

G4: APPROVAL TO DISPOSE: NEGOTIATED			
PCS No.	24885	PROJECT NAME	Temple Quay 3
PARCEL No.	2353	PARCEL NAME	Arena Island, TQ3 – Diesel Depot
PROGRAMME	Single Land	APPROVAL LEVEL	Land Projects Executive
RESPONSIBLE OFFICER	reg. 13(1)	OPERATING AREA	South and South West
DECISION REQUIRED			
<p>This report provides an update on the Ex-Diesel Depot site and 1-9 Bath Road, Bristol. The freehold of the site was transferred by Homes England to Bristol City Council (“the Council”) in 2015 and approval is now sought for various matters to enable the Council to sell part of the site to the University of Bristol (“UoB”). This will enable a New University Campus to be developed on a strategically important site in Bristol Temple Quarter.</p> <p>Approval is sought for the following:</p>			
1. Variation of provisions in the Agreement for Sale to release restrictions to enable the New University Campus to be developed reg. 12(4)(e)			
2. Removal of the Restriction on Title from the Council’s registered title to the New University Campus Site.			
3. Confirmation that reg. 12(4)(e) Overage will be payable by the Council under the provisions of the Agreement for Sale made between Homes England the Council.			
4. Release the New University Campus Site from the Option Agreement.			
5. The grant of rights of way (on foot and with vehicles), rights to services and the installation and repair of services over Homes England’s land to enable the New University Campus to be delivered and correct irregularities in the existing contracts.			

Structure of Disposal	
Disposal Method	Ex-Diesel Depot and 1-9 Bath Road were sold on a freehold basis in 2015 to the Council with a number of conditions in the sale agreement which restricted the site for an Arena development.
Payment Structure	Upfront

Template Version	Revised and Issued
Version 1.2	26 April 2017

Payment Structure Comments	Homes England is still entitled to overage and to claim a number of outputs.		
Gross Disposal Receipt (£)	£5,425,000 (received)		
Minimum Net Receipt (£)	£0	Discounted Receipt at 3.7% p.a.(£)	N/A
Net Book Value	N/A	Red Book Value	N/A
ALVVE Valuation	N/A	Deductions (£)	N/A
reg.	<p>r [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>n [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>n [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>i [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>		

Conditions of Sale Agreement Variation Proceeding		Date to be Met
1.	The Sale Agreement between the UoB and Bristol City Council becoming unconditional.	30/11/18

1. It should be noted that the Ex-Diesel Depot site is part of the wider PCS project which previously included delivery of a bridge connecting the Ex-Diesel Depot to the Temple Meads area (outlined in paragraph 14), reg. 12(4)(e)
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] reg. . As the total disposal value to date is £5,425,000, Projects Executive Land is the correct level of delegations, reg. 12(4)(e)

1. DISPOSAL PROCESS OUTCOME

Parcel Profile Summary	
Disposal Route	Negotiated in 2015
Gross Area (ha)	3.7
Net Developable Area (ha)	3.7
Local Authority	Bristol
Proposed Use	Mixed
Planning Status	Allocated
OGD Transfer	N
Brownfield /Greenfield	Brownfield



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Housing Capacity	Agency	OGD
PLfH Target	0	
Target Claim Date	0	
Current Outturn	0	
Current Claim Date	0	

Update on Arena

- This G4 approval provides an update on the Ex-Diesel Depot (also known as Arena Island) and 1-9 Bath Road. The Ex-Diesel Depot and 1-9 Bath Road (“**the Site**”) are located adjacent to the Bristol Temple Meads railway station in Bristol Temple Quarter. The Site was disposed of by Homes England to the Council on a freehold basis in March 2015 for the purpose of delivering a new Arena and associated mix-use

development. The terms of sale restricted the mixed use development coming forward before the Arena.

3. In 2017, a Bristol Temple Quarter Strategic Board was established with partners (Homes England, Network Rail, Bristol City Council, the University of Bristol and West of England Combined Authority) to reinvigorate plans of the Bristol Temple Quarter area. Temple Quarter is circa 155ha of brownfield land adjacent to the station and requiring significant regeneration. reg. 12(4)(e)

[REDACTED]

4. In order to deliver the new vision of the Strategic Board, it is now proposed that part of the Site is sold on by the Council to the UoB for a **“New University Campus”** comprising university buildings, student accommodation, leisure and retail. The New University Campus will deliver 82,395sqm of new development and will significantly kick start the regeneration of Bristol Temple Quarter. Images of the site in its current state and the UoB’s proposals are shown in Annex 1.1. Approval is therefore sought to vary the existing contractual terms of the original sale agreement between Homes England and the Council to enable the New University Campus to come forward an advance of the Arena.

Location

5. The Ex-Diesel Depot and 1-9 Bath Road are located in the Bristol City Enterprise Zone which forms part of the area known as Bristol Temple Quarter which is the subject of the regeneration proposals outlined in paragraph 3.
6. Plan 1 in Annex 1.2 shows the area subject to the wider Bristol Temple Quarter regeneration proposals and the locations of the Homes England and Council owned sites in Bristol Temple Quarter.
7. The Ex-Diesel Depot Site (also referred to as Arena Island), extends to 3.7ha and is a key brownfield site in the local authority boundary of Bristol City, lying to the south west of Temple Meads railway station (see Annex 1.2, Plan 1). The nearby site of 1-9 Bath Road extends to 0.35ha and is currently occupied by a garage. It lies to the west of the Ex-Diesel Depot, separated by railway lines serving the railway station. As outlined in paragraph 2, Homes England sold both the Ex-Diesel Depot and 1-9 Bath Road to the Council but they are subject to the terms of the original Agreement for Sale with Homes England.

8. A newly constructed bridge, delivered by Homes England in 2012, connects the Ex-Diesel Depot to Cattle Market Road (Annex 1.1, Plan 2). The bridge enhances connectivity and puts Temple Meads railway station and the amenities of Temple Quay within a ten minute walk of the former Ex-Diesel Depot site.

Background

9. The SWRDA acquired the Ex-Diesel Depot site and 1-9 Bath Road assets in 2003 from Network Rail in order to stimulate regeneration in the Temple Meads area. As suggested by its name, the site was previously used for the storage of diesel trains. SWRDA undertook remediation works and the site and the asset was transferred to Homes England in 2011 when regional development agencies were wound up.
10. Bristol City Council has a political priority to deliver a new Arena in the city. Plans were developed to deliver a new 12,000 capacity indoor Arena, car parking and ancillary mixed use development on the Ex-Diesel Depot Site and 1-9 Bath Road adjacent to Bristol Temple Meads Station as part of the new Bristol City Enterprise Zone.
11. With the support of MHCLG, Homes England obtained G4 approval for the disposal of the Ex-Diesel Depot site and 1-9 Bath Road to the Council at Projects Committee on 12th March 2015. reg. 12(4)(e)
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
12. The G4 approval for the disposal of the Ex-Diesel Depot and 1-9 Bath Road contained a number of obligations to ensure the delivery of a 12,000 capacity indoor Arena on approximately 60% of the site and mixed used development on the remainder, including new homes. It was proposed that Bath Road be used to deliver a multi-storey car park to support the arena. These terms were subsequently reflected in three legal agreements which formed the sale transaction:

- 1 An **Agreement for Sale** by which Homes England agreed to transfer the freehold interests of the Ex-Diesel Depot and 1-9 Bath Road to the Council. The Agreement required the Council to deliver a number of outputs by a longstop date **reg. 12(4)(e)**

and restricted development onsite until the build of a new Arena was substantially commenced. The Agreement also contained an overage obligation on the Council (details in paragraph 24) which was, along with the Agreement for Sale's other provisions, protected by the restriction on the Council's registered title.

- 2 An **Option Agreement** **reg. 12(4)(e)**

reg.		
reg. 12(4)(e)		

- 3 **reg. 12(4)(e)**

Arena Development Progress and Subsequent University Proposals

13. The Agreement for Sale did not put the Council under any positive obligations to deliver an Arena. Initially good progress towards delivery was made. On 11 April 2016 full planning permission was granted for a 12,000 capacity indoor arena. On the same date an outline planning permission was achieved for a 19,000 sqm mixed-use development on the remainder of the site. This comprised retail, offices, leisure, hotel and residential development including affordable and student housing.

14. Homes England delivered the main access bridge to the Ex-Diesel Depot site which is now complete and currently awaiting adoption by the local highways authority. **reg.** [REDACTED]
15. **reg. 12(4)(e)** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] In January 2018 it was announced that, while still progressing work on the Ex-Diesel Depot site, the Council would also be considering alternative locations for the Arena. Option appraisals are ongoing without any imminent conclusion expected.
16. In tandem in July 2017, the Council entered into a conditional Agreement for Sale with the UoB to dispose of land on Cattle Market Road and the northern part of Ex-Diesel Depot site (identified as the “New University Campus” in Annex 1.2 Plan 4). If the sale completes, this site will be used to deliver a new £300 million Enterprise Campus which will deliver a mix of university buildings, student accommodation, leisure and retail across the two sites. The development of a new university campus does not prohibit the delivery of the Arena on the remainder of the site at a later date.
17. An outline application was submitted by UoB on 22nd November 2017 for ‘a new *mixed use University Campus (Use Classes A1,A2,A3,A4,A5,B1(a),D1,D2)* to comprise of up to 82,395sq m (GIA) of floor space. When delivered, the campus will have a transformational effect, developing a brownfield site into a permeable campus that helps regenerate Bristol Temple Quarter (see Annex 1.1 for illustrations).

Sale Terms to the University of Bristol (UoB)

18. **reg. 12(4)(e)** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
19. The delivery of the New University Campus at the Ex-Diesel Depot has, subsequent to the Council sale to the UoB, been endorsed by Bristol Temple Quarter Strategic Board. Its delivery will contribute towards the transformation of an unused brownfield site and the wider regeneration aspiration for the Temple Meads area.
20. **reg. 12(4)(e)** [REDACTED]
[REDACTED]

reg. 12(4)(e)

[REDACTED]

Contractual changes requested

Restrictions on Use/Build

21. The terms of the Agreement for Sale between Homes England and the Council restrict the development of the New University Campus Site until the development of the Arena is substantially underway. In order to deliver the in New University Campus, this restriction needs to be removed. The University requires this restriction to be removed upfront at the point of receiving planning consent for the New University Campus (which is when the sale agreement between the Council and the UoB will go unconditional and the freehold of the land will pass to UoB). The UoB has stated this is needed order to meet the requirements of their funder of an unencumbered site.

22. reg. 12(4)(e)
- [REDACTED]

23. The Council has requested that this restriction is removed for all of the Ex-Diesel Depot and 1-9 Bath Road. This restriction enables Homes England to maintain a degree of control over the land and it is not proposed that the restriction is removed from the remainder of the land until future plans and commercial terms are agreed.

Overage Restriction

24. There is currently an overage obligation in the Agreement for Sale which is protected by the restriction on title registered against the Council's freehold title to Site. reg.

[REDACTED] 12(4)
[REDACTED] (c)
[REDACTED]
[REDACTED]
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25. reg. 12(4)(e) [REDACTED]
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[REDACTED]
[REDACTED]
[REDACTED]
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26. reg. 12(4)(e) [REDACTED]
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reg. 12(4)(e)

27. reg. 12(4)(e)

reg. 12(4)(e)

28. reg. 12(4)(e)

29. reg. 12(4)(e)

reg. 12(4)(e)

30. reg. 12(4)(e)

31. reg. 12(4)(e)

32. reg. 12(4)(e)

Rights and Easements

33. reg. 12(4)(e)

appropriate rights are granted to the Council to enable all of the Ex-Diesel Depot site and 1-9 Bath Road to be developed in the future. Homes England will receive reciprocal rights over the Council owned land to enable any future land it reg. 12(4)(e) to be serviced as well as gaining rights to ensure servicing at Homes England's retained land at Feeder Road (which Home England may bring forward for future development – see Annex 1.2 Plan 6 for location of retained land at Feeder Road). reg. 12(4)(e)

34. To limit any risk to the development or disposal of the Homes England land, Homes England and its successors retain the necessary rights to relocate or divert access and service routes as necessary through “lift and shift” provisions.
35. The Council and UoB have also requested further rights of way to provide the ability for pedestrians and cyclists to travel over the roads, walkways and footpaths of Temple Quay (the Homes England land on the opposite side of the railway see Annex 1.2 Plan 7). Whilst Homes England is under no obligation to provide this, enhanced connectivity is one of the partner requirements for the wider Bristol Temple Quarter masterplanning, agreed by the Council, Homes England and Network Rail. Not to provide these rights would undermine the masterplanning process. As the rights are not essential but desirable for better connectivity, no valuation has been obtained for their grant.

1.1 reg. 12(4)(e)

	reg. 12(4)(e)	
reg. 12(4)(e)		

1.2 reg. 12(4)

reg. 12(4)(e)

1.3 reg. 12(4)(e)

reg. 12(4)(e)

36. reg. 12(4)(e)
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reg. 12(4)(e)	

reg [REDACTED]
[REDACTED]
[REDACTED]

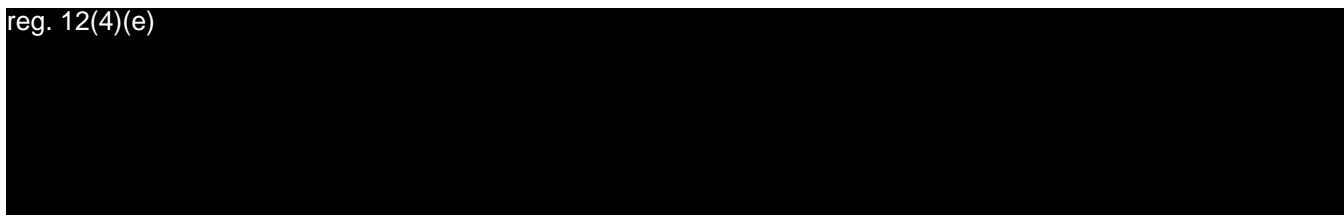
reg. 12(4)(e)

[REDACTED]

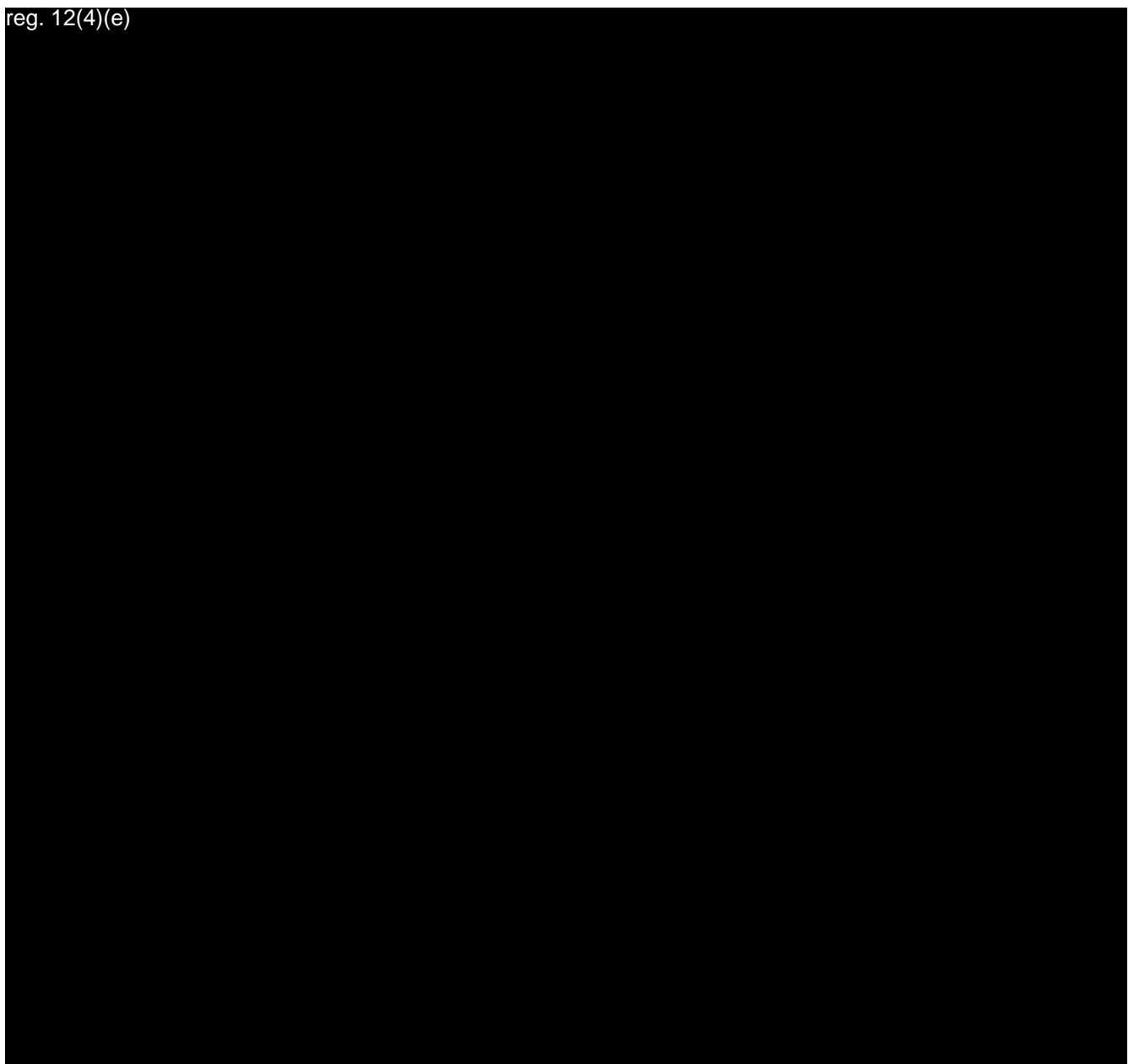
reg. 12(4)(e)

[REDACTED]

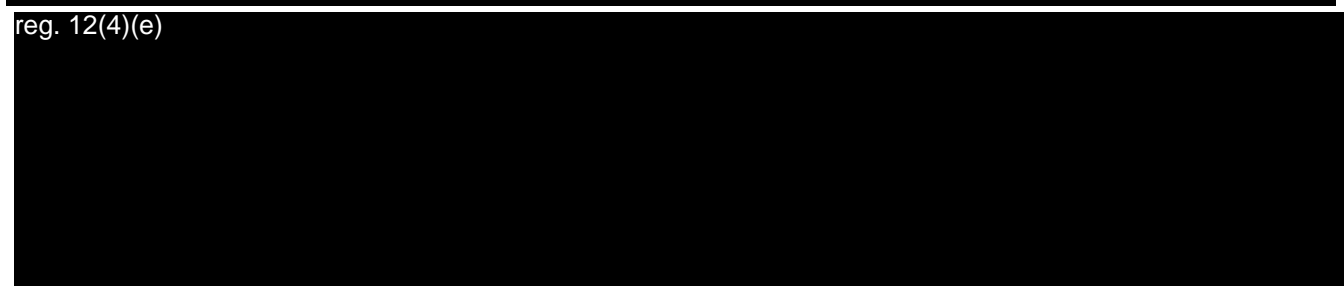
reg. 12(4)(e)

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reg. 12(4)(e)

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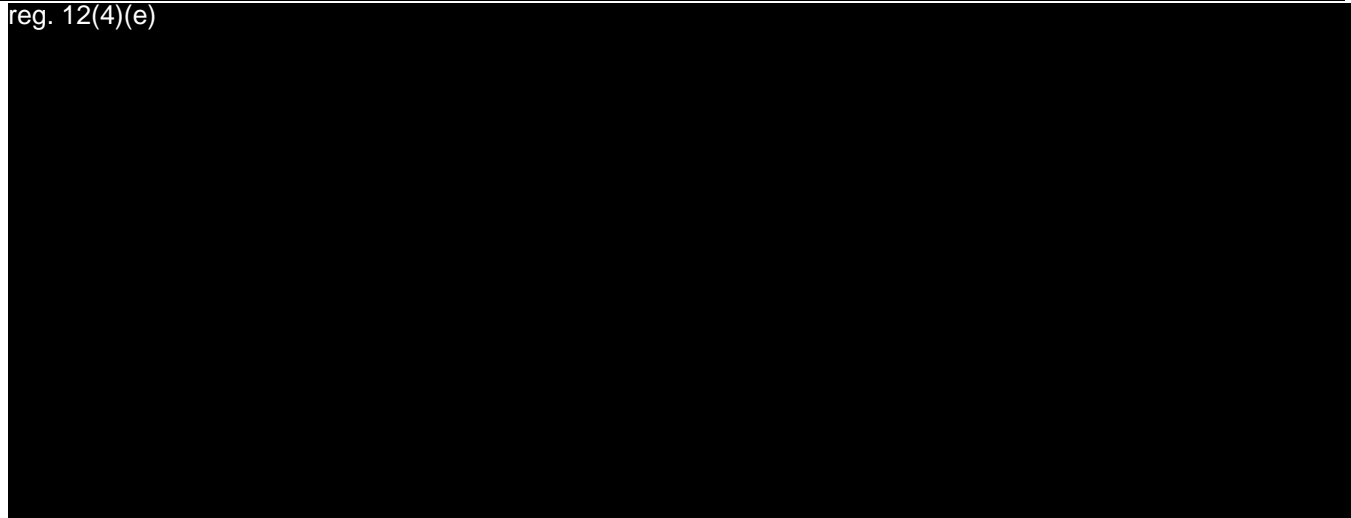
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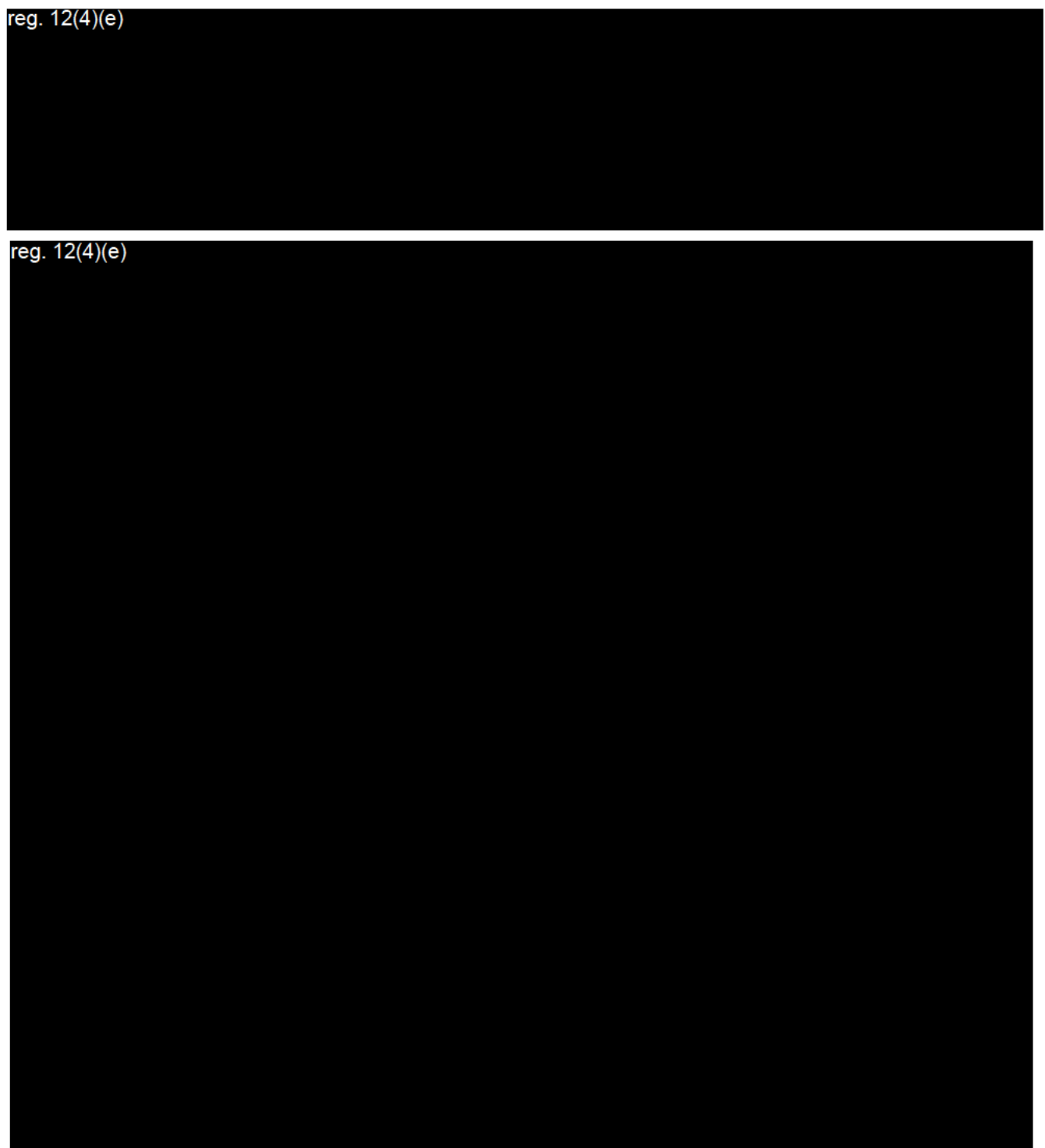
reg. 12(4)(e)



reg. 12(4)(e)



reg. 12(4)(e)



reg. 12(4)(e)

Declaration
I confirm that: The above sections and mandatory annexes comprise the complete and sole matters for which approval is requested.

<ul style="list-style-type: none"> ▪ This is in accordance with the Agency's relevant policies, procedures and programme criteria. ▪ The proposal is in line with the current G2 and G3 approval. ▪ The relevant corporate teams have been consulted on financial /legal /procurement implications. ▪ The recommendations and conditions are appropriate given the risks identified. ▪ All relevant data has been taken from system records indicating the timing and nature of any associated expenditure, receipts and outputs. 			
Project Manager:	reg. 13(1)	Date:	27/04/2018
Head of :	reg. 13(1)	Date:	01/06/2018
General Manager:	reg. 13(1)	Date:	01/06/2018

ATTACHMENTS: Annex 1.1: Site Pictures and University Campus Proposals

Annex 1.2: Plans

Annex 1.3: Summary of contractual changes

Annex 1.4: Project and Parcel Details

Annex 1.5: Valuation and addendum letter

Annex 1.6: Outputs