

Notice of Cabinet meeting

Wednesday 26 April 2017 at 10.30am

HMS Phoebe Committee Room, Town Hall, Bournemouth

Cabinet Member

Councillor John Beesley
Councillor Nicola Greene

Councillor Blair Crawford
Councillor Anne Filer
Councillor Michael Filer
Councillor Mike Greene
Councillor Jane Kelly
Councillor Robert Lawton
Councillor David Smith
Councillor Lawrence Williams

Portfolio – area of responsibility

Leader of the Council, Resources and Chair
Deputy Leader of the Council, Education &
Children's Services and Vice-Chair
Adult Social Care
Corporate Efficiency
Cleansing and Waste
Transport, Sustainability and Carbon Management
Regeneration and Public Health
Housing
Planning and Environment
Tourism, Leisure and the Arts

All Members of the Cabinet are summoned to attend this meeting to consider the items of business set out on the agenda below.

The Public, press and any Councillor are welcome to attend this meeting.

For further information please contact: Matthew Wisdom, Deputy Head of Democracy, Legal and Democratic, Town Hall, Bourne Avenue, Bournemouth BH2 6DY. Tel: 01202 451107 E-Mail: matthew.wisdom@bournemouth.gov.uk

Councillors' Call-in to Overview and Scrutiny Panels - The record of decisions made at this meeting will be published by Friday 28 April 2017. Councillors may require items set out in Section II of the record of decisions to be called-in to the relevant Overview and Scrutiny Panel.

The deadline for receiving call-in requests is 5pm on Monday 8 May 2017.

Public involvement

The Council welcomes members of the public to contribute to the meeting:

- 1 by asking to speak on an agenda item or a community issue as a 'Deputation'; or
- 2 by asking a public question - any member of the public whose name appears on the Electoral Roll for Bournemouth - which includes a person under the age of 16 years living in Bournemouth and who is escorted by a qualifying adult; or
- 3 by presenting a petition in relation to items on the agenda.

A request to speak as a deputation, ask a question or present a petition must be sent in writing or email to Matthew Wisdom at the address shown on page 1 by no later than 10.30 am on Tuesday 25 April 2017.

Further information is available on the Council's web site:

<http://www.bournemouth.gov.uk/CouncilDemocratic/GetInvolvedHaveyoursay/PetitionsDeputations.aspx>

A hearing loop system is provided in the meeting room. There is disabled access to the building. Councillors and visitors with particular needs are advised to inform the Council before arriving at the meeting.

This agenda together with records of decisions and reports are available on the Council's web site at <http://www.bournemouth.gov.uk>

Audio recording and filming

This meeting may be audio recorded by the Council for subsequent publication on the Council's Website. Anyone may audio record, film, take photographs and/or use social media such as tweeting and blogging when this meeting is open to the public. Anyone wishing to record this meeting in anyway must do so in accordance with Council Procedure Rule 108 and the Council's protocol for filming and audio recording at public meetings and the Public Notice on Filming and Recording Meetings which can be found using the following link:

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/FilmingCouncilMeetings.aspx>

If you have any queries regarding this please contact the Democratic Services Officer at the meeting.

Business to be held in private

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider item 10 which is exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972, in that it relates to the financial or business affairs of any particular person - including the authority holding that information.

Agenda

Items to be considered while the meeting is open to the public

1 Apologies

2 Declarations of interest

Members are asked to declare in accordance with Procedure Rule 5:

- a. any disclosable pecuniary interests in any item under consideration at the meeting as required by the Localism Act 2011;
- b. any memberships of outside bodies where such membership involves a position of control or significant influence on the organisation concerned;

Members are also asked to state fully the nature of the interest(s). If any member has a query regarding possible interests, please contact the Head of Democracy in advance of the meeting.

3 Confirmation of Minutes

To confirm the minutes of the Cabinet meeting held on 22 March 2017, available to view on the Council's website at the following link:-

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteesPanels/Cabinet.aspx>

4 Public items

a Public Questions

The Deputy Head of Democracy will report on any public questions received by the notice deadline.

b Deputations

The Deputy Head of Democracy will report on any deputation requests received by the notice deadline.

c Petitions

The Deputy Head of Democracy will report on any petitions received by the notice deadline.

5 Southbourne Crossroads Car Park – circulated at 5.

6 Terrace Gardens Car Park, Upper Terrace Road – circulated at 6.

7 **Monthly Budget Monitoring Report to 28 February 2017** – circulated at 7.

8 **Changes to the Cabinet Forward Plan** – Cabinet is asked to note the latest changes to the Forward Plan as agreed by the Leader of the Council. The latest Forward Plan is available to view on the Council’s website at the following link:-

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteesPanels/Cabinet.aspx>

9 **St Stephen’s Road Car Park** – circulated at 9.

Item to be considered with the Press and Public Excluded*

* NOTE: In relation to the item of business appearing below, the Cabinet is asked to consider the following resolution:-

“That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 in Part I of Schedule 12A of the Act and that the public interest in withholding the information outweighs such interest in disclosing the information.”

10 **St Stephen’s Road Car Park** – circulated at 10.

The meeting will resume in public session

11 **Any other business** - not being a key decision - of which notice has been received before the meeting and by reason of special circumstances, which shall be specified in the record of decisions, the Chair is of the opinion that the items should be considered as a matter of urgency.

DESCRIPTION OF EXEMPT INFORMATION

Paragraph 3 – Information relating to the financial or business affairs of any particular person - including the authority holding that information.

Cabinet

Report Subject	Southbourne Crossroads Car Park
Meeting date	26 April 2017
Cabinet Portfolio	Councillor Mike Greene - Transport, Sustainability & Carbon Management
Corporate Lead	Bill Cotton, Executive Director
Service Director	Roger Ball, Director of Development Services
Status	Public
Classification	For decision
Key Decision	Yes
Impacts on Key Policy Framework	No
Report authors	Gary Platt, Head of Property ☎ 01202 451477 ✉ gary.platt@bournemouth.gov.uk Gary Powell, Head of Traffic Management ☎ 01202 451740 ✉ gary.powell@bournemouth.gov.uk
Executive summary	<ol style="list-style-type: none"> 1. The Capital Strategy and Corporate Asset Management Plan 2017-2020 includes specific provisions for the identification and disposal of under-used property assets. 2. The Southbourne Crossroad car park is a pay and display car park with 78 spaces. It is under-utilised and operates at a loss. 3. The report seeks to declare the car park surplus to Council requirements and to offer the site for sale as a redevelopment opportunity on the open market. 4. Authority is to be delegated to the Corporate Property Officer, in consultation with others, to select the preferred bidder and to conclude the transaction.
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> a. declares the Southbourne Crossroads car park, shown edged red on the plan at Appendix 1, surplus to requirements; b. appropriates the land edged red for planning purposes; c. authorises its sale on the open market; and

	d. authorises the Corporate Property Officer in consultation with the Section 151 Officer, the Monitoring Officer and the Portfolio Holder for Resources to select the preferred bidder and to finalise the detailed terms of the disposal.
Reasons for recommendations	<p>The decision responds to Corporate priority EC4 in the Corporate Plan - <i>Making the best use of our assets</i>. This asset is surplus to requirements and is to be sold to generate a capital receipt.</p> <p>The disposal is in accordance with the strategy for under-used assets contained in the Capital Strategy and Corporate Asset Management Plan 2017-2020.</p>

Background detail

1. The Capital Strategy and Corporate Asset Management Plan 2017-2020 was approved by Cabinet and Council in February this year. This includes a strategy for "The Identification of Under-Used Property Assets and Procedures for their Re-Use or Disposal".
2. Under this strategy, a property is considered under-used if the return from the site (either in terms of its contribution towards Council objectives or financially) is significantly below that which could be achieved from:
 - a. an alternative use,
 - b. disposing of the site and investing the income, or
 - c. intensifying the existing use.
3. The Southbourne Crossroads car park, shown edged red on the plan appended to this report, is located on the north side of Southbourne Coast Road, behind the shops at Southbourne Crossroads. It is not well used by customers visiting these shops, who tend to prefer the convenience of on-street parking. There is also on-street parking along the south side of Southbourne Coast Road, which caters for the needs of beach users on all but the busiest days during the year. As a consequence, this car park is empty, or near empty, for most of the year and operates at a loss.
4. This is a low-value use of a high value clifftop site, which enjoys uninterrupted views across Poole Bay. It is therefore proposed to declare this asset surplus to Council requirements and to offer the site for sale by informal tender.
5. The site would be marketed as a redevelopment opportunity, with authority delegated to the Corporate Property Officer, in consultation with the Section 151 Officer, the Monitoring Officer and the Portfolio Holder for Resource, to select the preferred bidder and to finalise the detailed terms of the disposal.
6. The selection of the preferred bidder will be scored 60% on the financial terms and 40% on deliverability. The successful bidder will also be required to demonstrate that it has the necessary resources to progress the

development. It is proposed that the Council will grant a 150-year development lease rather than transfer the freehold. However, this may change as a result of negotiation of the detailed terms.

Consultation

7. The Ward Councillors for East Southbourne & Tuckton have been consulted. Whilst they accept that it is under used for much of the year, they point out it is well used in good weather at weekends and during the school holidays. They have also highlighted an issue for the owners and occupiers of the properties to the north of the car park that enjoy sea views across the Council's car park. Any development will interfere with these sea views.
8. The Southbourne-on-Sea Business Association has been consulted. At a meeting on 13 April, its members acknowledged that the car park was under used for significant parts of the year and there were no objections raised to its disposal.
9. The occupiers of neighbouring residential properties have not been consulted. However, they will have the opportunity to engage with the planning process once a preferred bidder is selected and a planning application is submitted.

Other Options

10. Option 1 - to retain the car park to provide additional capacity on the busiest days of the year, accepting that the rest of the time it will be largely un-used and operate at a loss. This does not deliver best value for the Council but would safeguard the sea views of neighbouring properties.
11. Option 2 – to sell the land with planning consent. The Council could seek planning consent and market the site with the benefit of that consent, seeking unconditional bids. However, a planning application for this site will be controversial and would best sit with the private-sector. Also, any developer will want its own bespoke design in order to maximise value. Therefore, a planning consent obtained by the Council is unlikely to add value but will result in additional costs and a delay in bringing the site to market.
12. Option 3 – for the Council to develop housing on this site, either as an affordable housing scheme or as a private rented sector (PRS) scheme. This is a very high value site on the clifftop at Southbourne with sea views. It is felt, therefore, that a private sector development will maximise its value. Also, the Council is pursuing PRS schemes and affordable housing developments on sites elsewhere in the Borough and, therefore, disposal of the site to generate a capital receipt is consistent with a mixed approach across the Council's portfolio.

Summary of finance and resourcing implications

13. The car park generated an income £6,170 in 2015/16 and traded at a loss of £456. This loss increases to £5,213 with service recharges and capital charges. The income equates to £79 per space. By comparison, the busiest

seafront car parks, outside of the town centre, generate £1,000-£2,000 per space. The nearest alternative car park, at Warren Edge, generated £178 per space in 2015/16.

14. It is anticipated that the sale will attract bids in the region of £1.5-£2.0 million. This assumes a relatively conservative approach to massing and site coverage and it is anticipated that some bids will exceed this initial estimate. This is not a formal valuation and the guide price, if any, will be set once agents are appointed.
15. It is believed that best value will be achieved by considering offers made subject to planning. This would mean the Council entering into a conditional contract and therefore the transaction is unlikely to be concluded within 12 months. Accordingly, any capital receipt will arise in the 2018/19 financial year.
16. The purchaser will be required to pay the Council's legal costs associated with this transaction. However, the costs of sale, including necessary site surveys and agent's sales fees, estimated at £20,000, will be a first call on the capital receipt.

Summary of legal implications

17. Section 122 of the Local Government Act 1972 gives the Council a general power to appropriate Council-owned land that is no longer required for the purpose for which it is held for any other purpose for which the Council has statutory power to acquire land. Section 226 of the Town and Country Planning Act 1990 ("TCPA") authorises the Council to acquire land for planning purposes where the Council believes the acquisition will facilitate development or improvement of the land and achieve or promote the economic, social or environmental well-being of any part of its area.
18. Section 233 of the TCPA further permits the appropriation of land for planning purposes where that land is to be sold or leased to a 3rd party to secure the best use of the land and any buildings or works upon it or to secure such development of the land as is needed for proper planning purposes. That section also requires the Council to obtain the best consideration reasonably obtainable for the land.
19. Sections 203-206 of the Housing & Planning Act 2016 states the effect of an appropriation for planning purposes. It authorises the erection of any building or work on land and the use of land if it is done in accordance with planning permission, notwithstanding that it involves interference with an interest or right to which these provisions apply, or a breach of a restriction as to the user of land arising by virtue of a contract. Therefore, this would cover both rights to light and restrictive covenants.
20. Compensation is payable in respect of any loss suffered as a result of the interference with such interest or right. The owner of the site at the time of

the loss is liable to pay compensation. However, in the event that the landowner does not pay, then the liability is enforceable against the Council, with the Council entitled to recover this amount from the landowner.

21. An appropriation for planning purposes will assist in the development of the site since it will mitigate the risk of a successful application to Court for an injunction to prevent the development from proceeding.
22. A disposal by way of informal tender means that there will be an opportunity to finalise the terms of the legal documentation before the parties enter into a contractual commitment. This is considered to be the best way of proceeding where the Council anticipates receiving conditional offers.

Summary of environmental impact

23. An Environmental Impact Assessment has been completed. This suggests that a high-quality development on the site will contribute more to the street scene than an empty car park, with the new homes facilitating the natural surveillance of the area, contributing to a safer environment. However, natural resources will be used in its redevelopment and the loss of the car park may increase congestion on the busiest days in the summer as drivers seek alternative parking.

Summary of equalities and diversity impact

24. An Equality Impact Needs Assessment has been completed. The closure of the car park will result in the loss of 2 accessible spaces. However, these are not considered to be conveniently located for service users. The impact will be monitored and increased provision of accessible spaces will be considered at the nearby Warren Edge car park if this proves necessary.

Summary of risk assessment

25. An initial risk assessment has been completed and shows this to be high risk.
26. There is a risk that no acceptable bids will be received; that the planning application will be refused; and that the development market changes affecting the preferred bidder's ability to complete the purchase. However, the Council's exposure to risk is limited and if the sale does not complete then it will be able to review its options for the site, including potentially re-marketing the site, approaching under-bidders or developing the site itself.

Background papers

Report of the Director, Development Services to Cabinet on 08 February 2017, entitled "Capital Strategy & Corporate Asset Management Plan 2017 – 2020" see

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/02/08/cabinet08-feb-2017.aspx>

Equalities Impact Needs Assessment -

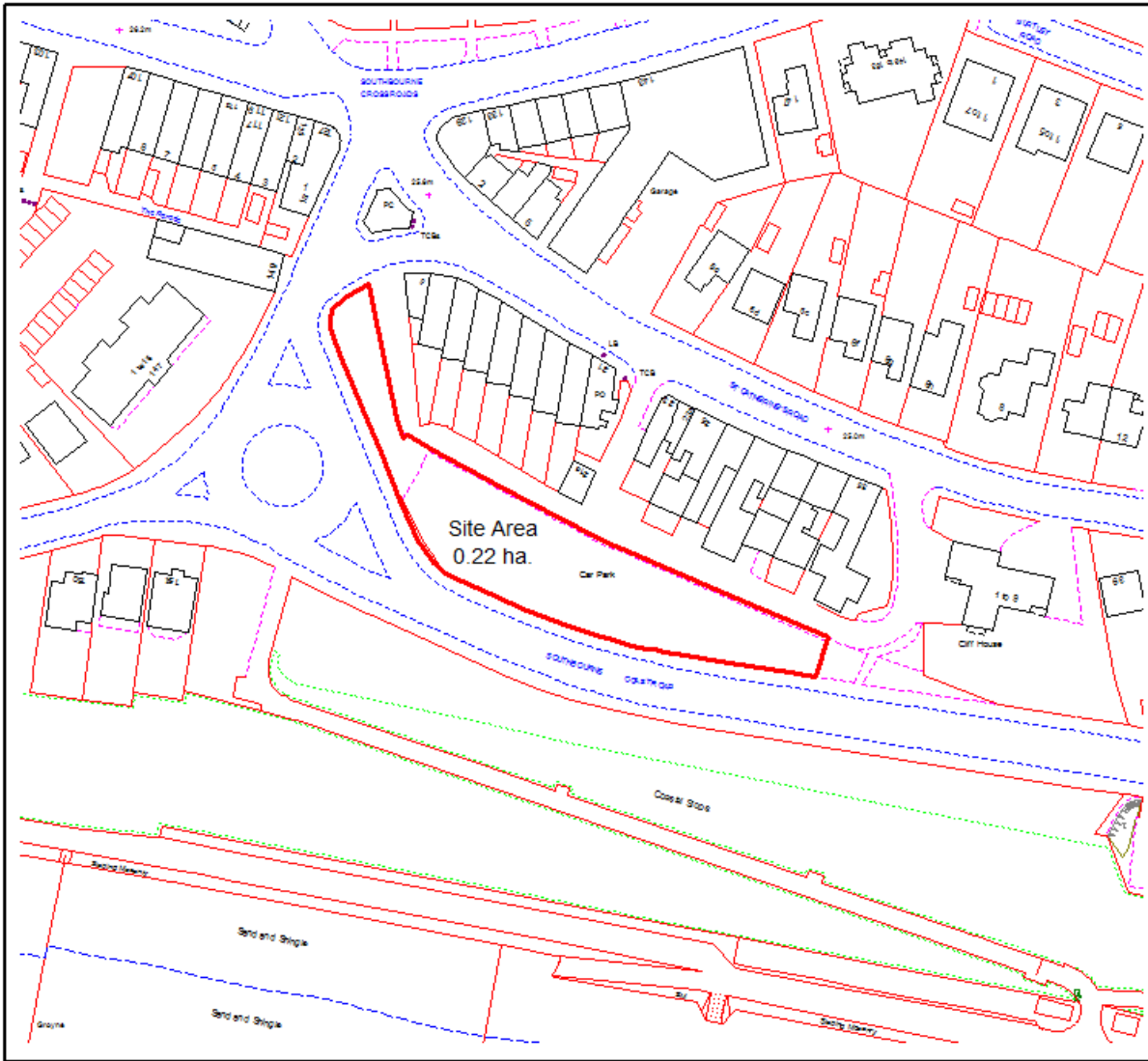
http://www.bournemouth.gov.uk/councildemocratic/EqualityDiversity/EqualityImpactNeedsAssessments.aspx?EINAList_AtoZLetter=S

Environmental Impact Needs Assessment -

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-southbourne-crossroads.pdf>

Risk Assessment –

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-southbourne-crossroads.pdf>



Location Plan Southbourne Cross Roads Car Park

Date: 24/03/2017 Drawn: GSP

Scale: NTS

Drawing No: GSP_SbrnCR_001



HEAD OF DEVELOPMENT SERVICES
ROGER BALL

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Cabinet

Report Subject	Terrace Gardens Car Park, Upper Terrace Road
Meeting date	26 April 2017
Cabinet Portfolio	Councillor Mike Greene - Transport, Sustainability & Carbon Management
Corporate Lead	Bill Cotton, Executive Director
Service Director	Roger Ball, Director of Development Services
Status	Public
Classification Key Decision Impacts on Key Policy Framework	For decision Yes No
Report authors	Gary Platt, Head of Property ☎ 01202 451477 ✉ gary.platt@bournemouth.gov.uk Gary Powell, Head of Traffic Management ☎ 01202 451740 ✉ gary.powell@bournemouth.gov.uk
Executive summary	<ol style="list-style-type: none"> 1. The Capital Strategy and Corporate Asset Management Plan 2017-2020 includes specific provisions for the identification and disposal of under-used property assets. 2. The Terrace Gardens car park was previously operated as a permit-holders car park, with a poor take-up of permits. 3. Since July 2013, it has been used as a site compound in connection with the construction of the Hilton and Hampton Hotels. 4. This use has now come to an end and an assessment of the alternative options for this site, and adjoining land, shows that the most valuable use is for residential redevelopment. 5. The report seeks to declare the site surplus to Council requirements and to offer the site for sale as a redevelopment opportunity on the open market.

	6. Authority is to be delegated to the Corporate Property Officer, in consultation with others, to select the preferred bidder and to conclude the transaction.
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none"> a. declares the land at Upper Terrace Road, shown edged red on the plan at Appendix 1, surplus to requirements; b. notes that the Council will be pursuing a planning application for residential development of this site; c. notes that the Council will be seeking a stopping-up order in respect of the land hatched black on the plan; d. appropriates the land edged red for planning purposes; e. authorises its sale on the open market; and f. authorises the Corporate Property Officer in consultation with the Section 151 Officer, the Monitoring Officer and the Portfolio Holder for Resources to select the preferred bidder and to finalise the detailed terms of the disposal.
Reasons for recommendations	<p>The decision responds to Corporate priority EC4 in the Corporate Plan - <i>Making the best use of our assets</i>. This asset is surplus to requirements and is to be sold to generate a capital receipt.</p> <p>The disposal is in accordance with the strategy for under-used assets contained in the Capital Strategy and Corporate Asset Management Plan 2017-2020.</p>

Background detail

1. The Capital Strategy and Corporate Asset Management Plan 2017-2020 was approved by Cabinet and Council in February this year. This includes a strategy for "The Identification of Under-Used Property Assets and Procedures for their Re-Use or Disposal".
2. Under this strategy, a property is considered under-used if the return from the site (either in terms of its contribution towards Council objectives or financially) is significantly below that which could be achieved from:
 - a. an alternative use,
 - b. disposing of the site and investing the income, or
 - c. intensifying the existing use.

3. The Terrace Gardens car park was previously operated as a permit-holder's car park with capacity for 18 cars. It was not well used and there was a poor take-up of permits.
4. Since July 2013, the car park has been closed and the site has been used as a site compound in connection with the construction of the Hilton and Hampton Hotels. The hotels are now complete and the snagging from the construction contract resolved, so this use has come to an end. It is therefore appropriate to consider the future use of this site and the adjacent triangle of land, which currently forms part of the adopted highway. The extent of the car park and adjacent highway land is shown edged red on the plan at Appendix 1.
5. The Council's car parking policy for the area is detailed in the Town Centre Area Action Plan. One of the key objectives is to redistribute existing off-street public car parking spaces into fewer but larger high quality car parks. Terrace Gardens car park is not one of the sites identified for future car park provision.
6. It is considered that the needs of local residents and businesses are sufficiently met by existing public car parks in this immediate vicinity, which includes Council-run car parks at the BIC, West Hill Road and the Winter Gardens, as well as privately operated public car parks in the Hilton development, Terrace Road and the new BH2 development in Exeter Road.
7. These car parks are available at a range of different tariffs, some of which are very affordable particularly as a season ticket holder. It is not the function of the Council to provide subsidised residents parking in Council-owned car parks.
8. Since use of the site as a car park is not in accordance with existing policies, this asset is surplus to Council requirements.
9. An initial assessment suggests that the site would be suitable for a residential flat scheme. It is therefore proposed to progress an outline planning application for this use in order to maximise its value.
10. Assuming that planning consent is forthcoming, the site would then be offered for sale by informal tender on the open market, with authority delegated to the Corporate Property Officer, in consultation with the Section 151 Officer, the Monitoring Officer and the Portfolio Holder for Resources to select the preferred bidder and to finalise the detailed terms of the disposal.

Consultation

11. The ward councillors for Westbourne & West Cliff have been consulted. One councillor has responded indicating that he supports the use of the whole or part of the land as a car park for residents.
12. The occupiers of neighbouring residential properties have also been consulted. As at 14 April, two had responded supporting use of the site as a resident's car park. One of the respondents has indicated that the needs of residents are not met by existing car parks, citing illegally parked cars on

Upper Terrace Road and Tregonwell Road as evidence. He accepts that the permit holders car park had previously been very underutilised, suggesting that the cost of a permit was “extortionate”. He therefore suggests that turning the site into a residents car park would ease the parking problems that he feels have got considerably worse since the hotels opened.

13. The owner of the Hilton and Hampton Hotels has expressed an interest in buying the site. This company is also interested in running the car park on the Council’s behalf as a permit holders car park for the benefit of local hotels.

Other Options

14. Option 1 - to re-open the car park as a Council-operated, permit-holder’s car park. Correspondence suggests that there is demand for off-street, residents-only parking in this area. However, this is a low-value use and with 18 spaces will produce a gross annual income up to £20,000, less business rates and other operating expenses. The net result is that it would be a low-value use for a high value, town centre site. Also, this use is not in accordance with current planning policy.
15. Option 2 – lease the site to a third party to be operated as a permit-holder’s car park in support of the local hotel trade. Whilst additional car parking for local hotels would support the town’s tourism offer, it would not meet the needs of residents. Also, paragraphs 3-5 above conclude that use of the site as a car park is not in accordance with planning policy.
16. Option 3 – to sell the land without planning consent. The Council could seek offers conditional upon the grant of planning consent so that the cost of planning and the planning risk is borne by the purchaser. However, this is a difficult site from a planning perspective and a sale with an outline planning consent would potentially open up this development opportunity to small and medium sized developers who might not have the experience or resources to progress a planning application of this nature. This is likely to enhance the sale price achieved.
17. Option 4 – for the Council to develop the site itself, either as affordable or as open market housing. This is a difficult site to develop, bounded by the public highway on two sides, and a private-sector developer with experience of city-centre redevelopment is likely to be best placed to maximise its value. Also, the Council is pursuing PRS schemes and affordable housing developments on sites elsewhere in the Borough and, therefore, disposal of the site is consistent with a mixed approach across the Council’s portfolio.

Summary of finance and resourcing implications

18. Depending upon the number of flats consented, the value of the site with outline planning consent is likely to be in excess of £750,000.
19. The total cost of obtaining planning consent, stopping-up the highway and selling the asset is estimated at around [£65,000]. This will be a first call on future capital receipts.

Summary of legal implications

20. Section 122 of the Local Government Act 1972 gives the Council a general power to appropriate Council-owned land that is no longer required for the purpose for which it is held for any other purpose for which the Council has statutory power to acquire land. Section 226 of the Town and Country Planning Act 1990 ("TCPA") authorises the Council to acquire land for planning purposes where the Council believes the acquisition will facilitate development or improvement of the land and achieve or promote the economic, social or environmental well-being of any part of its area.
21. Section 233 of the TCPA further permits the appropriation of land for planning purposes where that land is to be sold or leased to a 3rd party to secure the best use of the land and any buildings or works upon it or to secure such development of the land as is needed for proper planning purposes. That section also requires the Council to obtain the best consideration reasonably obtainable for the land.
22. Sections 203-206 of the Housing & Planning Act 2016 states the effect of an appropriation for planning purposes. It authorises the erection of any building or work on land and the use of land if it is done in accordance with planning permission, notwithstanding that it involves interference with an interest or right to which these provisions apply, or a breach of a restriction as to the user of land arising by virtue of a contract. Therefore, this would cover both rights to light and restrictive covenants.
23. Compensation is payable in respect of any loss suffered as a result of the interference with such interest or right. The owner of the site at the time of the loss is liable to pay compensation. However, in the event that the landowner does not pay, then the liability is enforceable against the Council, with the Council entitled to recover this amount from the landowner.
24. An appropriation for planning purposes will assist in the development of the site since it will mitigate the risk of a successful application to Court for an injunction to prevent the development from proceeding.
25. The land hatched black on the plan at Appendix 1 currently forms part of the adopted highway. Although there is no carriageway or pavement over this land, it will nonetheless require the Council to obtain a stopping-up order to facilitate the development. Such an Order can be sought by the Council as Highways Authority pursuant to Section 116 of the Highways Act 1980 by way of application to the Magistrates Court. It is considered that this will be achievable, albeit that there is some risk of delay as a result of the order being required.
26. A disposal by way of informal tender means that there will be an opportunity to finalise the terms of the legal documentation before the parties enter into a contractual commitment. This is considered to be the best way of proceeding where the Council anticipates receiving conditional offers.

Summary of environmental impact

27. An Environmental Impact Assessment recognises that the temporary use of this land as a site compound did not make a significant contribution to a safe and supportive environment. The sale will allow a new use to come forward that is likely to be a positive contributor.

Summary of equalities and diversity impact

28. An Equality Impact Needs Screening Tool has been completed. It suggests that this decision will have no impact in terms of equalities.

Summary of risk assessment

29. An initial risk assessment has been completed and shows this to be high risk.

30. There is a risk that the planning application will be refused; that no acceptable bids will be received; and that the development market changes affecting the preferred bidder's ability to complete the purchase. However, the Council's exposure to risk is limited and if the sale does not complete then it will be able to review its options for the site, including potentially re-marketing the site, approaching under-bidders or developing the site itself.

Background papers

Report of the Director, Development Services to Cabinet on 08 February 2017, entitled "Capital Strategy & Corporate Asset Management Plan 2017 – 2020" see

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/02/08/cabinet08-feb-2017.aspx>

Equalities Impact Needs Assessment -

http://www.bournemouth.gov.uk/councildemocratic/EqualityDiversity/EqualityImpactNeedsAssessments.aspx?EINAList_AtoZLetter=T

Environmental Impact Needs Assessment -

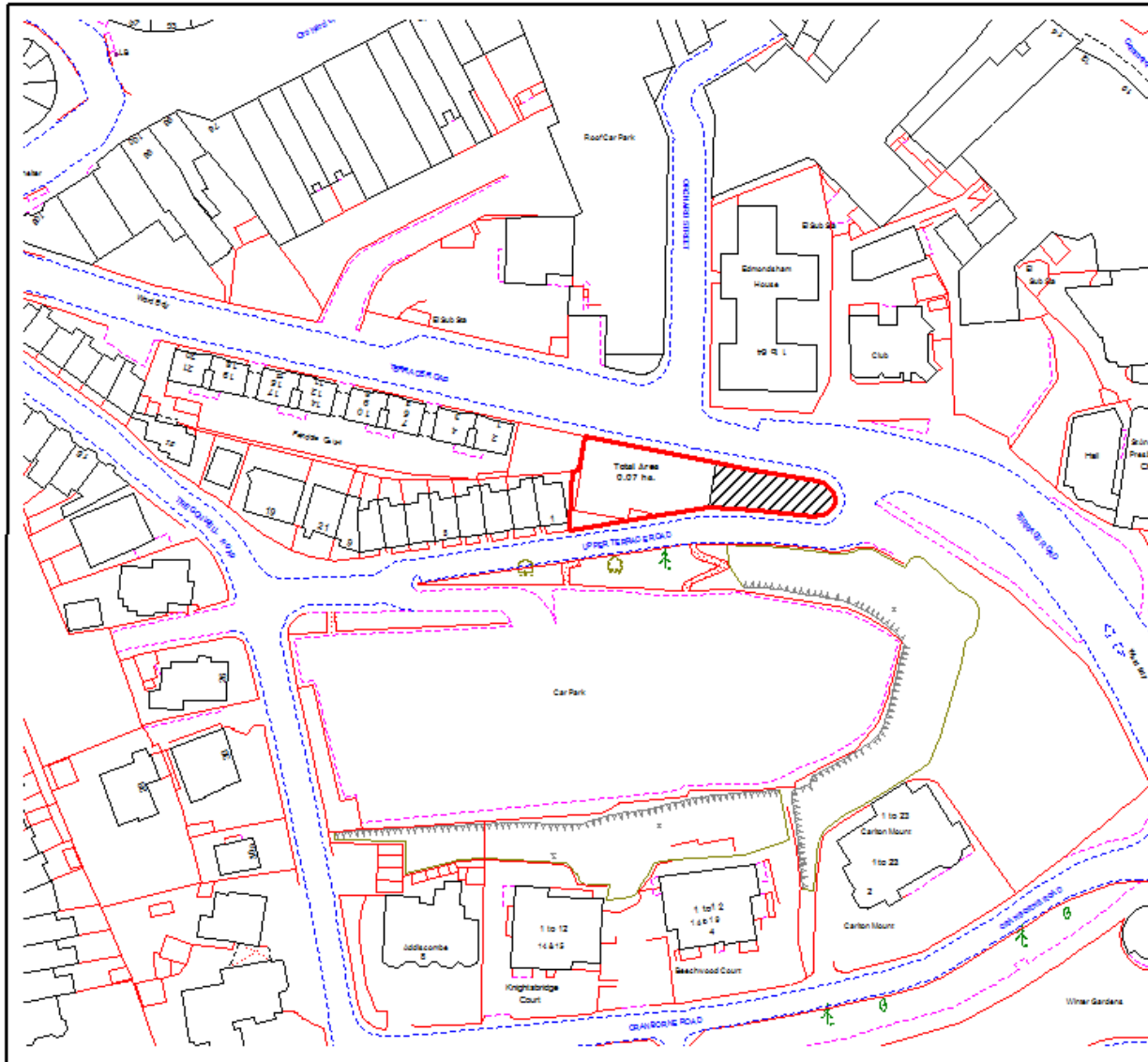
<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-terrace-gardens.pdf>

Risk Assessment –

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-terrace-gardens.pdf>

Town Centre Area Action Plan -

<http://www.bournemouth.gov.uk/planningbuilding/PlanningPolicy/Local-Plan-Documents/TownCentreAreaActionPlan.aspx>



Location Plan Terrace Gardens Car Park

Date: 24/03/2017 Drawn: Gary Platt

Scale: NTS

Drawing No: GSP_TGdn_001



HEAD OF DEVELOPMENT SERVICES
ROGER BALL

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BOURNEMOUTH BOROUGH COUNCIL LICENCE NO 100019833

Report Subject	Monthly Budget Monitoring Report to 28 February 2017
Meeting Date	26 April 2017
Cabinet Portfolio	Councillor John Beesley, Leader of the Council & Portfolio Holder for Resources
Corporate Lead	Adam Richens, Chief Financial Officer
Service Director	Adam Richens, Chief Financial Officer
Status	Public
Classification	For information and decision
Key Decision	No
Impacts on Key Policy Framework	No
Report Author	Shaun Darcy, Assistant Chief Financial Officer ☎ 01202 451395 ✉ shaun.darcy@bournemouth.gov.uk
Executive Summary	<p>This report presents the Council's performance against the budget for the period 1 April 2016 to 28 February 2017. The forecast outturn is for the Council to exceed its budgeted resource in 2016/17.</p> <p>This continues to be in a similar position to previous years, when at this point in the financial year we were forecasting to exceed our budgeted resources but were then able to deliver a positive outturn position by the end of the financial year.</p> <p>The Council's strong culture of active financial management continues to serve it well. It certainly puts the Council in a better position than some Councils are finding themselves in.</p>
Recommendations	<p>It is recommended that Cabinet: -</p> <ol style="list-style-type: none"> 1) Note the contents of the report. 2) Note the position of the forecast for the General Fund outturn for the period ended 31 March 2017 which includes the use of the corporate contingency.

	<p>3) Note the ongoing freeze on all non-essential expenditure and a process to ensure Director level approval to fill any vacant post is currently being operated to help mitigate the current forecast overspend.</p>
Reasons for Recommendations	To ensure that the overall financial management and financial standing of the Council is subject to effective review.

Introduction

- 1 The Council is benefiting from its planned approach over the previous 9 years through a robust financial strategy of building up reserves to deal with the significant and ongoing reductions in Government funding, equivalent to a 57% reduction compared to 2010/11. This approach is now enabling the Council to utilise some of these reserves to reduce the budget over a longer period enabling services to be protected for longer and enable a planned approach to the necessary service transformation. As previously highlighted the future financial position for Local Government is expected to be bleak with further significant and ongoing reductions in funding being made. The pressures highlighted in this report demonstrate how tight the budget is and the limited scope there is to absorb any pressures within services.
- 2 The 2016/17 budget was approved by Council in February 2016 and presented a balanced position which was a significant challenge for the Council in addressing the scheduled cuts in Government funding and increasing demands and unavoidable pressures on services.
- 3 Amongst the unavoidable service pressures for 2016/17 the Council agreed to allocate an additional £3m to Adult Social Care before finalising the savings required across the Council's operations. To balance any additional base budget pressures a series of planned savings, efficiencies and income generating proposals were identified to avoid the need for significant reductions in frontline services, some of which required in year decisions.
- 4 In order to ensure that the uncertainty regarding known and unknown risk areas were acknowledged, a contingency was provided within the budget. This contingency has now been used to offset the service pressures identified in this and previous reports.
- 5 The General Fund forecast for the year ending 31 March 2017, as at 28 February 2017, set out in Table 1, is currently forecasting an adverse position for service budgets in Development, Environment, Adult Social Care and Housing Benefits. This is currently being reduced by some favourable service forecasts.
- 6 Work has already been undertaken to deliver a degree of mitigation against those emerging General Fund pressures with specific action

plans included in the end of July Budget monitoring report for both Adult Social Care costs and non-delivery of the assumed savings and efficiencies in the Environment and Economy Theme. All efforts continue to be made by Officers in conjunction with Portfolio Holders to mitigate this in-year position to ensure that the current forecast is maintained or improved by the year end.

- 7 The Housing Revenue Account is reported separately to the General Fund and is currently predicted to achieve a £26k underspend. A summary of the Housing Revenue Account to 28 February 2017 is included in Appendix A.
- 8 The Council's approved General Fund Capital Programme and Housing Revenue Account Capital Programme as at 28 February 2017 is set out in Appendix B to this report.

Table 1: General Fund Forecast Summary as at 28 February 2017

	Original Annual Budget	Working Annual Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000
Service Budgets				
Adult Social Care	51,051	51,860	53,326	1,466
Children's Social Care	25,530	24,991	24,991	0
Children & Young People	12,533	12,957	12,857	(100)
Community Learning & Commissioning	14,188	13,913	13,913	0
Development	11,705	12,242	12,642	400
Environment	7,861	7,508	9,298	1,790
Housing & Communities	5,999	6,010	5,768	(242)
Tourism Services	331	1,095	1,095	0
Legal & Democratic	1,184	685	635	(50)
Transition	508	5,232	5,232	0
Commercial	187	164	164	0
Strategic Finance	5,600	1,338	1,185	(153)
Housing Benefits	(1,527)	(1,525)	(895)	630
Executive Board	398	788	748	(40)
Projected Service Position	135,548	137,258	140,959	3,701
Corporate Budgets				
Interest	1,449	1,449	1,149	(300)
Corporate Contingency	918	21	0	(21)
Other Corporate Items	(3,026)	(3,839)	(7,088)	(3,249)
Corporate Budgets Total	(659)	(2,369)	(5,939)	(3,570)
Total	134,889	134,889	135,020	131

- 9 Details of all forecast variances in excess of £100k and potentially significant variances to be aware of are set out in paragraphs 10 to 30 of the report in accordance with the Council's financial reporting requirements. Favourable variances are shown in brackets.

Adult Social Care – £1,466k (January £1,466k)

- 10 The underlying budget position for Adult Social Care continues to be affected by both shortage of supply and rising costs within the care market. The high demand in respect of care packages, the increased needs of clients, the rising costs incurred from external providers and reducing market availability is proving difficult to mitigate and consequently there is a substantial impact on the budget.

- 11 Within this challenging environment Adult Social Care understands the reasons fully and the projected level of overspend has increased as new pressures, in particular some very high cost packages of care, have emerged resulting in increased budget pressures and although the service are trying to mitigate the impact as far as possible, the overall demand outweighs any new benefits realised.

Development - £400k Forecast Overspend (January £400k)

- 12 As previously reported in December the current overspend remains at £400k due to assumed reductions in Bus Subsidies not being delivered and delays caused by the consultation requirements in service restructures.

Environment - £1,790k Forecast Overspend (January £1,790k)

- 13 As previously reported in December the current overspend remains at £1,790k in February.

- 14 Reviews of Public Conveniences, Waste, Recycling and disposal costs are ongoing.

- 15 All expenditure and unachieved savings are continuing to be reviewed by Senior Officers and Portfolio Holders who will endeavour to improve this forecast position into a more favourable one. Examples underway include a fundamental review of our refuse and food waste collection service; a review of on street and off street parking charging; further consultation with our street services workforce with the aim of developing a fully interchangeable and flexible cleansing and waste operation; and taking back the management, operation and development of Avenue Road multi storey car park.

- 16 Whilst every effort will be made to deliver these mitigation options prior to 31 March 2017 to improve the forecast, realistically the full benefit is unlikely to be realised until 2017/18.

Housing & Communities – (£242k) Forecast Underspend (January (£242k))

- 17 The underspend in Housing and Communities remains in line with the previously reported £242k.

Strategic Finance – (£153k) Forecast Underspend (January (£153k))

- 18 The year-end forecast underspend of £153k is made up of the projected saving with regards to the Service Director post which is shared with Poole and the impact of a number of vacant posts within the directorate which are not expected to be filled along with other operational cost savings.

Housing Benefits - £630k Forecast Overspend (January £630k)

- 19 The year-end forecast for Housing Benefits has reduced overall from October's monitoring, however, there is a growing pressure within temporary (bed & breakfast) accommodation of £545k, up from the £480k pressure reported last month. The Council has a

statutory obligation to provide accommodation, however, supply of appropriate housing is limited and expensive. The pressure on Council budgets exists because the cost of the accommodation is greater than the rent threshold reclaimable under Housing Subsidy rules and the Council has to bear the cost of the difference. Examples of the costs of temporary accommodation were included as a separate appendix within the August report. The Head of Housing & Customer Services is working with the Chief Financial Officer to mitigate this position as far as possible and further updates will be given during the year.

- 20 In addition, there is a forecast shortfall of £306k (down from £405k reported in October) in Housing Benefit payments due to the budget being based on last year's actual position which was at its peak due to the introduction of Real Time Information (RTI) which allowed the sharing of information between all Government bodies.
- 21 These pressures continue to be offset by an additional housing benefit administration grant of £221k more than anticipated.

Interest – (£300k) Forecast Saving (January (£300k))

- 22 The forecast underspend remains at £300k as reported in July due to the Council requiring less borrowing than budgeted for.

Corporate Contingency – (£21k) (January (£21k))

- 23 As agreed in the Council's Finance Year End Outturn Report 2015/16 on 20 June 2016, £640k of Corporate Contingency has been transferred into Adult Social Care specifically to fund the inflationary pressure on adult care fees.
- 24 £57k has also previously been transferred to Tourism to offset the impact of the living wage.
- 25 In addition, £200k has been transferred to Children & Young People to offset a pressure in Special Education Needs Transport where a pressure of £257k is forecasted. This application of contingency resources changes the previous assumption that this would be available to support the in year forecast.
- 26 The remaining £21k of the corporate contingency has now been released to partially offset the current forecast overspend on the General Fund.

Other Corporate Items – (£3,249k) (January (£3,249k))

- 27 The Council had set aside £500k during the 2016/17 Budget setting process as a contingency regarding the risk of not delivering all of the required savings regarding the in-sourcing of Kier services back to the Council. Following the latest review of the current costs of these services the £500k can now be released due to the savings relating to this transfer being delivered and there has been an additional £100k of savings achieved beyond the original expectation.
- 28 The Corporate Finance Team has reviewed its Minimum Revenue Provision (MRP) during the financial year and compared this to what other Local Authorities are doing nationally as part of reviewing the

Council's Treasury Management Strategy. This resulted in an exercise being conducted to review Voluntary Revenue Provision (VRP) since 2004 which is basically a voluntary overpayment of MRP above the minimum the Council is required to provide. The conclusion is that the Council can reclaim the VRP over a period of time up to the amount of MRP payable in year until reclaimed in total.

- 29 It is proposed that the Council claims this VRP for 2016/17 and the remainder in 2017/18 leaving the Council making a minimal MRP payment in these 2 financial years for statutory purposes as included in the 2017/18 MTFP. This will provide a £519k underspend within this line as well as ensuring the Council's capital scheme for upgrading the social care system is fully funded and savings included within the 2017/18 MTFP relating to this can be delivered.
- 30 The 21 February 2017 Budget report to Council for 2017/18 approved that the Council's unearmarked reserves should be maintained at their 1 April 2016 balance of £8.114m. Holding unearmarked reserves at this level has meant that the £2.521m planned increase for 2016/17 is now no longer necessary. Instead the Council report approved that any amount not needed to cover the 2016/17 in-year variance or a £450k investment in key priorities during 2017/18 will be transferred to the MTFP Revenue Reserve. At this stage the February Budget Monitoring report assumes that £2.071m of the £2.521m will be released to support the in-year position.

Housing Revenue Account (HRA) – (£26k) Forecast Underspend

- 31 Appendix A presents the Housing Revenue Account for the period 1 April 2016 to 28 February 2017. The current year-end projection to 31 March 2017 is a £26k underspend.
- 32 The underspend is due to rental income being higher than originally budgeted for. This was due to a late Government announcement to allow specialised supported housing to be exempt from rent reduction. In addition, there is a lower than budgeted level of voids and rent arrears.
- 33 There has, however, been higher than expected costs of responsive repairs which are currently being offset by savings on management costs.

Capital

- 34 The current General Fund Capital Programme for 2016/17 as at 28 February 2017 is £49.8m following the approved EGB scheme shown in paragraph 38.
- 35 The current HRA Capital Programme for 2016/17 as at 28 February 2017 is £14.3m and there is no reported overspend at present. There has been slippage of £5.1m budget into the 2017/18 capital programme. This is in relation to the new build capital programmes which have been delayed for a number of reasons such as agreeing planning permission.

36 Further detail of the current Capital Programme can be found in Appendix B to this report.

Executive Gateway Board (EGB)

37 At the meeting held in February 2017 the Heathland Mitigation project in Muscliff forming part of the Stour Valley Masterplan was approved £145k of Heathland Mitigation and Developer Contributions to proceed with improvements between Muscliff to Kingfisher Barn and to the River Stour.

Consultation

38 This report and the attached statements have been prepared in consultation with Service Directors and Executive Directors, and on the basis of information provided by them.

Options

39 This report provides financial performance information, and as a result there are no alternative options to consider.

Summary of finance and resourcing implications

40 The finance and resourcing implications are as set out in the body of this report.

Summary of legal implications

41 None.

Summary of human resources implications

42 Human resource issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of environmental impact

43 The environmental impact of the budget allocation is considered by Service Directors and Portfolio Holders in preparing their budget and Service Plan proposals.

Summary of equalities and diversity impact

44 Equality and diversity issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of risk assessment

45 The effective management of the Council's Budget is fundamental to the good governance of the organisation. Failure to do so will result in the inadequate financial health and wellbeing of the Council. Without addressing financial pressures the Council will not be able to develop a sustainable Medium Term Financial Plan and will not be able to effectively invest in its service priorities as identified in the Council's Corporate Plan.

46 Actual performance to the end of February 2016 suggests a number of key risk issues that will need to be kept under close review and the appropriate mitigation taken as needed during 2016/17, principally:

- a sustained and increasing pressures on key areas of service, largely being driven by increased demand for services and/or from reduced income earnings. This is particularly true in areas such as Adult Social Care, Children & Young People, Children's Social Care, Community Learning & Commissioning and Environment;
 - b changes in legislation leading to alternative ways of delivering services and the imposition of new unfunded responsibilities, or changes to cost/income that can be achieved;
 - c the potential impact on service budgets in delivering services during rapid change and transformation and the role of corporate funding resources in helping to manage service transition.
- 47 This report and the outlined actions will form part of the mitigation strategy associated with the following financial risks identified in the Council's Strategic Risk Register:
- a failure to respond to the needs arising from a changing demography – pressure on resources in the current economic climate and cuts in public sector funding; changes in birth and death rates; key legislative changes affecting benefits or schools; transfer of public health function to local authorities. **(Ref: CR01)**
 - b failure to respond effectively to the changing national policy agenda within the local context of Bournemouth – changes in financing and cuts in public sector funding; changes in central government policy including devolving more responsibility to local government; differences between central government and local government priorities. **(Ref: CR02)**
 - c failure to deliver Council ambitions – pressure on resources in the current economic climate and cuts in public sector funding; changes in central government policy including devolving more responsibility to local government; differences between central government and local government priorities; pressure from local demographics, other partners such as changes to health services; impact of an on-going recession. **(Ref: CR03)**
 - d failure to positively manage the Council's leadership role in the development of the local economy – current economic context and trends including impact on capital receipts; cuts in public sector funding; impact of the recession including increased demand for services; ability of services to meet demand; sustainability of voluntary sector; impact of welfare reform. **(Ref: CR07)**
 - e inability to deliver Council statutory services due to insufficient resource funding – pressure on resources in the current economic climate and cuts in public sector funding rendering strategy inoperable; misalignment of budgets and priorities;

failure to achieve expected capital receipts and/or variations in trading income. **(Ref: CR10)**

- f failure to deliver commercial income streams which support the Council's ambitions – pressure on resources in the current economic climate places reliance on new commercial income streams to support the Council's ambitions. **(Ref: CR14)**
- g future risk impact of service reductions such as HRA new build will be reflected in the appropriate risk registers.

Background papers

Report to Council 23 February 2016 entitled 'Medium Term Financial Plan 2016/17 – 2018/19 & the Budget 2016/17' [Report Pack](#)

Appendices

Appendix A – Housing Revenue Account Summary 1 April 2016 – 28 February 2017

Appendix B – Capital Summary 1 April 2016 – 28 February 2017

Housing Revenue Account Summary 1 April 2016 – 28 February 2017

	Adjusted Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
<u>Income</u>			
Rental Income	(23,143)	(23,177)	(34)
Maintenance Income	(243)	(160)	83
Service Charges	(73)	(75)	(2)
Other Income	(505)	(519)	(14)
Service Recharges Income	(624)	(524)	100
Photovoltaic Income	(650)	(650)	0
Total Income	(25,238)	(25,105)	133
<u>Expenditure</u>			
Director of Housing	237	242	5
Housing Management	2,876	2,657	(219)
Housing Maintenance	4,525	4,480	(45)
Housing Technical	1,712	1,741	29
Service Overheads	437	512	75
Housing development	212	186	(26)
Photovoltaic Maintenance	76	46	(30)
Central Recharges	939	939	0
Service Recharges	510	493	(17)
Depreciation	8,503	8,517	14
Total Expenditure	20,027	19,813	(214)
Net (surplus)/deficit for service	(5,211)	(5,292)	(81)
Appropriations & Other Adjustments	5,211	5,266	55
Net (income)/expenditure for the period	0	(26)	(26)

Capital Programme 2016 to 2020

General Fund	Expenditure 2016/17 April - Feb £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Planned Programme 2018/19 £000's	Planned Programme 2019/20 £000's	Total £000's
Adult Social Care	1,131	2,619	3,221	0	0	5,840
Children's Social Care	2	175	0	0	0	175
Children & Young People	126	133	0	0	0	133
Communities Learning & Commissioning Service						
Christ the King RC Primary - Refurbishment	119	119	0	0	0	119
Avonwood Primary - new primary provision	43	170	0	0	0	170
Winton Primary - Additional School Places	0	112	0	0	0	112
St Peter's	4,898	5,606	113	0	0	5,718
St Peter's - Phase 5	288	2,044	0	0	0	2,044
Linwood Main Site Feasibility	56	1,683	0	0	0	1,683
The Bishop of Winchester Academy: Main Scheme	0	0	0	0	0	0
The Bourne Academy - Main Scheme	0	0	146	0	0	146
Linwood Post 16 Training Provision	0	0	0	0	0	0
Libraries	0	0	0	0	0	0
Other Communities Learning & Commissioning Service	819	1,950	2,630	2,096	0	6,675
Corporate & Commercial						
ICT Infrastructure Modernisation	438	3,060	0	0	0	3,060
Social Mobile and Connected World	285	538	0	0	0	538
Inward Investment	39	2,031	43	0	0	2,074
Asset Investment	0	2,900	2,900	2,900	0	8,700
Housing Company Properties	5,440	4,030	3,900	3,900	0	11,830
Other Corporate and Commercial	25	35	0	0	0	35
Strategic Finance	37	69	0	0	0	69
Customer Services	992	1,271	0	0	0	1,271
Housing & Communities						
Heathlands Mitigation	173	569	145	0	0	714
Building Maintenance	141	160	0	0	0	160
Other Housing & Communities	1,213	2,100	1,126	737	0	3,963
Environment						
Big Bin Little Bin enhancement project	1	0	0	0	0	0
Strategic Waste Facility Project	0	0	13,763	0	0	13,763
Millhams CA - Drainage improvements	25	143	1,300	0	0	1,443
Street Lighting - Replacement	27	275	0	0	0	275
Coast Protection & Beach Management	241	7,182	4,621	1,790	244	13,837
LTP Schemes - Maintenance	1,174	1,662	0	0	0	1,662
Other Environment	5,441	1,766	0	0	0	1,766
Development						
The Next Stop - Better Bus Area Fund	5	0	0	0	0	0
LTP Schemes - Integrated Transport	225	197	550	2,350	0	3,097
Wessex Fields Link	2,445	800	0	0	0	800
Facilities Management	426	899	734	669	0	2,302
BH Live Client	1,291	2,240	1,906	1,556	0	5,702
Other Development	461	650	3,022	2,900	2,900	9,472
Tourism						
Seafront Strategy - Phase 1	1,477	1,756	0	0	0	1,756
Other Tourism	242	825	606	0	0	1,431
Total Capital - General Fund	29,744	49,768	40,726	18,898	3,144	112,535
Housing Revenue Account						
	Expenditure 2016/17 April - Feb £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Planned Programme 2018/19 £000's	Planned Programme 2019/20 £000's	Total £000's
Basic Planned Maintenance Programme	5,348	7,304	9,569	8,724	6,564	37,510
New Build Development	3,578	6,982	8,793	2,942	5,134	27,429
Total Capital - Housing Revenue Account	8,926	14,286	18,362	11,666	11,698	64,939

Report to Cabinet & Council

Report Subject	St Stephen's Car Park, 9-11 St Stephen's Road
Meeting date	26 April 2017
Cabinet Portfolio	Councillor Mike Greene - Transport, Sustainability & Carbon Management
Corporate Lead	Bill Cotton, Executive Director
Service Director	Roger Ball, Director of Development Services Gary Josey, Director of Housing and Communities
Status	Public
Classification	For decision
Key Decision	Yes
Impacts on Key Policy Framework	Yes
Report authors	Gary Platt, Head of Property ☎ 01202 451477 ✉ gary.platt@bournemouth.gov.uk Sarah Longthorpe, Commercial Programme Manager ☎ 01202 451170 ✉ sarah.longthorpe@bournemouth.gov.uk
Executive summary	<ol style="list-style-type: none"> 1. The St Stephen's Road car park is currently operated as a staff car park during office hours and as a public car park in the evenings and at weekends. 2. It is one of the 17 sites earmarked for development by the Bournemouth Development Company (BDC). 3. The BDC is in the process of securing planning permission for the development of 46 flats. It hopes to start the development in the autumn. 4. The Council is proposing to purchase the completed development as an investment asset from the BDC. It will be operated as a private-sector rented scheme, via the Council's wholly owned company, Seascape Homes and Property Ltd. 5. The non-public part of this report considers the detailed terms for the purchase and the financial business case for proceeding with this investment. It concludes that it will deliver a positive return for the Council. 6. The purchase will be funded using prudential borrowing.

<p>Recommendations</p>	<p>That Cabinet:</p> <ul style="list-style-type: none"> a. approves the purchase of the St Stephen’s Road development, comprising 46 flats, from the Bournemouth Development Company LLP, on the terms detailed in the non-public part of this report; b. authorises the Corporate Property Officer in consultation with the Monitoring Officer to agree the detailed contract provisions; and c. approves the grant of a 25-year lease of the completed development to Seascape Homes and Property Ltd on terms to be agreed by the Corporate Property Officer in consultation with the Monitoring Officer <p>That Council:</p> <ul style="list-style-type: none"> d. approves the inclusion of this scheme within the Capital Programme and Medium Term Financial Plan; e. agrees the use of prudential borrowing to fund this purchase; and f. authorises the Section 151 Officer in consultation with the Portfolio Holder for Resources to determine the detailed funding arrangements.
<p>Reasons for recommendations</p>	<p>The purchase of this investment asset responds to the Council priority, <i>An Efficient Council</i>, specifically <i>EC3 Managing sound finances, EC4 Making the best use of our assets</i>, and <i>EC5 Working in partnership</i>.</p> <p>It also contributes to the Council priority, <i>An Improving Environment</i>, specifically <i>IE2 Working with others to deliver Bournemouth’s housing needs</i> and <i>IE4 Improving the quality of Bournemouth’s built environment</i>.</p>

Background detail

1. The St Stephen’s Road car park, shown edged red on the plan appended to this report, extends to approximately 0.38 hectares and provides parking for up to 74 cars. It is used as a staff car park during office hours and as a public car park in the evenings and at weekends.
2. It is one of the 17 sites earmarked for development by the Bournemouth Development Company (BDC) and included in an Option Agreement dated 17 February 2011.
3. The BDC has successfully progressed a planning application for 46, one and two-bed flats on the site. The grant of planning consent is subject to the BDC

and the Council, as landowner, entering into an undertaking under S106 of the Planning Act 1990. It hopes to start construction in the autumn.

4. This development is being marketed as a Private Rented Sector (PRS) scheme. This means that all of the flats in the completed development will be owned by an investor and will be let at market rents on Assured Shorthold Tenancies.
5. The Council is proposing to purchase the completed development as an investment asset from the Bournemouth Development Company. The purchase will be funded using prudential borrowing from the Public Works Loan Board (PWLB). It will be managed as a private-sector rented scheme. Since the Council is not able to grant Assured Shorthold Tenancies, the flats will be operated by the Council's wholly-owned company, Seascope Homes and Property Ltd, under a 25-year lease.
6. This will improve tenant choice in the market place and will ensure access to high quality, professionally managed, private-rented homes. It is anticipated that, combined with low entry and exit costs for tenants, they will appeal to an increasingly mobile, professional workforce.

Consultation

7. Public consultation regarding the Town Centre Vision was undertaken in the summer and autumn of 2008. The Bournemouth Development Company is a key component in the delivery of the Vision and development of the St Stephen's Road site is entirely in accordance with The Partnership Business Plan approved by Cabinet in April.

Other Options

8. Not to purchase the investment asset. The BDC would still progress the development but the completed scheme would be sold to a third party PRS operator. The Council would realise a land value and a share of the development profit by virtue of its involvement with the BDC but would forego the long-term income and capital growth potential of this investment.
9. Do nothing. The asset would continue to operate as a car park. This is not a high-yielding car park and therefore this is not considered to be the most valuable use. Also, any regeneration opportunities from this site will be foregone. Finally, the Council's obligations to the BDC are likely to preclude this option.

Summary of finance and resourcing implications

10. The non-public part of this report considers the detailed terms for the purchase and the financial business case for proceeding with this investment. It concludes that it will deliver a positive return for the Council over the 50-year term of the proposed PWLB borrowing. At the end of this period, the Council will own the assets with no outstanding loans.

11. Once purchased, the performance of this asset will be closely monitored to ensure that it continues to meet income and expenditure projections, with necessary corrective action taken as necessary.
12. Although the aim will be long-term asset retention so that the Council benefits from rental and capital growth, there will be the option going forward of selling the asset to realise a capital receipt to recoup the original investment.
13. The car park currently produces a turnover of £15k in addition to staff permit income and breaks even after deduction of operating costs. The daytime staff parking will be displaced to the Council-operated car park at Avenue Road, which has surplus capacity. Therefore, there will be no loss of income from this source. Evening and weekend parking will be redirected to Braidley Road Bridge and the Town Hall Annexe. Therefore, the revenue impact is difficult to assess but appropriate provision will need to be made to offset the impact on car parking budgets. This will be achieved in the first instance by adjusting the income expectation within the MTFP for this car park and assuming users will utilise other Council car parks in the vicinity such as Richmond Hill. Future intelligence may necessitate further amendment to the budget and will be picked up during the normal budget cycle.

Summary of legal implications

14. The Localism Act 2011 grants local authorities far-reaching powers to act commercially. The purchase of this asset for investment purposes is entirely in accordance with these powers.
15. The proposed contractual arrangements for this transaction with the BDC adhere to contract clarifications approved by Cabinet on 22 March 2017. This means that these arrangements will be fully in accordance with the BDC contract documentation.

Summary of environmental impact

16. An Environmental Impact Assessment recognises that the use of this land as a surface-level car park does not make a significant contribution to the local environment. Its redevelopment will allow high-quality, energy-efficient housing to come forward in a sustainable location from a public transport perspective. This is likely to be a positive contributor.

Summary of equalities and diversity impact

17. An Equality Impact Needs Screening Tool has been completed. This shows that the decision to purchase this investment asset has no impact in terms of equalities.

Summary of risk assessment

18. An initial risk assessment has been completed and shows this to be high risk. This is principally due to the significant sum of money expended on this purchase and the risk of adverse media coverage.
19. Two specific risks associated with this proposal are possible changes to the future availability of PWLB funding or rises in the interest rates chargeable on these loans. The former would affect the Council's ability to fund the purchase and the latter would adversely affect the financial viability of the investment. To mitigate against this risk, therefore, the Council will enter into loan arrangements as soon as the scheme is ready to be progressed.

Background papers

Equalities Impact Needs Assessment -

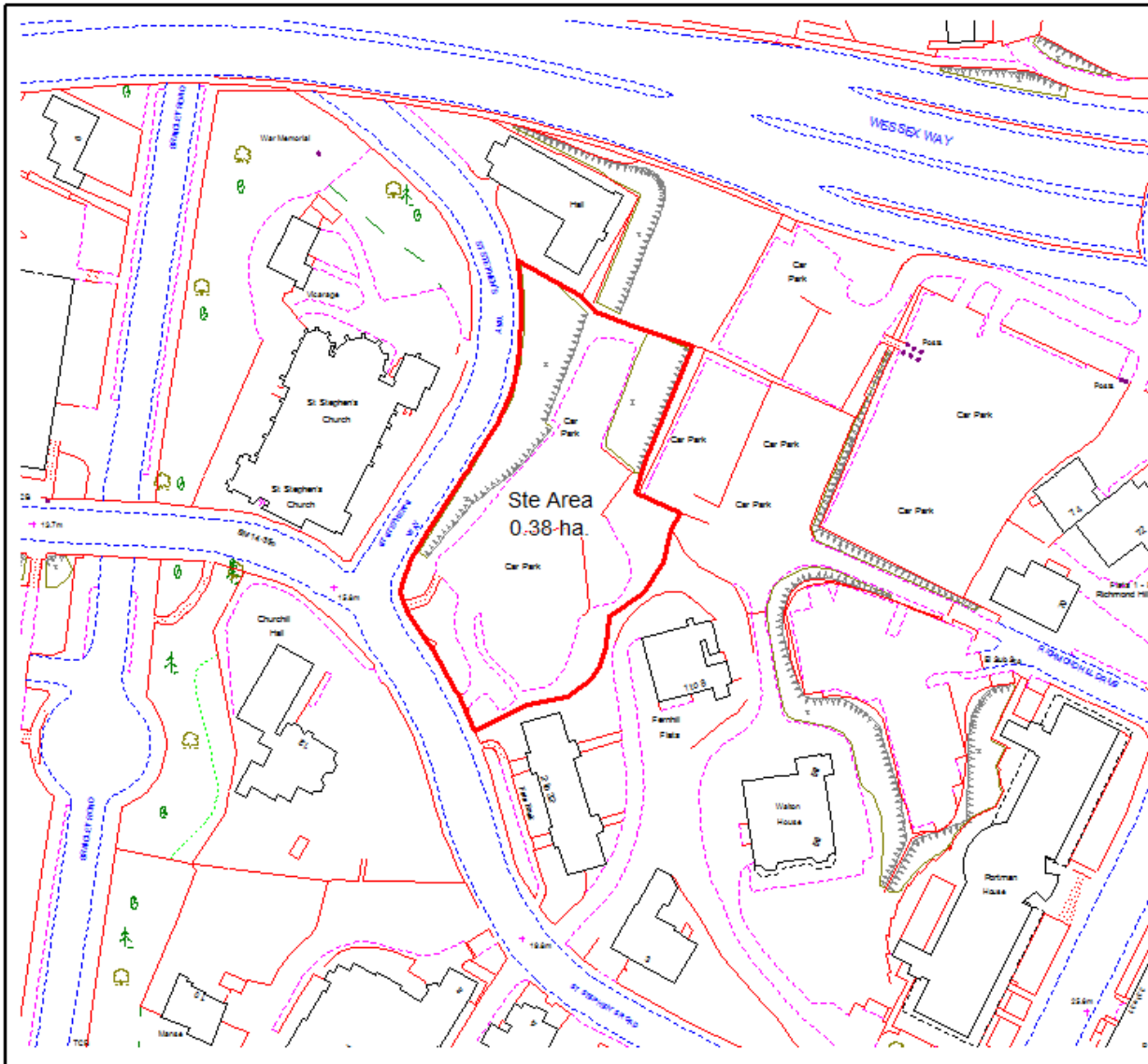
http://www.bournemouth.gov.uk/councildemocratic/EqualityDiversity/EqualityImpactNeedsAssessments.aspx?EINAList_AtoZLetter=S

Environmental Impact Needs Assessment -

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-st-stephens-road-car-park.pdf>

Risk Assessment –

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2017/04/26/reports/background-papers-st-stephens-road-car-park.pdf>



Location Plan St Stephens Road Car Park (No.9)

Date: 27/03/2017

Drawn: GSP

Scale: NTS

Drawing No: GSP_StStephens_001



HEAD OF DEVELOPMENT SERVICES
ROGER BALL

PROPERTY SERVICES

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