in the wider area, as well as a ‘sensor factory’ to supply other communities in Bristol and across UK involved in mobile data capture projects. KWMC / The Factory will also soon be connected to a new West of England-wide ultra-high capacity ICT network for software R&D and testing, as the only community-based node of the Open Programmable City Region (OPCR) project funded by LGF.
- c) **Cater Business Park** at Cater Road, Headley Park, with good access to the new South Bristol Link Road is one of the leading business centres in South Bristol hosting over 60 industrial, warehousing, trade counter and other service businesses, mainly in the construction sector and almost fully occupied with the exception of part of the Co-operative warehouse site (55,500 sq ft). It is unique in the area for having established an industrial Business Improvement District in 2007 following government SRB funding for environmental and security improvements. It is now commencing its BID 3 plan to 2022 around on site business support and new environmental initiatives. The Park already has a strong Environmental Policy promoting best practice and a successful track record in energy and resource efficiency measures and collaboration between businesses through its traders network and BID programmes.

- d) **The Park - Local Opportunity Centre** – is a former secondary school on a 15 acre site at Daventry Road, Knowle West, has made a remarkable transition over 15 years into a charitable company operating a popular and vibrant, multi-use community hub offering learning, training, small business and social enterprise space, café, childcare, specialist care and youth support services, sports and leisure activities taking advantage of its extensive grounds. Its main sustainability challenge, however, is the poor condition and inefficiency of its 1970s single storey buildings, and the Trustees have recently proposed complete redevelopment of the site including the possibility of new housing and care facilities to generate revenue alongside the community hub. The Park already provides significant employment and volunteering opportunities and has great potential to expand its local economic role, subject to capital investment.
- e) **Hartcliffe & Withywood Ventures (HWV) Ltd** is another charitable company established in 1985 which has evolved to be one of the most successful and resilient community enterprises in the region with a track record of achievement in one of the most disadvantaged areas of South Bristol. From its base at The Gatehouse, Hareclive Road, it provides vocational and basic skills training and guidance (partnering with City of Bristol College), support into employment (with Job Centre Plus), light industrial units, café-library, and nursery for local people and entrepreneurs. In 2014, with £105,000 grant from the Council and Urban Enterprise programme, it opened its innovative 'Studio 9' facility co-locating a dance and fitness studio with community work space with a target to create 7 new jobs.
- f) **Bedminster Town Team** - was established in 2012 with £100,000 Council and MHCLG support as one of the national 'Portas Pilots' and now manages a Business Improvement District, with a £400,000 programme from 2013-18 from a levy of around 400 businesses covering the commercial areas of Greater Bedminster. The programme embraces projects around street scene, cleansing, security, joint marketing, purchasing and events, In addition the Town Team has a strategy to attract more creative and digital businesses to the area, building on the success of the creative workspace provided at the **Tobacco Factory** (renowned theatre, café-bar, offices, studios and Sunday market) at Raleigh Road, Southville and **BV Studios** (30,000 sq ft artists space plus the Motorcade/Flash Parade gallery in the former Robinson factory at East Street).

## 2.5.2 Energy and Low Carbon

Within the last few years South Bristol has become the focus for a growing portfolio of both local authority / public sector and community / third sector investment in renewable energy and energy efficiency works, including solar photovoltaic roofs, external wall insulation and renewable heating schemes.

- a) **Solar PV** - Bristol City Council was the first local authority in the UK to launch a Solar Schools Project in 2011 and developed an ambitious programme to install 6,000 solar panels (£1.5 m investment) on schools and other Council owned buildings by April 2016. The citywide programme has to date installed solar pv on 108 buildings across the city (corporate and community buildings, social housing units, third party buildings and a ground-mounted solar site), amounting to 3.74 Megawatt capacity overall. By April 2019 it is planned that a further 0.7 Megawatts on third party assets will have been installed. In South Bristol, Ashton Vale Primary

was one of the first schools to complete a scheme (25 Kw) in 2012 and Ashton Park Secondary has just seen completion of the largest school installation yet in the city at 89 Kw.

In the emergent community energy sector, an important delivery role is being played by the **Bristol Energy Co-operative (BEC)**, registered as a Community Benefit Society in 2011, which has now issued three public share offers to raise finance for solar pv installations on community centres and buildings run by third sector bodies, including the Knowle West Media Centre (25 Kw) , one of its first projects in 2012, and the South Bristol Sports Centre (50 Kw) in 2014, the largest community solar roof in the city to date. BEC has just opened its third share offer seeking to raise £2.65 m for a much larger-scale community energy programme (500 Kw) including 7 more schemes in South Bristol (5 located within the Regeneration Area). Their community ownership model has received an excellent response during the Bristol 2015 year and offers potential for progression on to larger projects such as solar farms and energy efficiency schemes through partnering with the Council and SUD funding.

- b) **District Heating** – under Phase 1 the Council's ELENA / EIB funded programme, a biomass district heating network has been installed supplying the five social housing blocks known as the **Bishopport five** in Whitchurch Park, South Bristol (£557,000 scheme). Technical feasibility work has been underway since 2016 for a scheme to supply both commercial and residential users as part of master planning of the next phase of development of Hengrove Park with a view to a planning application being made in April 2018. Further information at <https://www.bristol.gov.uk/plans-for-hengrove>.
- c) **Biomass Heating** – the Council has run a biomass boiler investment programme over the last decade, resulting in £3m of investment and 4.7 MWth of wood-fuelled heat generation. Four of these have been installed in South Bristol, in schools and a large community building (The Park Local Opportunity Centre), resulting in £0.9m investment and 2MWth of wood-fuelled heat generation.
- d) **Energy Efficiency of Council Housing Stock** – from 2011-16 the Council's Housing Delivery team has commissioned a major programme including 4,672 measures to improve energy efficiency of the stock in South Bristol (around 40% of all measures citywide), ranging from modernising gas boilers and loft / roof, cavity and external wall insulation to heat pumps installation and window replacements. The Bristol Warmer Homes Project invested circa £14.4 million in low rise building cladding and new windows citywide and benefitted 537 homes in the South Bristol Regeneration Area. The contractor, Wilmott Dixon, also trained 7 local apprentices as part of the scheme. Due to financial constraints, the Council has been unable to take forward a Phase 2 of Bristol Warmer Homes in 2017.

The Brunata project has invested a total of £1.79 million in South Bristol housing to install heat cost allocators and hot water meters with a view to assisting tenants to save energy. Northfield House in Bedminster is a 18 storey Council owned block of 99 flats in poor condition due to historic defects in its construction which was selected for a multi-measure 'whole building' energy efficiency programme from 2012-14 at a cost of £3 million.

### 2.5.3 Local Policy Challenges and Opportunities

#### a) Entrepreneurship and Growth

The SEP has as one of its main objectives the promotion and support of smart business growth, especially in the five key sectors of the West of England economy. However, it is weakly orientated to stimulating entrepreneurship and start ups in areas of low business density and socio-economic disadvantage such as South Bristol. Whilst the SEP has backed the set up of the West of England Growth Hub during 2015-16, using £400,000 of government LGF 2 funding, which provides an on-line gateway to advice and support for all existing and new businesses, irrespective of industrial sector, it has not provided additional workspace or support infrastructure at local community level for either private or social enterprise start up and growth. Until the opening of the ERDF Enterprising West of England project in April 2017, the reach of public-funded start up support has been limited outside the main Bristol city centre and University hubs.

On the other hand, Bristol City Council and other local agencies have a track record over the 2010-15 period of co-financing business start up and early stage support targeted on disadvantaged areas and groups under-represented in enterprise through the previous ERDF Bristol Urban Enterprise programme, including schemes like Outset Bristol delivered by YTKO, Social Enterprise Link and Improving Your Resource Efficiency / Go Green delivered by Business West. Also the Prince's Trust has delivered its SW youth enterprise programme from its main base in Bristol backed by ERDF until Sept 2015, and the South West Investment Group has operated a micro-credit and other loan funds for start up and early stage growth using ERDF and Regional Growth Fund.

However, since mid 2015 significant gaps have opened up in the spectrum of local business start up and growth support services which should now be addressed via both the main West of England Axis 3 projects and the South Bristol SUD strategy. For example, there is the clear opportunity to extend both generic advice and support to prospective local entrepreneurs and provide more specialist environmental business and resource efficiency support at the Filwood Green Business Park and other centres through a networked delivery model. Creating and sustaining a stronger enterprise culture in South Bristol will require both dedicated resources and a long term approach.

The other major problem that has been intensifying in South Bristol since 2015, and despite the opening of the FGBP, is the lack of suitable and flexible workspace for both 'grow on' of early stage businesses and larger or longer established SMEs in the area across the range of sectors and use classes. Bristol (and South West) is experiencing a historical imbalance between supply and demand for industrial space particularly at the lower unit size range where traditional industrial uses are often competing with additional demand from leisure uses such as gyms and soft play areas. Agents report many units being sold by sealed bid - a practice favoured during a sellers market. Filwood Green Business Park enjoys near 100% occupancy of its warehouse units, as do nearby Hawkfield and Cater Road estates. Supply of smaller workshops outside the main industrial areas is further reduced by residential conversions, and developers are now focused on larger industrial areas in Southville and Bedminster. In summary the industrial market is at functional full occupancy in South Bristol and constraining businesses wishing to move for expansion. Recent rental increases reflect this picture.

A further challenge to the competitiveness of existing South Bristol SMEs and capacity to grow and increase productivity is the persistence of superfast broadband ‘not-spots’ on certain office sites and industrial estates across the area.

## **b) European Green Capital 2015 and Legacy**

In 2015 Bristol was designated as the UK’s first ever European Green Capital. This has provided the city with an opportunity to celebrate its high environmental standards, promote its ambitious goals for sustainable development and act as a role model to inspire other cities. To help mark our achievement of European Green Capital status and provide a legacy building, Bristol City Council and the Homes and Communities Agency developed the BREEAM outstanding rated Filwood Green Business Park as a flagship project, combining environmental with local regeneration objectives. . In July 2015, the Park was recognised as a ‘Champion’ pushing the boundaries for sustainable business by the 2degrees network. This award was based on peer votes from over 5,000 professionals in the sustainability sector.

Another key Bristol 2015 initiative was ‘Go Green’ delivered jointly by Low Carbon SW and Business West which engaged and supported over 1000 businesses over the year across the city region to commit to reducing their carbon footprint and adopting environmental best practices in energy, waste, transport, local sourcing and supply chains (‘say it, do it, prove it !). In conjunction with previous pilot projects targeting specific sectors and locations of the city, Go Green has significantly raised the profile and demonstrated the multiple benefits of sustainable practices, propelling low carbon values and goals further into the business mainstream.

The SUD Strategy intends to capitalize on the new Filwood and the success of Go Green, alongside other ‘new economy’ initiatives highlighted in 2015 (eg. The Bristol Pound, Happy City and the Bristol Energy Network)to help deliver into the future our commitment to strong environmental sustainability and further growth of the low carbon industries in different centres and clusters across the city. In South Bristol, given the long-standing construction trades and engineering technician skills in the area, as evidenced on its many industrial estates, there is a particular opportunity to develop and upgrade local skills and expertise in green construction, engineering and manufacturing technologies, and harness these in the plans to deliver 8,000 new homes, community facilities and employment space, and modernise the local transport and energy infrastructures. The aim should be to encourage and support innovation and increase competitiveness in these sectors, whilst providing long-term environmental benefits.

## **c) Bristol Climate and Energy Security Framework and Local Plan**

The Council published its draft Climate and Energy Security Framework 2016-20 (following its previous framework 2012-15), which sets out a framework of actions to achieve the new long term targets for carbon emissions reduction and renewable electricity and heat use adopted during 2015. Key context and drivers for the new framework are that:

- 70% of Bristol residents are concerned about the effects of climate change and in every Neighbourhood Partnership area the majority of residents are concerned about these impacts.
- The city has made good progress in reducing energy use by 18% and Carbon Dioxide emissions by 17% since 2005, with the Council showing leadership having reduced its own Carbon Dioxide emissions by 38% in the same period.

- Bristol is the UK's leading centre for sustainability expertise with the largest cluster of environmental technology and service businesses in the core cities and two leading universities with excellent research and teaching capabilities in climate, energy and sustainability issues.
- The target for 2020 is to reduce energy use by 30% and carbon dioxide emissions by 40% from the 2005 baseline

In addition the Bristol City Council Corporate Plan 2014-17 sets the following objective:

“Reduction of Bristol's carbon emissions by 40% by 2020 and accelerate the pace of change in our economy and our communities towards the low carbon future that will make Bristol a more sustainable, healthier, greener city”.

The linkage of this policy and the Climate and Energy Security Framework to positive impacts on the local economy is underlined by recent University of Bristol research showing that **realising this ambition over the next decade provides an opportunity for the city to save £200-300 million on energy bills and to create 2,000-10,000 jobs**. However, achieving these benefits will require **significant national action to increase the supply of renewable energy, and local action and investment in Bristol of £ 0.6 - 2.2 billion in order to generate the bill savings and local jobs**.

The Local Plan Core Strategy has clear policies on mitigating and adapting to climate change. Development should contribute to both mitigating and adapting to climate change, and to meeting targets to reduce carbon dioxide emissions through:

- high standards of energy efficiency including optimal levels of thermal insulation, passive ventilation and cooling, passive solar design, and the efficient use of natural resources in new buildings.
- the use of decentralised, renewable and low-carbon energy supply systems.
- patterns of development which encourage walking, cycling and the use of public transport instead of journeys by private car-site layouts and approaches to design and construction which provide resilience to climate change.
- measures to conserve water supplies and minimise the risk and impact of flooding.
- the use of green infrastructure to minimise and mitigate the heating of the urban environment.
- avoiding responses to climate impacts which lead to increases in energy use and carbon dioxide emissions.

Many of these measures were implemented in the development of Filwood Green Business Park, see [www.filwoodgreen.co.uk/environmental-highlight](http://www.filwoodgreen.co.uk/environmental-highlight)

#### **d) West of England Strategic Economic Plan and Bristol Local Plan**

It has already been underlined that the SEP identifies South Bristol as a priority regeneration area within the West of England, and a focus for manufacturing and construction creating 10,400 additional jobs. Also the Bristol Local Plan Core Strategy envisages that South Bristol will be developed as a counterpoint to the rapidly developing north, and transformed through a comprehensive approach to social economic and physical regeneration with the main spatial focus on Hengrove Park, Hartcliffe Campus and Knowle West.

However, in the absence of any Enterprise Zone or other financial incentives, this does present real challenges to achieve the very high, 'aspirational' targets for new homes, office and industrial jobs due to the various environmental, physical, socio-cultural and market constraints which have existed

for decades to delivering more intensive forms of development in those areas. It highlights the critical importance of finding ways to connect the development of this ‘core’ regeneration area more effectively not only with the immediately adjacent communities but also with the peripheral areas of Bedminster, Ashton, Southville, Windmill Hill, Headley Park, Knowle East, and Brislington, characterised by more business vibrancy and jobs, to create a more accessible and integrated network of centres and communities across South Bristol.

**e) South Bristol Housing Zone**

Key to addressing the above challenge will be the quality of spatial locations and urban design applied to delivery of new housing and the integration or close proximity of public transport, local employment sites, leisure, business and community facilities, In early 2015 the government’s Homes & Communities Agency designated a cluster of 8 sites across South Bristol as a pilot Housing Zone, as part of a national scheme to facilitate new and affordable homes delivery on brownfield land. The intention is to unlock stalled sites and facilitate faster delivery of both private market and affordable homes to meet national and local housing targets, but there is an emphasis too on tying in strategies to increase local employment capacity within the Housing Zones too, which points to an opportunity to align the SUD strategy and projects with the South Bristol HZ

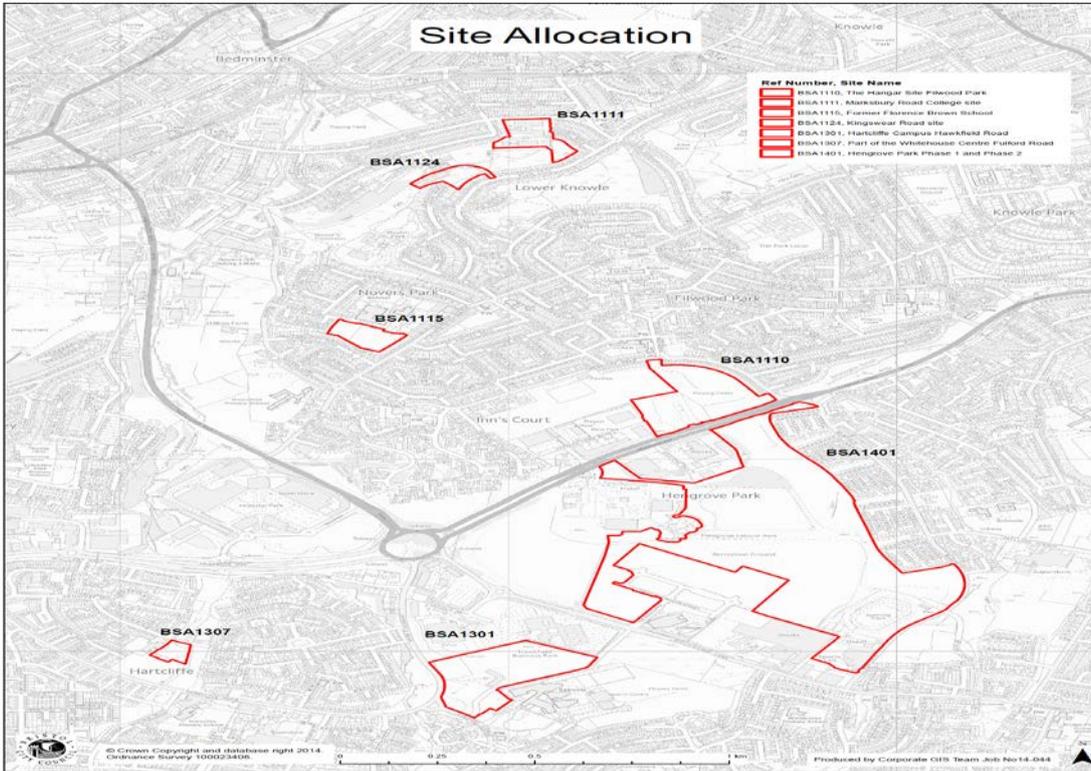
The government / HCA package offers HZs access to:

- £200 million loan fund to Councils and their private-sector partners for the HZ pilot
- cheaper borrowing from the Public Works Loan Board
- planning and technical support from the ATLAS service run by the HCA

<p><b>South Bristol HZ</b></p> <p><b>Vision</b> - to transform South Bristol to become a housing location of choice and to give developers and registered providers confidence to invest in high quality sustainable and energy efficient homes on the HZ sites.</p>
<p><b>Objectives</b></p> <p>1. to act in the role of Housing Delivery Enabler (as described in the Elphicke Report) by (i) providing a political and strategic direction in our engagement with local communities; (ii) creating housing opportunities on the eight HZ sites; (iii) working with local business, developers and investors; (iv) working with the HCA on the management and funding of housing supply that creates new housing communities designed with highest sustainable urban design principles</p> <p>2. to deliver 1700 high quality sustainable market and affordable homes that transform South Bristol into a housing location of choice, widen the range of housing options for local people and others seeking homes in South Bristol</p> <p>3. to deliver up to 4 hectares of new industrial and storage space and up to 35,000m2 of new offices/light industrial space - creating 3200 plus jobs.</p>
<p><b>Strategic Links</b></p> <p>1. To work with the Neighbourhood Partnerships at Filwood, Knowle and Windmill Hill, Dundry View and Hengrove and Stockwood plus The Knowle West Planning Forum and Neighbourhood Planning Network so Council and HCA can promote the development of new housing schemes in South Bristol that meets the housing needs and aspirations of people in the three neighbourhood partnership areas.</p>

- 2. To work effectively with HCA and WOE LEP in promoting and agreeing the housing programme for HZ - that realises the shared vision and delivers the objectives
- 3. To work with effectively with other agencies with major capital projects in South Bristol: Filwood Green Business Park, Metrobus South Bristol Link, City of Bristol College Construction Centre

Map 5: South Bristol HZ



f) South Bristol Neighbourhood Regeneration Policy

The Knowle West Project Board ([www.bristol.gov.uk/kwrf](http://www.bristol.gov.uk/kwrf)) including Bristol City Council officers, ward councillors, resident representatives and the Homes & Communities Agency has overseen the development of the Knowle West Regeneration Framework and its implementation since 2012. Capacity funding of £120,000 from the **One Public Estate** programme was approved in August 2016 to be targeted on land assembly and redevelopment by the Council and public partners at the **Filwood Broadway** local centre. Amongst other possibilities emerging from the OPE feasibility work is a redevelopment of the 0.62 hectare old Broadway Cinema site for 15 affordable housing units and at least 23,000 sq ft for employment / small business uses.

A new initiative linked to the Council's **Building Bristol Programme** launched in July 2016 is shaping the phase 2 regeneration of the 50 hectare Hengrove Park / former airfield site. The new programme has a broad scope to co-ordinate initiatives across the SBRA as designated in the Bristol Local Plan and now applicable for SUD:

- South Bristol Housing Zone feasibility study
- Hengrove Park and Bottle Yard Studios funding agreement with HCA
- Knowle West Regeneration Framework and related initiatives

- All council owned housing and employment development sites within Filwood, Knowle, Windmill Hill, Hengrove & Whitchurch Park; Hartcliffe & Withywood.
- linkage to the SUD strategy for economic and low carbon infrastructure development.

The emerging new master plan for **Hengrove Park**, which will be submitted for planning permission in April 2018 includes developing the Council owned sites for 1500-2000 new homes and providing the physical and social infrastructure in a planned and co-ordinated way in advance of development to accelerate delivery and enable 350 (11%) additional affordable housing units to be delivered (on top of the minimum 30% affordable) to meet local housing need. Proposals for employment land use include two sites adjacent to the **City of Bristol College's Skills Academy** suitable for B1a/b/c office and light industrial uses, and allocating a stand-alone plot at the northern gateway of the site with access to the main arterial route of Hengrove Way for a high quality and attractively landscaped B1a office building. Further information on Hengrove Park plans are available at <https://www.bristol.gov.uk/plans-for-hengrove> .

Finally, there is land within the **Western Drive Industrial Estate**, adjacent to the north-eastern periphery of Hengrove Park, in Council ownership and until recently used as a Gypsy and Travellers site, which could be developed for new small to medium-sized B2 industrial units. The remainder of the IE is fully occupied with high value industrial companies, including clean manufacturing, and would thus provide an attractive context and environment for provision of further 'grow on' space for local industrial SMEs.

**The above opportunities, in conjunction with intensification of uses at The Bottle Yard Studios (see 2.5a above), sum to an estimated total potential capacity for development of new SME-focused workspace in the SBRA on sites in Council ownership of around 102,250 sq ft of B1a offices and 125,000 sq ft B1c or B2 light industrial or general industrial / warehousing space, creating around 820 new fte jobs.**

## Section 3: The Strategy for Bristol Sustainable Urban Development (SUD)

### 3.1 Local Strategic Rationale and Added Value of SUD

Taking full account of the foregoing SWOT assessment, the recent investment and activity trends in the wider area and the evolving Bristol and West of England policy context, this section sets out the intervention logic for the SUD strategy the axes and specific objectives selected from the England ERDF Operational Programme and the indicative actions proposed.

In essence, the strategy seeks to build on the economic opportunities and specialisations present or latent in Bristol as a powerful national engine of growth, but also recognises that, despite its relative success, pockets of deprivation have persisted in the city and these are strongly clustered in South Bristol. Following EU Urban Policy and Article 7 objectives, the strategy particularly focuses upon the integration of economic, environmental, climate, social, and demographic challenges, and creating better quality development and multi-level connection of economically marginalised or 'at risk' communities to adjacent stronger economic areas and citywide institutions.

The most important current and future drivers for the strategy are considered to be:

- the need to consolidate and build on circa £12.5 m investment in both hard and soft enterprise support infrastructure made under the 2010-15 ERDF Bristol Urban Enterprise programme, principally the opening of the Filwood Green Business Park, and Blue Orchid business support, Green & Digital Enterprises (Do What You Love) at Knowle West Media Centre, and Studio 9 at Hartcliffe & Withywood Ventures, and the Council's investment in The Bottle Yard Studios site by using SUD resources to:
  - improve start up and survival rates, and further embed enterprise culture in SBRA
  - expand the local infrastructure for SME 'scale-up' and adaptation to higher value productive activities by providing more serviced SME incubation and 'grow on' workspace in B1 office/light industrial and B2 industrial use classes.
  - provide complementary business support and growth incentives for the existing industrial and emerging green and creative sectors by means of grant schemes for new capital investment projects and local promotion of full fibre connectivity.
  - complement and deepen the impact of the recently launched ERDF Axis 3 programmes operating at a citywide level, eg. Enterprising West of England, Social Enterprise and Innovation, and the Network for Creative Enterprise.
- in the context of both securing the legacy from Bristol's year as European Green Capital and the smart specialisation promoted in the West of England SEP, to seize the opportunities presented by the FGBP, the existing and emerging business and community-led economic projects across Knowle West, Hartcliffe and Greater Bedminster, and the new Housing Zone, to realise South Bristol's potential to be an expanding hub of Bristol's dynamic green economy, and the SBRA to serve as a test bed and upscaling area for innovative energy, waste and low carbon manufacturing technologies, catalysing external and local investment for this goal.
- given the City's new Climate and Energy Security Framework to 2020 and targets beyond to 2050, the need to accelerate the installation of renewable energy and energy efficiency

measures across public and private sector housing and buildings, and improve other forms of low carbon infrastructure (eg. for EVs, cycling, local food growing and higher quality green spaces), and to simultaneously create new employment and supply opportunities for local residents and businesses linked to this capital investment. The SBRA already has such 'pathfinder' energy and low carbon projects but must achieve a better co-ordination and critical mass of activity.

- BCC wishes to deliver itself and also encourage and incentivise other developers to deliver more new build domestic housing and community and commercial buildings to Zero carbon standards or as close as possible to it in order to help achieve its 2020-50 carbon and energy saving targets
- BCC also seeks to further develop innovative approaches, currently being tested in its EU funded REPLICATE project, to enable smart energy and mobility management at a building and a community level.

*The strategy will therefore aim to add value to already approved or planned interventions for entrepreneurship and early stage business growth across the West of England ESIF over the 2017-20 by:*

- *intensifying the level of community-based support available in South Bristol to new, early stage and longer established micro and small businesses;*
- *addressing the historically low start up and growth rates in the area;*
- *provided more locally tailored early stage and scale-up business support to nurture the diverse green economy, manufacturing and cultural sector activities set up under previous regeneration programmes in Knowle West, Hartcliffe and other centres.*

*These 'new' sectors and local businesses more widely are expected to derive further economic opportunities and stimulation from a parallel programme of capital investment in workspace, energy, waste, housing and related community and employment infrastructure both under the SUD and main West of England Low Carbon priorities, and the new West of England Devolution Deal (Place Infrastructure Fund – worth £900 million across the region over 30 years) to be rolled out over 2017-22 .*

## **3.2 Core Delivery Themes and Indicative actions**

### **3.2.1 Encouraging and supporting an entrepreneurial culture and enabling business projects of individuals, groups and local organisations across the SBRA, increasing take up of advice/support and removing barriers to start up.**

- outreach into the SBRA neighbourhoods to raise awareness of individuals and groups and support them to assess their skills and resources, generate and test ideas for viable and sustainable private or social enterprise start-ups (drawing on evaluation and learning from the previous ERDF funded projects in South Bristol).
- incubation activities in partnership with business centres, industrial parks and training centres within and close to the SBRA to support start-ups and strengthen the environmental goods and services sector in South Bristol, including sustainable construction and energy services and development of 'circular' business models.

**3.2.2 Increasing growth capability in existing South Bristol SMEs, especially early stage, by providing access to high quality business support, including shared facilities, equipment, incubation or expansion space, and finance.**

- extending and improving the existing offer of both generic and specialist environmental business support for SMEs at the Filwood Green Business Park and other Centres in the wider South Bristol area, including grant or voucher schemes.
- provision of high-tech digital fabrication facilities and resources on an open access basis for start-up and existing manufacturing businesses for bespoke product design and prototyping.
- tailored advice and support for the development of other emergent sectors of the South Bristol economy such as creative, cultural, digital, software, food and drink.

**3.3.3 Promoting sustainable building, energy generation and supply systems, and introducing other innovative low carbon infrastructure across South Bristol, and at the same time creating local employment and supply opportunities.**

- investment in a pilot project to enable adoption of low to zero carbon construction technologies and introduce higher volume, lower cost off site manufacturing (OSM) of housing and community buildings locally to meet the needs of the SBRA.
- investment to scale up municipal and/or community-owned energy installations and introduce 'micro-grid' energy management systems in SBRA neighbourhoods.
- investment in new commercial waste upcycling and sustainable mobility infrastructure which also deliver local employment and economic benefits.

**3.3 Strategic Fit with the England ERDF Operational Programme**

It is proposed that the foregoing Bristol SUD themes and activities will be delivered through the Priority Axes, Investment Priorities, and Specific Objectives of the England ERDF Operational Programme 2014-20, as detailed below:

**PRIORITY AXIS 3: Enhancing the competitiveness of SMEs**

**Investment Priority 3a:** Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

- Specific Objective: 3.1 Increase entrepreneurship, particularly in areas with low level of enterprise activity and amongst under-represented groups  
Under this priority actions to be supported by ERDF may include:
  - Targeted engagement, outreach and mentoring to strengthen entrepreneurial and enterprise culture;
  - Provision of advice and support for entrepreneurship and self-employment in particular amongst under-represented groups by developing entrepreneurial skills and attitudes with a focus on increasing the number of business start-ups;

- Provision of advice and support for new business start-ups to survive and grow;
- Support to address market failures in provision of start-up finance, e.g. seed finance
- Outreach, coaching, mentoring, networking and consultancy support to promote business start-up, survival and growth;
- Grants to support productive investment.

**Investment Priority 3c:** supporting the creation and the extension of advanced capacities for products, services and development.

- Specific objective: 3.2 Increase the growth capacity of SMEs  
Under this priority actions to be supported by ERDF may include (amongst others):
  - Provision of advice to develop new business models or higher quality products, processes or services;
  - Advice and support for businesses to implement productivity improvements including through the provision of resource efficiency advice;
  - Advice to improve business processes and workforce development;
  - Ensuring SMEs have access to sufficient levels of finance to implement their growth plans, including appropriate capital investment for premises and equipment;
  - Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects;
  - Grant finance for business to invest for product, process and service improvements;
  - Provision of land and premises for employment sites, including incubation space, managed workspace, or grow-on space (where there is evidence existing supply does not meet demand)

#### **PRIORITY AXIS 4: supporting the shift to a low carbon economy in all sectors**

**Investment priority 4c:** supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.

- Specific objective: 4.3 Increase efficiency in homes and public buildings, including through the implementation of low carbon technologies  
Under this priority actions to be supported by ERDF may include (amongst others):
  - Supporting low carbon innovation in relation to the integrated 'whole place' energy management approach including energy waste and re-use;
  - Investing in building retrofit, energy efficiency measures, renewable and smart energy systems deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market;
  - Investing in domestic energy efficiency, renewable energy and smart construction techniques

**Investment priority 4f:** Promoting research and innovation in, and adoption of, low carbon technologies.

- Specific objective: 4.5 Increase innovation in & adoption of low carbon technologies  
Under this priority actions to be supported by ERDF may include (amongst others):
  - Research & development, innovation and supply chain work for low carbon technologies and materials, including smart grids, distributed generation, solar and photovoltaics, heat networks, heat pumps etc;
  - Research, development, demonstration and adoption of technologies and systems that support low carbon transport and accelerate new technologies such as low emissions vehicles (electric, hybrid and hydrogen);
  - Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes

### **3.4 Strategic Fit with the West of England ESI Funds Strategy**

The West of England ESIF includes substantial funding allocations to both Priority Axis 3 and Priority Axis 4 .The Bristol SUD programme will complement the wider area delivery of these key priorities by providing additional resources and support tailored to the needs and circumstances of the South Bristol urban area. Due to the spatial focus and application of local partners' expertise, together with its fit with local priorities and investment plans, the SUD Strategy aims to deliver an enhanced local economic impact for the England ERDF Operational Programme and West of England ESIF.

It is also planned to pursue a smart specialisation policy and strategic alignment to ensure that SUD ERDF investments in local enterprise and infrastructure are complemented by West of England ESF investment in both employability and upskilling of the local workforce in smart energy, construction, digital manufacturing and other sectors. This should enable the desired enterprise start up, growth and job creation to be more effectively realised – leading to more economically resilient communities.

To ensure that this alignment happens, and complementary actions emerge, the Bristol SUD programme governance arrangements will include regular consultation and information exchange with the West of England ESI Funds Committee (as well as the Regional ESIF unit of MHCLG). Equally, it will be important for the West of England MCA as both the Intermediary Body for the Bristol SUD and a stakeholder in the West of England ESIF programme (and with representation on the ESIF Committee) to be able to influence and take due account of calls, project bids and approvals as they come forward under the West of England ESIF programme, especially in relation to the SME Competitiveness and Low Carbon axes.

### **3.5 Programme Expenditure Profile**

The Financial Tables below set out:

- a) the indicative proportions of ERDF and total expenditure, including match funding (at 50%), under the Bristol SUD programme by year, axis and investment priority (from the England ERDF OP)
- b) the detailed allocations in euros by year, axis and investment priority.

<b>Enhancing SME Competitiveness</b>	<b>65%</b>	Promoting Entrepreneurship, new ideas and firms in disadvantaged areas / groups	<b>16.0%</b>
		Business Growth – creating & extending advanced capacities for new products etc	<b>49.0%</b>
<b>Supporting the Shift to Low Carbon Economy</b>	<b>35%</b>	Energy in Public Infrastructure, including public buildings and housing sector	<b>26.5%</b>
		Promoting research, innovation and adoption of low carbon technologies	<b>8.5%</b>

<b>AXIS &amp; PRIORITY</b>	<b>2018 €</b>	<b>2019 €</b>	<b>TOTAL €</b>	<b>ERDF €</b>	<b>SHARE</b>
<b>3. SME Competitiveness</b>	<b>516,060</b>	<b>4,044,340</b>	<b>4,560,400</b>	<b>2,280,200</b>	<b>65%</b>
<b>3 a ( 3.1) Entrepreneurship</b>		1,120,000	1,120,000	560,000	16%
<b>3 c (3.2) Business Growth</b>	516,060	2,924,340	3,440,400	1,720,020	49%
<b>4. Shift to Low Carbon Economy</b>	<b>300,000</b>	<b>2,155,600</b>	<b>2,455,600</b>	<b>1,227,800</b>	<b>35%</b>
<b>4 c Energy -public infrastructure</b>		1,855,600	1,855,600	927,800	26.5%
<b>4 f Low carbon technologies</b>	300,000	300,000	600,000	300,000	8.5%
<b>TOTAL</b>	<b>816,060</b>	<b>6,199,940</b>	<b>7,016,000</b>	<b>3,508,000</b>	<b>100%</b>
<b>ERDF</b>	408,030	3,099,970	3,508,000		
<b>MATCH</b>	408,030	3,099,970	3,508,000		

### 3.6 Programme Outputs

Outputs for the programme delivery period (from 2017-22) have been selected with reference to the indicators for the relevant axes and investment priorities set out in the England ERDF Operational Programme and calculated proportionately to the targets for the West of England ERDF programme notified to partners in January 2016.

AXIS	3. Enhancing SME Competitiveness			4. Supporting the Shift to Low Carbon Economy		
	3 a (3.1) Entrepreneurship	3 c (3.2) Business Growth	Total	4 c Energy in public infrastructure	4 f Low carbon Technology	Total
C1 - No. of enterprises receiving support	63	196	259	0	2	2
C2 - No. of enterprises receiving grants	20	165	185			
C4 – No. of enterprises receiving non-financial support	9	65	74			
C5 - No. of new enterprises supported	28	86	114	0	1	1
C6 – Private investment matching public support (grants)	€52,700	€595,490	€648,190			
C8 – Employment increase in supported enterprises	28	86	114			
C28 – No. of enterprises introducing new to market products	5	0	5			
C29 – No. of enterprises introducing new to firm products	0	29	29	0	1	1
P11 – No. of potential entrepreneurs assist'd to be enterprise ready	113	0	113			
C31 – No. of households with improved energy consumption				7	0	7
C32–KWh.pa decrease of annual primary energy consumption of public buildings				6,437	0	6,437
C34 - Estimated Green House Gas reductions (Tonnes of CO2)				106	10	116

## **Section 4: Description of the Partnership and Governance arrangements**

### **4.1 Intermediate Body Role and Principles of Approach**

It is proposed that Bristol City Council will be the Intermediate Body (IB) to MHCLG as Managing Authority (MA) for the delivery of the South Bristol SUD Strategy. The partnership, governance and management arrangements for the South Bristol SUD have been designed by the Council in accordance with the guidance provided by the European Commission DG-Region and MHCLG, and the draft Memorandum of Understanding on IB-MA programme management roles and responsibilities between MHCLG and English Core Cities issued in November 2017. The general objectives informing the design are to:

- build on existing arrangements, where possible, and avoid unnecessary duplication in either partnership or management arrangements;
- enable a co-ordinated and strategic development of the programme / projects;
- facilitate on-going local community and business stakeholder involvement;
- provide, as far as possible, for simplified, efficient and transparent ERDF application processes consistent with the governance parameters of ESIF / SUD, as set out in the England ERDF OP IB-MA MoU and MHCLG Guidance Notes;
- ensure a clear separation of functions between the IB's appraisal and decision-taking roles and the IB / urban authority's advocacy role to advise and support SUD stakeholders and applicants;
- adopt other protocols and procedures to deal with potential conflict of interests;
- achieve integration and synergy with other local economic development regeneration programmes, including projects already funded or to be funded under the wider West of England Strategic Economic Plan, Local Growth Fund, ESIF programme (ERDF and ESF) and the South Bristol Housing Zone.

### **4.2 Experience and Capacity for EU Programmes Management**

Bristol City Council is a founder member of the new MCA, and, as an English/UK Core City, has substantial previous experience of co-managing EU funding streams and programmes, including:

- URBAN I - 1994-1999 (ERDF / ESF)
- URBAN II - 2000-2006 (ERDF / ESF)
- South West England Objective 2 - 2000-2006 - under a devolved Bristol Action Plan
- EQUAL II – 2005-08 (ESF)
- INTERREG II
- URBACT
- South West Competiveness & Employment ERDF – 2009-13 – under the Bristol Urban Enterprise Strategic Investment Framework
- HORIZON 2020 projects - 2012-16
- ELENA – 2012-16

### 4.3 EU Transnational Funding

Over the past ten years, the Council has benefited from over €3.5 million of EU funding and partnered with over 100 cities across Europe. Partnering with cities across Europe on EU funded transnational funding projects has enabled the Council and its strategic partners to work with progressive cities across Europe to resolve common urban challenges such as reducing carbon emissions, ensuring digital literacy and developing sustainable transport solutions. Working at a transnational level facilitates the exchange of best practice at an international scale. Utilising EU funding has also enabled us to support the development of innovative new solutions delivered at a European scale, thus significantly enhancing the impact of the project. Examples of both smaller and larger-scale projects delivered by BCC in the last 4 years are:

- a) **REPLICATE:** A large scale Smart City demonstrator project within the H2020 programme. Worth 24m euros, REPLICATE involves 3 ‘frontrunner cities’ identifying, developing and deploying replicable, balanced and integrated solutions in the energy, transport, and ICT actions through partnerships between municipalities and industries. The project involves over 30 international partners delivering over 3 years.
- b) **CLAiR-City – Citizen Led Air pollution Reduction in my City:** H2020 project concerning air quality - Taking current understanding of pollution pathway beyond traditional source apportionment methods by apportioning city pollution not to technologies, but to citizen behaviour, activity and choices. This project is worth nearly 5m euros and BCC are directly involved in providing an integrated perspective of air pollution and carbon footprints within the city, empowering city citizens to take ownership of their clean air future.
- c) **ICARUS:** Another H2020 project involving the development of a vision for future green city, ICARUS involves integrated assessment of policies that reduce air pollution and/or greenhouse gas emissions in cities and awareness raising by providing tools to estimate the carbon footprint and air pollution damage caused by citizens. Again, the project is worth more than 3 million euros.
- d) **SUMA:** A Sustainable Urban Mobility Action (SUMA) project, which will enhance the strategic intelligence of local authorities, their local partners, and stakeholders to manage the process of moving towards sustainable urban mobility and creating action.
- e) **SPP Regions project:** The SPP Regions project is aimed at promoting strong networking and collaboration at both the European and sub-national regional level on sustainable and innovative procurement (SPP/PPI), to help promote and embed capacity building and knowledge transfer. The main European body involved is ICLEI who is a leader in sustainable procurement. The over-arching objective of SPP Regions is: “to create markets for new, energy efficient and renewable energy technologies and solutions in the European public sector, by increasing the skills, capacities and willingness of public authorities to procure the best available sustainable energy products, buildings etc”.

- f) **URBACT Resilience Network:** As stated above, the Council also has a proven competence in managing transnational networks such as the URBACT networks of Cities. Recently, the Council engaged with a network of cities under the theme of Social and Community Resilience, building upon its existing strategy as one of the 'Rockefeller' 100 Resilient Cities. This project seeks to strengthen the cooperation between European cities regarding resilience starting and maintaining the dialogue with the European Commission regarding resilience challenges in cities/urban regions.

In addition to specific transnational projects, the Council has extensive experience in managing large EIB investment which has been facilitated by the EU ELENA grant it received in 2012 to establish (amongst other things) a municipal energy company.

Bristol's model for a city-owned energy company offered a unique opportunity to generate income that can protect the services deemed crucial for the city, as well as be used to invest in local renewables and low carbon initiatives. The Council would not have been able to explore the municipal energy company route were it not for a successful application to the ELENA programme. BCC received £2.5m assistance which financed additional staff for the preparation of the Council's energy investment programme, including plans for the set-up of the company.

#### **4.4 European Green Capital 2015**

Bristol became the UK's first European Green Capital in 2015 following a successful bid to the European Commission. The award has provided a platform for the city to accelerate community engagement and sustainability leadership at a local, national and international level (including through our attendance at and contribution to COP21 discussions and agreement). It has also helped to raise Bristol's profile as a smart, green city to attract funding and investment. We have formed strong partnerships with other leading low carbon and green cities in the EU, with whom we can partner to apply for large European funding streams, such as Horizon 2020. The award was also used to leverage £4 million commercial funding to support activities during the year.

In conclusion, various directorates and services within the Council have been involved in programme and project management over the last 15 years – Regeneration, Economic Development, Major Projects, Planning, Transport, Sustainable City, Energy and City Innovation – supported by accounting, legal and other technical advisers at corporate or directorate levels.

To ensure the effective management and administration of the above programmes as well as SUD, the Council already has in place the necessary financial, monitoring, audit, record retention, and publicity requirements to ensure that all European Commission and MHCLG requirements are met. It is understood that the MA will retain the right for final verification checks.

#### **4.5 Partnership and Governance Structures**

In summary, Bristol City Council will act as the Intermediate Body and, through an interactive process, co-determine SUD project selection and ERDF funding awards with the MHCLG, taking into account views from the West of England ESIF Committee which will be expanded to include South Bristol community and business stakeholders. As with other ESIF programmes, there will be a two-stage application procedure with the IB undertaking appraisal of both outline and full business plans for local strategic fit and contributing to the MA's appraisal of value for money and deliverability. This will be undertaken by a small SUD IB Unit within the Council's Corporate Finance Team, (to ensure

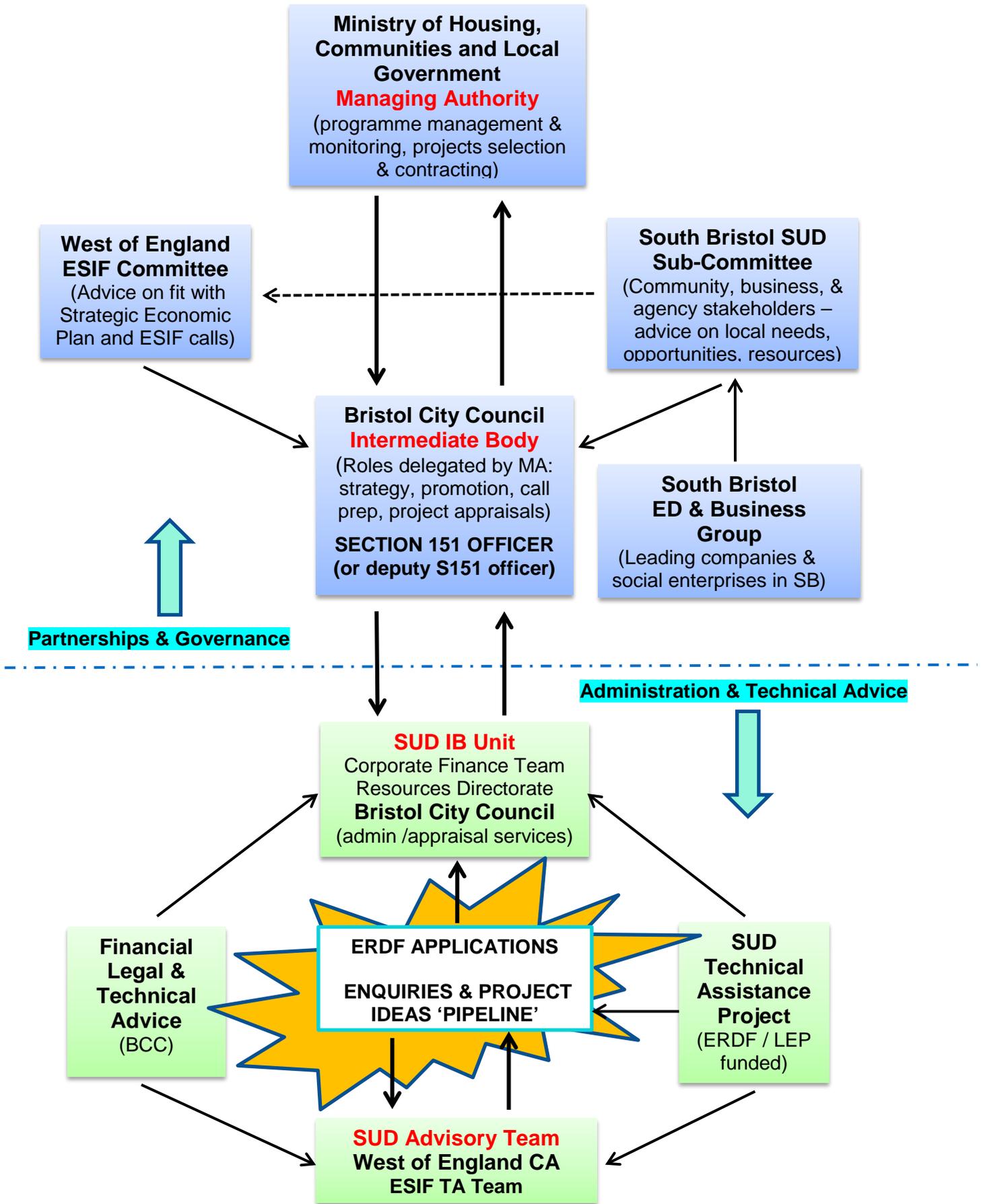
separation of functions from Economic Development, Energy and other BCC Services who may be advising and/or developing projects with South Bristol stakeholders) and with ready access to the authority's corporate legal and finance expertise. It will comprise a 1.0 FTE IB Co-ordinator, and also undertake the promotional, call development and other roles delegated by the MA, as set out in the Memorandum of Understanding (MoU) and Technical Assistance (TA) project. The IB Unit will be co-funded by the West of England Combined Authority (WECA), 50% from the Revolving Infrastructure Fund (RIF) Revenue funding pot, and 50% ERDF TA for IBs managed by MHCLG, subject to approval.

Decision-making by the Council in relation to its SUD IB role and functions will be made by the **Section 151 officer (S151)** or the **deputy Section 151 officer (deputy S151)**. The IB unit will receive project applications from MHCLG and undertake appraisals against the local strategic fit criteria, and make recommendations for decision via the standard business processes of the Council. This will be supplemented, as needed, by use of external financial and technical consultants whose remit will be to appraise applications against the technical deliverability and value for money criteria and provide recommendations to the IB, as agreed in the MA-IB MoU.

Where potential conflicts of interest are identified, such as applications or match funding originating from any given Service, procedures will be adopted to ensure declaration of those interests to the IB Coordinator or **Section 151 officer (S151)** or the **deputy Section 151 officer (deputy S151)**, and the standing down of relevant officers from the appraisal and decision making process – see Annex1.

Technical advice and support for stakeholder enquiries and prospective applicants developing proposals will be delivered by the existing ESIF Technical Assistance Team of the West of England Combined Authority, and so clearly separated from the IB Team.

The flow diagram on the next page shows, at a high level, the proposed partnership and governance structure with the main bodies and groups, their functions and the interactions between them:

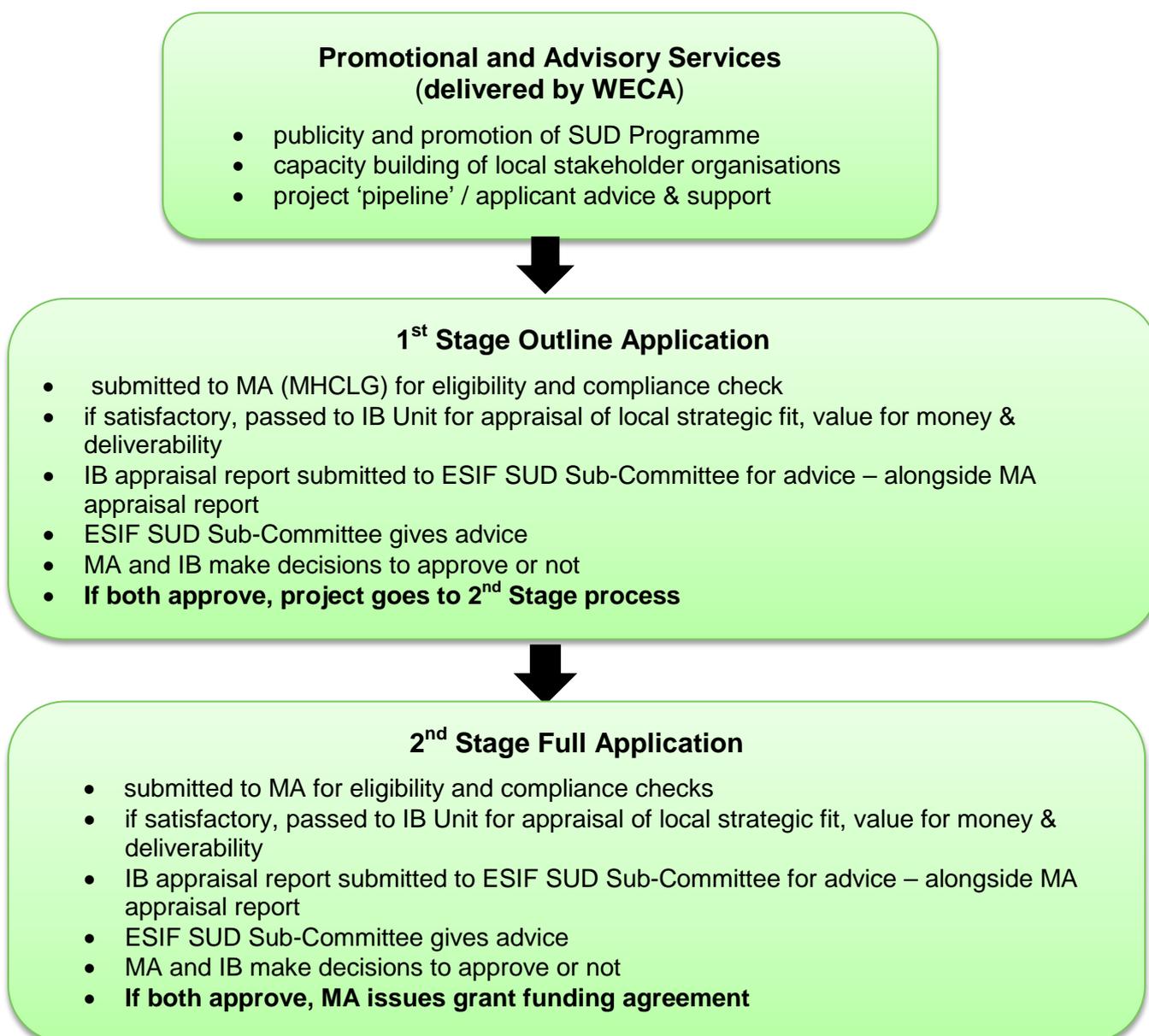


A protocol for identifying and declaring conflicts of interest will be adopted in the IB governance system to ensure that the ‘Nolan’ Seven Principles of Public Life are understood and properly implemented by all participants – see [www.gov.uk/government/organisations/the-committee-on-standards-in-public-life](http://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life) .

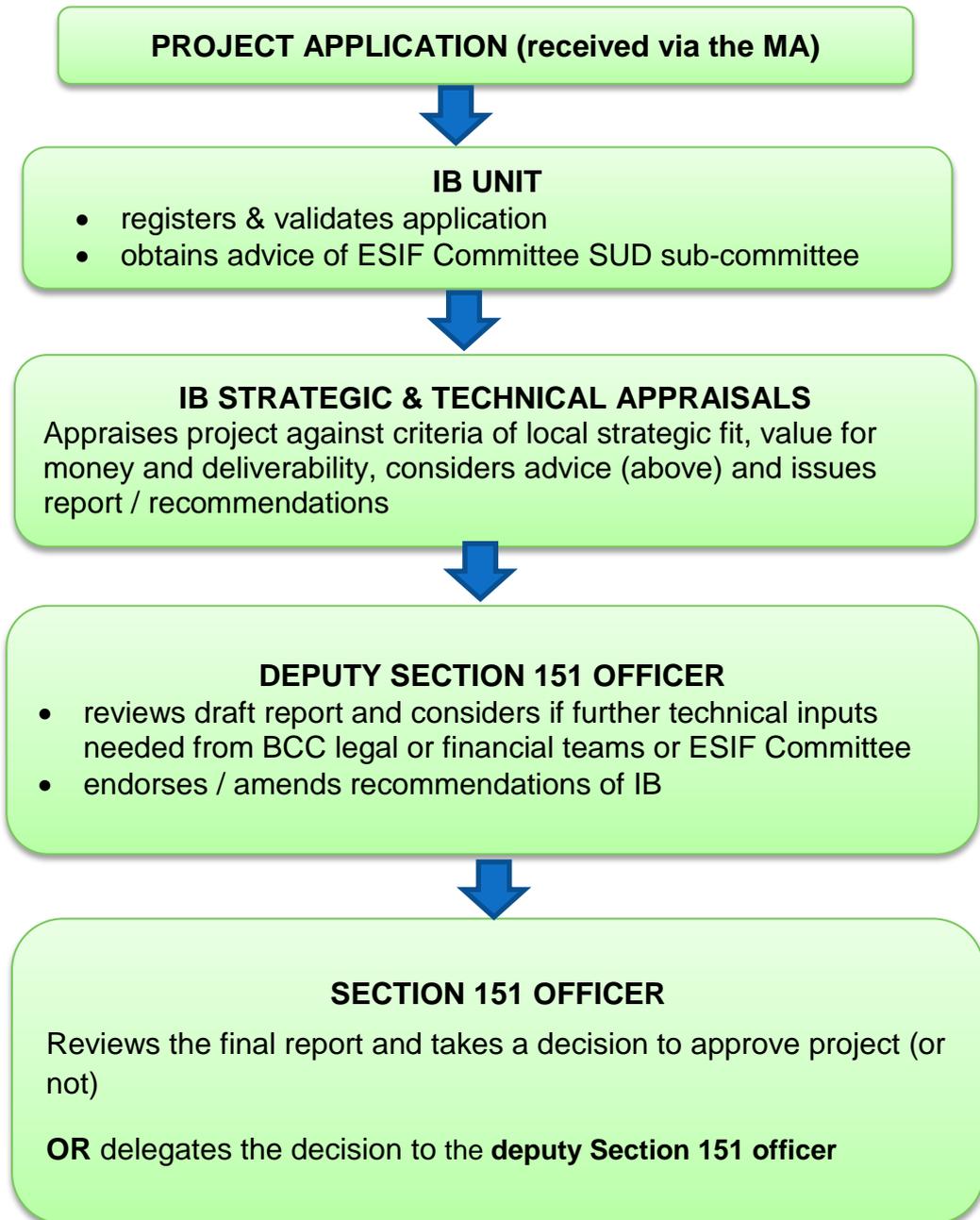
#### 4.6 The Project Application Process

It is proposed to use a 2-stage application process for the consideration, appraisal and selection of potential South Bristol SUD projects, with the Council as IB working in close conjunction with MHCLG as MA, and receiving advice on both the local (South Bristol) and city-regional needs and opportunities to be addressed from the West of England ESIF Committee and South Bristol stakeholders linked to it. Also, as indicated above, interested organisations and applicants from the local area will be able to access advice and support on the SUD programme, ERDF funding rules and processes from the SUD Programme Advisory Services (provided by the ESIF TA Team of the WECA). The Council’s IB unit will also undertake a general role, within the scope of the Memorandum of Understanding, to publicise the SUD strategy and programme.

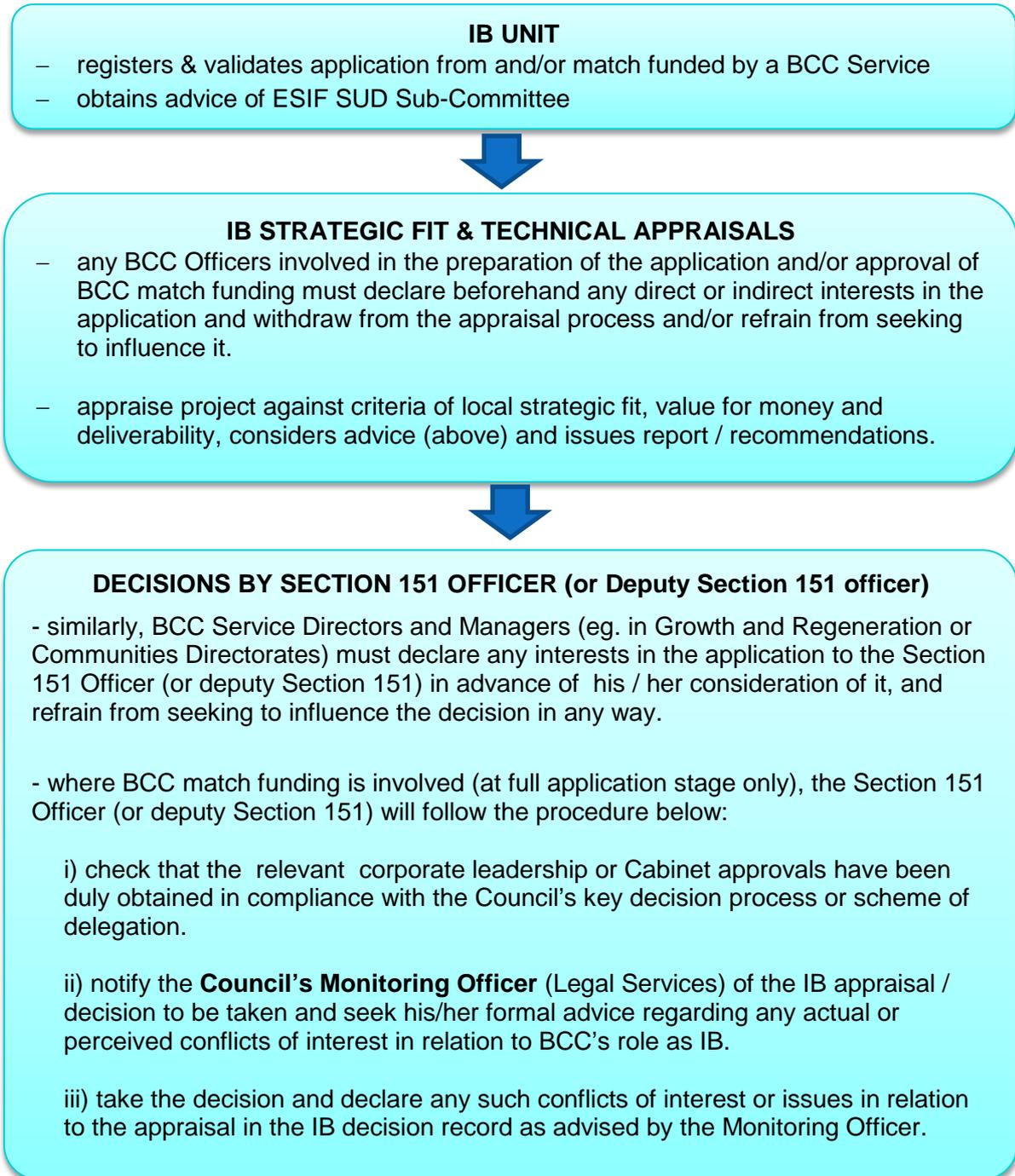
The flow diagram below illustrates the process up to project application approval



The IB Secretariat, based within the Council’s Corporate Finance Team, will follow a specific business process for appraisal and decision-making on SUD project applications (at both stages) received from *external* organisations as below:



In the event of the IB receiving applications directly from and/or match funded by Bristol City Council (eg. Economic Development or Energy Services currently within the Growth and Regeneration and Communities Directorates respectively), the following control procedures will be followed to manage any actual or perceived conflicts of interest with the role of the Council as IB.



#### 4.7 Minimum Value Threshold for ERDF Project Applications

Due to a variety of factors and special circumstances affecting the South Bristol SUD, such as the mix and relatively small scale of the ERDF investment priorities and the limitations on the available match funding and delivery capacity of a number of the local stakeholders and likely project promoters in the third sector, it is proposed that:

- the MA should agree to lower the minimum value threshold for project applications from £500,000 to £250,000 (€300,000) ERDF in relation to the Priority Axis 4 (Low Carbon). In particular, this will have the advantage of enabling the inclusion of a smaller-scale but strategically important project under Investment Priority 4f (promoting innovation in and adoption of low carbon technologies), which is intended to directly complement the main focus under the Low Carbon axis on Priority 4c (energy efficiency, smart energy management and renewable energy installations in public buildings and housing, as outlined in the funding and outcome tables at 3.5 and 3.6.
- In relation to the Priority Axis 3 calls, it is acknowledged there may also be some circumstances where it would be appropriate to reduce the threshold for applications below £500,000. However, project promoters and match funders will be expected to have investigated the potential to incorporate a delegated grant scheme (eg. for capital investment and/or revenue for new product / service R&D) into their project, which might include up to 50% of SME beneficiary match funding of the grant.

**Annex 1: Bristol City Council Protocol for Management of Conflicts of Interest in relation to its role as Intermediate Body for the South Bristol SUD Programme**

This protocol is based on existing governance practices within Bristol City Council to ensure compliance with the Nolan Seven Principles of Public Life, but also further developed in accordance with the guidance set out within the Terms of Reference for the England Growth Programme Board and LEP ESI Funds Sub-committees, especially paragraphs 55 -60 and Annexes C and D dealing with management and control systems for management of actual or potential conflicts of interest of organisations and individuals involved in appraisals and delegated decision-making on ERDF awards.

These Terms of Reference in turn reflect the high-level EU regional policy guidance:

*When the urban authority is the IB under Article 7 ERDF and also the beneficiary of an operation that the same authority has selected, arrangements should be in place to ensure that the principle of separation of functions is respected, as follows from Article 72 CPR. This basic principle is a baseline requirement for any management and control system. It addresses important risks related to management override and mitigates fraud risk. Also, the separation of functions reduces errors by having more than one person performing or reviewing transactions in a process, increasing the likelihood of an error being found.*

*The key element is that functions delegated by the MA to the IB are allocated to units/departments within the urban authority that are not directly involved with the beneficiary's responsibilities. In duly justified cases, where a separation of functions into different units/department of the urban authority would not be proportionate (having regard to the number of staff and volume of funds being managed), there should be, as a minimum, separate persons responsible for the IB and beneficiary duties. In this case, the head of the urban authority performing IB functions has to ensure an increased level of supervision and quality review.*

The overall aims of the protocol, which should be adopted by the Council, are:

- a) To ensure a separation of SUD IB and stakeholder / beneficiary support functions;
- b) To identify actual, potential and perceived conflicts of interest;
- c) To manage those conflicts of interest;
- d) To ensure checks are in place to detect non-compliance with the above.

The SUD IB governance structure, comprising the SUD IB Unit staff, the Section 151 Officer and the Deputy Section 151 officer are accountable to the Mayor and Cabinet, will collectively implement the following rules and procedures to manage conflicts of interest:

- set out in writing the roles and responsibilities of both the Council's internal teams and post holders and external advisors at all levels, in relation to fulfilling the SUD IB delegated functions, including design of calls and application appraisals, so that conflicts of interest are avoided.

- to ensure that this is compliantly managed and appropriate standards are maintained, members of the Council's IB governance structures will be required to sign an undertaking to abide by Nolan 'Seven Principles of Public Life'.
- the Section 151 Officer (or the Deputy Section 151 officer) and relevant Services will establish and maintain a 'declarations of interest' register.
- Where a conflict of interest has been identified the Deputy Section 151 in consultation with the Section 151 Officer shall determine how the conflict should be managed. Any decision on how the conflict was managed will be recorded in a register.
- Options for managing conflicts may include, but not be limited to:
  - a) Withdrawal from discussions;
  - b) Abstaining from voting or decision making;
  - c) Non-receipt of documentation or relevant information;
  - d) Where available re-assignment of functions;

If a decision on the management of the conflict cannot be reached then the Deputy Section 151 in consultation with the Section 151 Officer may refer the conflict to Council's Monitoring Officer for review and determination on how the interest should be managed.

- the Section 151 Officer (or the Deputy Section 151 officer) supported by Corporate Finance Team will be responsible for maintaining and monitoring the register and its application at each meeting.
- members of the governance structures must declare an interest in any agenda items at the start of each meeting and must not participate in discussions about either the development of project call specifications that are limited in scope/relate to a project in which they have an interest; or outline and full project applications that have been submitted by them or their team or service group.
- Where a member has declared an interest or an interest has been identified before the meeting documentation or other information relevant to the interest should not be shared with that Member.

Members will undertake to observe the same procedures to maintain confidentiality, data protection and compliance with freedom of information requirements as apply to the England ERDF Growth Programme Board and LEP ESI Funds Sub-committees.