

# Notice of Council



Date: Tuesday, 7 July 2020. This meeting will commence 15 minutes after the rising of the Annual Council meeting which starts at 6.00 pm

Venue: Virtual Meeting

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Cllr H Allen	Cllr B Dunlop	Cllr L Lewis
Cllr L Allison	Cllr M Earl	Cllr R Maidment
Cllr M Anderson	Cllr J Edwards	Cllr C Matthews
Cllr S C Anderson	Cllr L-J Evans	Cllr S McCormack
Cllr M Andrews	Cllr G Farquhar	Cllr D Mellor
Cllr J Bagwell	Cllr D Farr	Cllr P Miles
Cllr S Baron	Cllr L Fear	Cllr S Moore
Cllr S Bartlett	Cllr A Filer	Cllr L Northover
Cllr J Beesley	Cllr D A Flagg	Cllr T O'Neill
Cllr D Borthwick	Cllr N C Geary	Cllr P Parrish
Cllr P Broadhead	Cllr M Greene	Cllr S Phillips
Cllr M F Brooke	Cllr N Greene	Cllr M Phipps
Cllr N Brooks	Cllr A Hadley	Cllr K Rampton
Cllr D Brown	Cllr M Haines	Cllr Dr F Rice
Cllr S Bull	Cllr P R A Hall	Cllr C Rigby
Cllr R Burton	Cllr N Hedges	Cllr R Rocca
Cllr D Butler	Cllr P Hilliard	Cllr M Robson
Cllr D Butt	Cllr M Howell	Cllr V Slade
Cllr J J Butt	Cllr M Iyengar	Cllr A M Stribley
Cllr E Coope	Cllr C Johnson	Cllr T Trent
Cllr M Cox	Cllr T Johnson	Cllr M White
Cllr M Davies	Cllr A Jones	Cllr L Williams
Cllr N Decent	Cllr J Kelly	Cllr K Wilson
Cllr L Dedman	Cllr D Kelsey	Vacancy
Cllr B Dion	Cllr R Lawton	
Cllr B Dove	Cllr M Le Poidevin	

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

The press and public are welcome to view the live stream of this meeting at the following link: <https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?MId=4283>

If you would like any further information on the items to be considered at the meeting please contact: Karen Tompkins by email at [karen.tompkins@bcpcouncil.gov.uk](mailto:karen.tompkins@bcpcouncil.gov.uk)

Press enquiries should be directed to the Press Office: Tel: 01202 454668 or email [press.office@bcpcouncil.gov.uk](mailto:press.office@bcpcouncil.gov.uk)

This notice and all the papers mentioned within it are available at [democracy.bcpccouncil.gov.uk](https://democracy.bcpccouncil.gov.uk)

**GRAHAM FARRANT**  
**CHIEF EXECUTIVE**

29 June 2020



## Maintaining and promoting high standards of conduct

### Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests

Do any matters being discussed at the meeting relate to your registered interests?

Disclosable Pecuniary Interest

Yes

Declare the nature of the interest

Do NOT participate in the item at the meeting. Do NOT speak or vote on the item EXCEPT where you hold a dispensation

You are advised to leave the room during the debate

Local Interest

Yes

Declare the nature of the interest

Applying the bias and pre-determination tests means you may need to refrain from speaking and voting

You may also need to leave the meeting. Please seek advice from the Monitoring Officer

No

Do you have a personal interest in the matter?

Yes

Consider the bias and pre-determination tests

You may need to refrain from speaking & voting

You may also need to leave the meeting. Please seek advice

No

You can take part in the meeting speak and vote

What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

#### Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

#### Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer  
(anne.brown@bcpcouncil.gov.uk)

### Selflessness

Councillors should act solely in terms of the public interest

### Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

### Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

### Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

### Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

### Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

### Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

# AGENDA

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

## 1. Apologies

To receive any apologies for absence from Councillors.

## 2. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

## 3. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Ordinary Meeting held on 9 June 2020.

9 - 20

## 4. Announcements and Introductions from the Chairman

To receive any announcements from the Chairman.

## 5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of:

Public questions is Tuesday 30 June 2020.

A statement is midday, 6 July 2020.

A petition was 22 June 2020

## 6. Recommendations from Cabinet and Other Committees

Please refer to the recommendations detailed below

### (a) Cabinet 27 May 2020 - Minute No 173 - Bournemouth Town Centre Vision (TCV): Winter Gardens Site - Regeneration Opportunities

The following recommendations were deferred by the Council at its meeting on 9 June to enable consideration of the risk assessment.

21 - 60

## Supplementary Report

Cabinet on 27 May 2020 approved the recommendations detailed in the Bournemouth Town Centre Vision (TCV) Winter Gardens site Report and referred the matter for decision by the Council on 9 June 2020.

Whilst a summary of the key project risks was outlined in the Cabinet report a further BCP Council project risk register was sent by email to Council members by Cllr Mark Howell during the meeting of Council on 9 June 2020.

After the receipt of the risk register the Council decided to defer the decision on this item, for further consideration at a future meeting.

The Council's project risk register is appended to the supplementary report, for consideration by Council when considering the ratification of the Cabinet decision dated 27 May 2020.

RECOMMENDED that Council:-

- (a) amend the Capital Programme to include Additional Council Finance up to £7.6M less the Site Lease Value anticipated to be drawdown in 2021/22. [It would be prudent to assume the Additional Council Finance will be £7.6M];
- (b) amend the Capital Programme to include provision for these acquisitions to be funded by prudential borrowing, which is subject to RPI as detailed in the confidential part of this report; and
- (c) authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements for both the forward purchase of the PRS and Public Car Park and the Additional Council Finance.

(b) **Cabinet 24 June 2020 - Minute No 182 - Organisational Design - Implementation & Budget**

61 - 96

RECOMMENDED that Council:-

- (g) Approve the budget set out in Appendix 1b of the report; and
- (h) Approve the funding proposals as set out in section 38 a to c of the report.

(c) **Cabinet 24 June 2020 - Minute No 183 - Bistro on the Beach Redevelopment**

97 - 170

RECOMMENDED that Full Council are asked to approve full redevelopment scheme option 1, to be funded via prudential borrowing.



(d)	<b>Cabinet 24 June 2020 - Minute No 187 - Convert Bournemouth Learning Centre building into a School</b>	171 - 182
<p>RECOMMENDED that Council approve the disposal of the Bournemouth Learning Centre [through a lease to an external provider] at an undervalue of up to £700k, subject to the education provider's significant change process and site acquisition being agreed, and delegate authority to the Corporate Property Officer to agree the terms and enter into the lease, subject to education provider's significant change process being agreed.</p>		
(e)	<b>Cabinet 24 June 2020 - Minute No 188 - Housing Scheme at Templeman House, Leedham Road, Bournemouth</b>	183 - 224
<p>RECOMMENDED that the proposed £6.467m housing scheme be approved for progression to Council for subsequent approval request to:</p>		
(a)	<p>Approve to tender, commencement and completion of build subject to the conditions set out in the Financial Strategy and authorises the Corporate Director for Environment and Community to approve necessary appropriations and contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer;</p>	
(b)	<p>Approve the financial strategy for the scheme as set out in paragraphs 30 to 45 with specific approval for:</p> <ul style="list-style-type: none"> <li>i. The appropriation of land from the General Fund to the Housing Revenue Account (HRA) to enable the development of the Council housing valued at £900k.</li> <li>ii. £1.330m of prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) social rented homes.</li> <li>iii. The capping of rental income to Social Rent levels.</li> </ul>	
(c)	<p>Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.</p>	
(d)	<p>Authorise the Corporate Property Officer in consultation with the Monitoring Officer to agree the detailed contract provisions.</p>	
(f)	<b>Cabinet 24 June 2020 - Minute No 189 - Housing Scheme at Moorside Road, Bournemouth</b>	225 - 260
<p>RECOMMENDED that the proposed £4.452m housing scheme be approved for progression to Council for subsequent approval request:</p>		
(a)	<p>Approval to commence and completion of build subject to the conditions set out in the Financial Strategy and authorises the Corporate Director for Environment and Community to</p>	

approve necessary contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer;

- (b) Approve the financial strategy for the scheme as set out in paragraphs 23 to 33 of the report with specific approval for;
  - i. £2,322,300 of prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) Affordable rented homes.
- (c) Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.

(g) **Exclusion of Press and Public**

In relation to the items of business appearing below, the Council 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.’

(h) **Cabinet 24 June 2020 - Minute No 195 - Disposal of land at Southbourne Crossroads**

261 - 266

Exempt information – category 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information))

Please refer to the recommendations contained on a separate sheet with the agenda.

**7. Appointment of Director of Law and Governance and Monitoring Officer for BCP Council**

267 - 274

This report invites the Council to appoint a Monitoring Officer in accordance with statutory requirements. The recommendation is subject to the agreement of Council as this is a statutory post.

**8. Notice of Motions in accordance with Procedure Rule 13**

275 - 280

The following motion has been proposed by Councillor Drew Mellor and will be seconded by Councillor Mohan Iyengar:

**“As an opportunity for BCP Council to display a cross party consensus in leading the conurbation out of Covid-19 on behalf of all residents, Council requires Cabinet to consider the proposals set out in the Conservative Group’s budget reset paper at the next Cabinet meeting.”**

## **9. Questions from Councillors**

The deadline for questions to be submitted to the Monitoring Officer is 29 June 2020.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

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**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**COUNCIL**

Minutes of the Meeting held on 09 June 2020 at 7.00 pm

Present:-

Cllr D A Flagg – Chairman

Cllr G Farquhar – Vice-Chairman

Present: Cllr H Allen, Cllr L Allison, Cllr M Anderson, Cllr S C Anderson, Cllr M Andrews, Cllr J Bagwell, Cllr S Baron, Cllr S Bartlett, Cllr J Beesley, Cllr D Borthwick, Cllr P Broadhead, Cllr M F Brooke, Cllr N Brooks, Cllr D Brown, Cllr S Bull, Cllr R Burton, Cllr D Butler, Cllr D Butt, Cllr J J Butt, Cllr E Coope, Cllr M Cox, Cllr M Davies, Cllr N Decent, Cllr L Dedman, Cllr B Dion, Cllr B Dove, Cllr B Dunlop, Cllr M Earl, Cllr J Edwards, Cllr L-J Evans, Cllr D Farr, Cllr L Fear, Cllr A Filer, Cllr N C Geary, Cllr M Greene, Cllr N Greene, Cllr A Hadley, Cllr M Haines, Cllr P R A Hall, Cllr N Hedges, Cllr P Hilliard, Cllr M Howell, Cllr M Iyengar, Cllr C Johnson, Cllr T Johnson, Cllr A Jones, Cllr J Kelly, Cllr D Kelsey, Cllr R Lawton, Cllr M Le Poidevin, Cllr L Lewis, Cllr R Maidment, Cllr C Matthews, Cllr S McCormack, Cllr D Mellor, Cllr P Miles, Cllr S Moore, Cllr L Northover, Cllr T O'Neill, Cllr P Parrish, Cllr S Phillips, Cllr M Phipps, Cllr K Rampton, Cllr Dr F Rice, Cllr C Rigby, Cllr R Rocca, Cllr M Robson, Cllr V Slade, Cllr A M Stribley, Cllr T Trent, Cllr M White, Cllr L Williams and Cllr K Wilson

1. Apologies

No apologies were received for this meeting.

2. Declarations of Interests

Councillor Mike Brooke, in respect of agenda item 9B Recommendations from Cabinet and Other Committees – Cabinet 27 May 2020 – Minute no 173 Bournemouth Town Centre Vision (TCV): Winter Gardens Site – Regeneration Opportunities, declared a local interest that he was a Member of the Bournemouth Development Company.

3. Confirmation of Minutes

The Minutes of the Council meeting held on 18 February 2020 were confirmed as a correct record.

4. Announcements and Introductions from the Chairman, Leader of the Council and Chief Executive

The Chairman confirmed that he would take agenda items 4 and 5 together. There were no announcements from the Leader of the Council or the Chief Executive. The Chairman reported on the following:

A – Death of Mike Fisher former Borough of Poole Councillor

The Chairman with great sadness reported on the recent death of former Borough of Poole Councillor Mike Fisher who was elected in 2015 and served as a UKIP Councillor for the Alderney ward until 2019. The Chairman on behalf of the Council offered his condolences to his loved ones. He called on Councillor Diana Butler who paid tribute to former Councillor Mike Fisher.

B – Death of Councillor Colin Bungey

The Chairman reported that it was with great sadness that the Council pays tribute to Councillor Colin Bungey this evening.

Colin was first elected to Christchurch Borough Council on 5 May 1983 and was re-elected in every subsequent election, representing the constituents of the Jumpers ward who valued his dedication and hard work.

Colin died at the beginning of April and served over 37 unbroken years as a councillor he represented the very best in public service.

He was a man of principle, unfailingly courteous, listened to everybody and always did his best to help and to stand up for Christchurch.

He was Mayor of Christchurch Borough Council twice and was recognised for his eminent services to the Borough of Christchurch with the title of Honorary Freeman, something he was immensely proud of.

Colin was a great public servant he was a Justice of the Peace for many years, it was first and last about public service, not politics. He was a long-standing member of The Christchurch and District Sports Council and was Chairman as Cllr Geary and I recall for more than twenty years.

He was a long-standing member of the Christchurch Sailing Club and was also a volunteer at the National Motor Museum Beaulieu.

Colin's knowledge and experience will be sadly missed.

Councillor Margaret Phipps paid tribute to Councillor Colin Bungey as his ward colleague. Councillor Eddie Coope said a few words in tribute to Colin Bungey.

The Chairman asked the Council to pay silent tribute to Councillor Colin Bungey and former Borough of Poole Councillor Mike Fisher.

C – Members Scheme of Allowances

The Chairman made an announcement in respect of the Members Scheme of Allowances. He reported that given the current coronavirus crisis he did not consider this to be an issue that the Council should be debating at this

time and advised that he had asked for it to be deferred until October 2020 at the earliest.

#### D – Death of George Floyd

The Chairman on behalf of the Council acknowledged the death of George Floyd who was killed in Minneapolis, Minnesota by Police Officers. He explained that as everyone was aware this had led to demonstrations across the World including in the BCP Council area of the issues raised by this tragic event. The Chairman reported that it should be highlighted that the BCP Council continues to work within the community to promote equality on all levels.

#### 5. Public Issues

The Chairman reported as follows:

##### A – Public Questions

In accordance with the Constitution the public questions received from Bob Eveleigh, Kimbal Furnidge and Paul Owen on the Beach House, Mudeford have been published on the website and a link circulated to all Councillors. Responses to these questions have also been published on the Council's website.

##### B – Statements

In accordance with the Constitution statements received as follows have been published on the website and a link circulated to all Councillors:

Alix Digby West – Holes Bay recommendation  
Harbour Ambition – Holes Bay recommendation  
Susan Chapman – Climate Resilience  
Conor O'Luby - Vote of no confidence  
Geoff Ash – Vote of no confidence  
Marylyn Cropley – Vote of no confidence  
Sara Armstrong – Vote of no confidence  
Sharen Green – Vote of no confidence  
Jonathan Turner – Vote of no confidence

##### C – Petitions

In accordance with the Constitution the following petitions have been received and published on the website and a link circulated to all Councillors.

Maria Marra on Vote of no confidence  
Dr Emma Jenkins on Pine Park, Winton



**RESOLVED that the Petition on Pine Park, Winton be referred to the relevant Director for discussion with the appropriate Portfolio Holder and response.**

Voting: Agreed.

6. Record of Decisions of Cabinet and Minutes of other Committees

The Committee Minutes for the last cycle of meetings were received.

Voting: Agreed.

7. Decisions taken by the Chief Executive in accordance with the urgency powers

The Chairman advised Members of the decisions taken by the Chief Executive in accordance with relevant urgency powers as follows:

- Community Governance Review – Holdenhurst and Throop - Final Recommendations
- Dorset Heathland Planning Framework 2020-25 SPD
- Revised Financial Regulations
- Article 16 – Covid-19 Interim Decision-Making Arrangements

The Council was asked to ratify the decision taken by the Chief Executive to appoint Anne Brown as the Interim Director Law & Governance and Monitoring Officer. Councillor Slade, Leader of the Council formally welcomed Anne Brown to the Council.

**RESOLVED that the urgent decisions detailed above be noted and the decision taken by the Chief Executive to appoint Anne Brown as the Interim Director Law & Governance and Monitoring Officer ratified.**

Voting: Agreed.

8. Recommendations from Cabinet and Other Committees

A - Audit and Governance Committee 23 January 2020

The recommendations arising from the meeting of the Committee held on 23 January 2020 relating to the BCP Constitution were considered and approved acknowledging the proposed review referred to below:-

**Minute No 63 – BCP Constitution**

The Chairman of the Committee presented the report on amendments to the Constitution and proposed approval as set out on the agenda.

Councillors commented on the recommendations including the process and criteria for 'Calling-in' planning applications to Planning Committee. A Member raised concerns on aspects of the process which they would

feedback to the Constitution Working Group including the 30-day limit. The Chairman of the Audit and Governance Committee reported that he had written to all Councillors asking for feedback on any issues.

A Councillor expressed her concern relating to recommendation v – minutes in Council agenda which she did not agree with. That view was also supported by another Councillor. A Councillor explained that all minutes were available on the Council's website and the option may be to provide a link to the minutes on the Council agenda. The Chairman of the Audit and Governance Committee reported that there was no intention to make the minutes inaccessible. He indicated that the suggestion to provide a link could be considered and taken forward with officers.

Councillors also commented on the proposed number of representations required to call-in a planning application and the importance of allowing residents to have a say. Members were reminded of the current provisions in the Constitution which included a call-in being undertaken via a Ward Councillor. A Councillor emphasised that it was the value of the objection that matters but felt that call-in should still be through the Ward Councillors.

A Councillor referred to recommendation vi concerning the call-in period which she indicated was 30 calendar days from when the application was published on the Council's website and should be referenced in the Constitution. The Chairman of the Audit and Governance Committee confirmed his discussions with the Portfolio Holder and Officers about some of the issues raised and the need to fine tune the detail. He referred to the proposed number of public representations of 20 for automatic referral and the need for this to be monitored alongside the other issues. The Chairman of the Audit and Governance Committee explained that it was proposed following any review that recommendations would be submitted to Council by the end of this calendar year.

***It should be noted that as a result of the changes agreed by the Council the necessary and consequential technical and formatting updates and revisions to the Bournemouth, Christchurch and Poole Council Constitution would be made by the Monitoring Officer in consultation with relevant members and officers in accordance with the powers delegated to her.***

***Voting: Agreed.***

Councillor Diana Butler requested that her dissent be recorded in respect of recommendations (v) and (viii) as detailed on the agenda

B – Cabinet 27 May 2020

The recommendation arising from the meeting of the Cabinet held on 27 May 2020 relating to the following was considered and approved.

*Minute no 172 – Holes Bay, Poole (former power station site) acquisition strategy*

The Portfolio Holder for Regeneration and Culture presented the report on the above strategy and proposed approval as set out on the agenda. He outlined the financial implications of the project and the funding arrangements.

Councillors commented on the potential of the project for Poole. A Member expressed her worry about the cost implications and asked if the project could be deferred. The Leader of the Council indicated it was reasonable to be nervous about such a large project. She explained that this project was receiving investment via Homes England and provided great opportunities including the creation of a new community. She referred to the working groups that the Portfolio Holder for Regeneration and Culture had created and encouraged Members to get involved. The Portfolio Holder responded to issues raised and the ‘whole town’ approach being undertaken.

Voting: Agreed

Councillor Diana Butler abstained from the above decision.

The recommendation arising from the meeting of the Cabinet held on 27 May 2020 relating to the following was deferred to the next meeting of the Council to enable consideration of the risk assessment.

*Minute no 173 – Bournemouth Town Centre Vision (TCV): Winter Gardens Site - Regeneration Opportunities*

The Portfolio Holder for Regeneration and Culture presented the report on the above project and proposed approval as set out on the agenda. He referred to the debate at the Overview and Scrutiny Board and the development of the project in Central Bournemouth.

A Councillor referred to the need to assess the risk of the project and analyse market conditions in view of the level of borrowing that the Council was proposing and the impact of the pandemic. Members commented on the proposed project compared to the previous scheme including the retail provision and the standard applied to the proposed apartments. A Councillor indicated that a draft risk assessment had been prepared details of which were confidential. Councillor Drew Mellor proposed, seconded by Councillor Stephen Bartlett **that the recommendations be deferred until the July Council meeting to enable consideration of the risk assessment.** The Portfolio Holder for Regeneration and Culture indicated that he would support the deferral of the recommendations until the next Council. He explained that the risks were understood.

Voting: Agreed

Councillor Tony Trent abstained from the above decision.

The meeting was adjourned from 8.31 pm – 8.36 pm

## 9. Voting on Appointments

The Chairman had previously reported that in accordance with the requirements of the Constitution this item would be the subject of a recorded vote.

The Chairman presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book on voting on appointments. He advised Members that the report had been requested by Council at its last meeting and contained a neutral recommendation as detailed below:

“Council considers whether it wishes to amend the Constitution to remove the requirement to hold a secret ballot for appointments, and if it does wish to do so authorises the Interim Monitoring Officer to amend the Constitution to remove the requirement.”

The Chairman reported that unless he received a motion removing the requirement for a secret ballot the status quo would prevail. Councillor Mike White proposed **“that the Council remove the requirement to hold a secret ballot for all appointments”** which was seconded by Councillor May Haines. Councillor Mike White in making his proposal explained that the current arrangement was against the Nolan Principles and not consistent with the approach taken by neighbouring Councils and the views of the Local Government Association. Councillors discussed the implications of the current arrangements included in the Constitution by the Shadow Council compared with the proposal to remove the requirements.

The Chairman of the Audit and Governance Committee explained in light of the debate that the Committee had felt that this was a matter for Council to consider and determine hence the recommendation for a report to be prepared which had been agreed by Council on 18 February 2020.

A recorded vote was taken on the motion detailed above

### For

Cllr Hazel Allen	Cllr Malcolm Davies	Cllr Drew Mellor
Cllr Mark Anderson	Cllr Norman Decent	Cllr Tony O'Neill
Cllr Sarah Anderson	Cllr Bryan Dion	Cllr Karen Rampton
Cllr Stephen Bartlett	Cllr Jackie Edwards	Cllr Roberto Rocca
Cllr Derek Borthwick	Cllr May Haines	Cllr Ann Stribley
Cllr Philip Broadhead	Cllr Andy Jones	Cllr Mike White
Cllr Eddie Coope	Cllr Bob Lawton	

### Against

Cllr Lewis Allison	Cllr George Farquhar	Cllr Marion LePoidevin
Cllr Marcus Andrews	Cllr Duane Farr	Cllr Lisa Lewis
Cllr Julie Bagwell	Cllr Laurence Fear	Cllr Rachel Maidment
Cllr Steve Baron	Cllr Anne Filer	Cllr Chris Matthews
Cllr John Beesley	Cllr David Flagg	Cllr Simon McCormack
Cllr Mike Brooke	Cllr Nick Geary	Cllr Pete Miles

Cllr Nigel Brooks	Cllr Mike Greene	Cllr Sandra Moore
Cllr David Brown	Cllr Nicola Greene	Cllr Lisa Northover
Cllr Simon Bull	Cllr Andy Hadley	Cllr Pete Parrish
Cllr Richard Burton	Cllr Peter Hall	Cllr Susan Phillips
Cllr Diana Butler	Cllr Nigel Hedges	Cllr Margaret Phipps
Cllr Daniel Butt	Cllr Paul Hilliard	Cllr Felicity Rice
Cllr Judes Butt	Cllr Mark Howell	Cllr Chris Rigby
Cllr Mike Cox	Cllr Mohan Iyengar	Cllr Mark Robson
Cllr Lesley Dedman	Cllr Cheryl Johnson	Cllr Vikki Slade
Cllr Bobbie Dove	Cllr Toby Johnson	Cllr Tony Trent
Cllr Beverley Dunlop	Cllr Jane Kelly	Cllr Lawrence Williams
Cllr Millie Earl	Cllr David Kelsey	Cllr Kieron Wilson
Cllr L-J Evans		

Abstentions – None  
The motion was lost

Voting: For – 20; Against – 55; Abstentions - 0

**RESOLVED that in respect of voting on appointments the status quo remains.**

10. Notice of Motions in accordance with Procedure Rule 13

The Chairman had previously reported that in accordance with the requirements of the Constitution this item would be the subject of a recorded vote.

Councillor Mellor put on record his appreciation of the enormous effort and tireless dedication to this Council of the Leader over the last year and in particular through the initial phase of the pandemic.

The Council was advised of the following motion proposed by Councillor Drew Mellor and seconded by Councillor Philip Broadhead:-

**Vote of No Confidence**

**“Due to the unprecedented challenges ahead and the need for decisive action, this Council has no confidence in the current administration’s capability to continue to deliver for the Residents of Bournemouth, Christchurch and Poole. Therefore this motion seeks the removal from office of the Leader.”**

Members in considering the motion took into account the statements and petition that had been received on the above, discussed the current political structure, the opportunity to work together, the timing of bringing the motion forwarded to the Council and the work undertaken by Councillor Slade and the Unity Alliance in the last year.

A recorded vote was taken on the motion:

For

Cllr Hazel Allen	Cllr Beverley Dunlop	Cllr Andy Jones
Cllr Mark Anderson	Cllr Jackie Edwards	Cllr Jane Kelly
Cllr Sarah Anderson	Cllr Duane Farr	Cllr David Kelsey
Cllr Stephen Bartlett	Cllr Laurence Fear	Cllr Bob Lawton
Cllr John Beesley	Cllr Anne Filer	Cllr Drew Mellor
Cllr Derek Borthwick	Cllr Mike Greene	Cllr Tony O'Neill
Cllr Philip Broadhead	Cllr Nicola Greene	Cllr Susan Phillips
Cllr Judes Butt	Cllr May Haines	Cllr Karen Rampton
Cllr Eddie Coope	Cllr Peter Hall	Cllr Roberto Rocca
Cllr Malcolm Davies	Cllr Nigel Hedges	Cllr Ann Stribley
Cllr Norman Decent	Cllr Mohan Iyengar	Cllr Mike White
Cllr Bryan Dion	Cllr Cheryl Johnson	Cllr Lawrence Williams
Cllr Bobbie Dove		

Against

Cllr Lewis Allison	Cllr L-J Evans	Cllr Simon McCormack
Cllr Marcus Andrews	Cllr George Farquhar	Cllr Pete Miles
Cllr Julie Bagwell	Cllr David Flagg	Cllr Sandra Moore
Cllr Steve Baron	Cllr Nick Geary	Cllr Lisa Northover
Cllr Mike Brooke	Cllr Andy Hadley	Cllr Pete Parrish
Cllr Nigel Brooks	Cllr Paul Hilliard	Cllr Margaret Phipps
Cllr David Brown	Cllr Mark Howell	Cllr Felicity Rice
Cllr Simon Bull	Cllr Toby Johnson	Cllr Chris Rigby
Cllr Richard Burton	Cllr Marion LePoidevin	Cllr Mark Robson
Cllr Daniel Butt	Cllr Lisa Lewis	Cllr Vikki Slade
Cllr Mike Cox	Cllr Rachel Maidment	Cllr Tony Trent
Cllr Lesley Dedman	Cllr Chris Matthews	Cllr Kieron Wilson
Cllr Millie Earl		

Abstentions

Cllr Diana Butler		
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Voting: For – 37; Against – 37; Abstentions – 1

The Chief Executive following the recorded vote clarified each Councillors vote before announcing the result.

The Chairman used his casting vote which he dedicated to Councillor Colin Bungey and voted against the motion which was lost.

#### 11. Questions from Councillors

##### **Question from Councillor Diana Butler**

Poole Crematorium is a well-used facility – can you give an update on when the furnace will be repaired, in order for cremation to take place on site again.

**Response by Councillor Felicity Rice (Portfolio Holder for Environment and Climate Change)**

Officers are working on a Bereavement Services Business Plan which will fully consider options for infrastructure and investment opportunities across the BCP portfolio. Unfortunately this work has been significantly delayed by the COVID-19 pandemic and the refocusing of officers capacity on support for excess deaths management. Given the current position of reducing cases there is an expectation that the business plan will be able to be presented to Cabinet in the Autumn.

I would like to stress that there will be full engagement with all funeral directors and the public.

It is also helpful to be aware that a provisional cost for replacement of two cremators at Poole crematorium, with NOX and mercury abatement, is in the region of £1.2 million.

At present, the deceased are being cremated in Bournemouth crematorium instead of Poole, however I would like to emphasise for the public, that we are still holding the same number of cremation services and ceremonies at Poole crematorium as normal.

**Question from Councillor Diana Butler**

The 5G Testbed proposed for Lansdowne, now referred to as the Smart Place Project, was agreed by Cabinet on 15 January 2020

- Why was such an important issue not brought to Full Council for a vote?

**Response from Councillor Vikki Slade (Leader of the Council)**

This decision (which was actually made by Cabinet in December 2019) related to a specific Smart Place pilot project over a relatively small geographical area (The Lansdowne), with a limited anticipated duration (less than 18 months). It was therefore a project decision and not a policy decision as it did not seek to establish the Council's policy in regard to the deployment of 5G networks across the Council area.

Evidence around the deployment of 5G had already been comprehensively examined as part of the Overview & Scrutiny Panel's 5G Call for Evidence, which looked at potential health concerns and importantly the statutory responsibilities of local authorities in regard to wireless communications. These statutory responsibilities primarily relate to planning and are set out in 'Section 10. Supporting high quality communications' of the National Planning Policy Framework. The decision was not related to amending or interpreting national policy at the local level (but rather adhering to it) and therefore it did not require to come before Full Council.

Just for noting, the Council's deployment of the 5G network at the Lansdowne will follow the recommendations made by the Overview and



COUNCIL  
09 June 2020

Scrutiny committee and subsequently by Cabinet to ensure that it is deployed in accordance with Public Health England and International Guidance.

The meeting ended at 10.49 pm

CHAIRMAN

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**CABINET**

Report subject	<b>Bournemouth Town Centre Vision (TCV): Winter Gardens Site – Regeneration Opportunities</b>
Meeting date	27 May 2020
Status	Public with confidential Appendix D
Executive summary	<p>Cabinet on 12 February 2020 approved a number of decisions in relation to the Winter Gardens scheme relating to the funding and lease terms which will assist the ability to secure third party funding.</p> <p>The purpose of this report is to (i) seek approval for additional Council finance in accordance with the terms of the BDC Members Agreement to deliver the scheme and realise the scheme benefits and; (ii) consider the acquisition of certain elements of this strategically important scheme to enable the Council to meet its housing targets and long term regeneration objectives.</p> <p>The proposed financing structure for the Winter Gardens Scheme is made up of Third-Party Finance (Debt and Forward Funding) and what is termed under the BDC Members Agreement as “Member Loans”, Additional Council Finance and Additional Private Sector Partner (PSP) Finance. The relevant extract from the BDC members Agreement is set out at Appendix B.</p> <p>The Additional Council Funding requested will be in the form of a loan which will be repaid back at the end of the scheme in advance of development returns in accordance with Clause 7 and 26 of the BDC Members Agreement.</p> <p>A key part of the financing structure is to secure investors via the forward sales/funding of key elements such as the Public Car Park, Private Rented Sector units (PRS) and Age Friendly residential elements.</p>

	<p>In addition to agreeing the Additional Council Finance it is proposed that the Council acquire the Public Car Park and Private Rented Sector (PRS) elements of the scheme to support its Corporate Plan objectives to deliver socio-economic benefits to the town and create Dynamic Places through strategic regeneration or redevelopment opportunities.</p> <p>The PRS element will be operated via the Council's wholly owned company, Seascope Homes and Property Limited.</p> <p>The financial case for acquiring these elements is detailed in the confidential appendix attached to this report.</p> <p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets and market activity is being impacted in many sectors.</p> <p>The short to medium term impact of COVID-19 on the residential PRS market sector is unclear at this stage. The impact on the market and valuations will be constantly reviewed and considered as part of the due diligence still to be undertaken prior to completion.</p>
<b>Recommendations</b>	<p><b>It is RECOMMENDED that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>(a) approves the request for up to a further £7.6M Additional Council Finance less the Site Lease Value. The Site Lease Value will be calculated once the construction procurement process is complete and the terms of the Third Party Finance have been settled. It is anticipated this will be around Q1 2021;</b></li> <li><b>(b) approves the MTFP to be updated in 2021/22 to include £304k per annum (plus interest) for the Minimum Revenue Provision (MRP) associated with this Additional Council Finance;</b></li> <li><b>(c) the purchase of the Private Rented Sector (PRS) and Car Park elements of the Winter Gardens Scheme, from the Bournemouth Development Company LLP, on the terms detailed in the confidential part of this report;</b></li> </ul>

	<p>(d) <b>authorises the Corporate Property Officer in consultation with the Monitoring Officer to agree the detailed [contract provisions];</b></p> <p>(e) <b>approves the grant of a 50-year lease of the PRS elements to Seascope Homes and Property Limited on terms to be agreed by the Corporate Property Officer in consultation with the Monitoring Officer; and</b></p> <p>(f) <b>approves the MTFP to be updated in 2021/22 for the net loss of income relating to the redevelopment of the Winter Gardens car park totalling £743,200.</b></p> <p><b>That Cabinet recommends to Council that;</b></p> <p>(g) <b>the Capital Programme be amended to include Additional Council Finance up to £7.6M less the Site Lease Value anticipated to be drawdown in 2021/22. [It would be prudent to assume the Additional Council Finance will be £7.6M];</b></p> <p>(h) <b>the Capital Programme be amended to include provision for these acquisitions to be funded by prudential borrowing, which is subject to RPI as detailed in the confidential part of this report; and</b></p> <p>(i) <b>the Section 151 Officer be authorised in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements for both the forward purchase of the PRS and Public Car Park and the Additional Council Finance.</b></p>
Reason for recommendations	<p>To enable this exciting and reputationally important mixed-use regeneration scheme to go ahead, helping to deliver high quality homes, and increased footfall in Bournemouth Town Centre.</p> <p>To contribute to the Council's Corporate vision, specifically helping to create dynamic places, investing in the homes our communities need and revitalising and re-inventing our high streets and local centres.</p> <p>The proposals in addition to delivering regenerative benefits are in accordance with the Capital Investment Strategy (Non-Treasury) 2020-2025 (CIS) objectives and criteria adopted by Cabinet on 18 March 2020 and take note of the HM Treasury consultation document; Public Works Loan Board: future lending terms dated March 2020.</p>

Portfolio Holder(s):	Councillor Mark Howell, Regeneration & Culture
Corporate Director	Bill Cotton, Corporate Director, Regeneration and Economy
Contributors	Report Author: Sarah Longthorpe, Strategic Projects and Investment Manager Martin Tiffin, Town Centre Vision Programme Leader
Wards	Town Centre / West Cliff
Classification	For Decision and Recommendation

## Background

1. The establishment of the Bournemouth Development Company LLP (BDC) as a joint venture between the Council and a wholly owned subsidiary of Morgan Sindall Investments Ltd, in the form of a limited liability partnership (LLP), was designed to bring forward the regeneration of Bournemouth Town Centre. An LLP structure was utilised to restrict the Council's exposure to the financial risk on residential and commercial developments on council owned land while simultaneously ensuring the council has a stake in the rewards of ownership, in the form of 50% of the development profit.
2. Where relevant a separate individual development subsidiary company of BDC is established for each development focused on one of the 16 car parks that Bournemouth Council entered into the agreement.
3. The Council's contribution of land is valued and turned into a member loan note to the individual development subsidiary. This is then matched by a cash injection (advance sum) from Morgan Sindall which is also turned into a member loan note to the individual development subsidiary company. Any member loan notes by the two partners in the joint venture should be on equal terms (pari passu) otherwise one party could be seen to be taking on more risk than the other and, in the Council's situation, it could be deemed as providing aid to a private sector company.
4. In October 2015, Bournemouth Borough Council approved the Winter Gardens Site Development Plan (SPD). Following four years of detailed design, in March 2019 BDC secured planning permission for a £150 million residential led mixed-use development at the site of the former Winter Gardens Concert Hall and the surrounding area.

5. On 12 February 2020 Cabinet received an update on the scheme and agreed to amend the existing loan of £3.4 million to an “Additional Council Finance Loan note” and increase the Advance Sum budget to enable this development scheme to progress and assist the Bournemouth Development Company (BDC) with securing third party funding.
6. Third party debt funding requires an element of “equity”. Equity for the purposes of this report is the “Additional Council Finance” and the “PSP” Additional Finance” to be invested from the Members of BDC prior to their own investment, and to be repaid after the third-party debt has been repaid with any fees and interest incurred.
7. The equity is based on a market gearing which can be between 25% and 40% of the total debt funding required. The BDC Members Agreement recognises that the equity requirement is shared between parties to maintain a pari passu basis to reduce funding costs to the development and therefore increase the anticipated profit. As with the Citrus Building it is assumed that equity (*in the form of Additional Council Finance and PSP Additional Finance*) is invested on an equal basis by both members of BDC for the elements of the development which are not forward funded or covered by the Third Party Debt. Chart 1 detailed in Appendix A demonstrates the equal funding position with this scheme.
8. Following 12 months of market engagement by the BDC development team, it is now proposed that the funding sources to be utilised in the delivery of the scheme will be:
  - Member Loans (For Advance Sums by MS / Site Lease Value by the Council and Cash Match (if any by MS)
  - Additional PSP Finance and Additional Council Finance
  - Third Party Debt funding for the open market sales product, residential parking, retail, convenience store and leisure elements and PRS in Block(A).
  - Forward Funding/ Sale for the PRS in Block B and the age friendly elements in Blocks C and D
  - Forward Funding/ Sale for the public car park
9. Chart 2 in Appendix A highlights the sources of development funding identified above.

### ***BDC Contractual Information***

10. It is important to explain that the contractual relationship between the Council and Morgan Sindall Investments (MSIL), as Members of the BDC, consist of a number of legal documents, one of which is the Limited Liability Partnership Members’ Agreement (“LLP MA”). The Delegations policy contained in the LLP MA requires certain decisions to be taken at “LLP Member” level the amount of the Members Loans requires Council approval.



## **Member Loans**

11. Under the terms of the LLP Members Agreement, members of BDC can make loans to BDC. To date MSIL have made a loan to fund the *Advance Sums* of up to £4.9m. The terms of this funding is enshrined in the BDC legal agreements.
12. The Advanced Sums are the amounts required to fund the feasibility, outline design, planning, detailed design and procurement processes. They are funded by the winter gardens individual development subsidiary company of BDC by an Advanced Sum Loan Note from Morgan Sindall.
13. The Advanced Sum Loan is repaid and replaced with the Additional PSP Finance Loan Note at contract completion. The Additional PSP Finance Loan Note is repaid in pari passu with the Additional Council Finance Loan Note before the distribution of any profit or loss on the development.

## **Additional Finance by the BDC members**

14. Under the terms of the LLP Members Agreement, members of BDC can make available funding (via a loan) to BDC under what are termed *Additional Council Finance* and *Additional PSP Finance*. To date both the Council and Morgan Sindall have made available to BDC (via its subsidiary) £3.4 million each to enable the purchase of an adjoining site to ensure comprehensive development. The terms of this finance must comply with the terms set out in clause 6.7 of the LLP Members Agreement (see Appendix B for an extract with relevant sections highlighted yellow).
15. The BDC Members Agreement allows for provision by Morgan Sindall and the council of additional finance to an individual development subsidiary, on terms to be agreed between the parties. Any Council finance is required to be provided on arm's length and genuine commercial terms which are fully State Aid compliant. Further loans can be provided by other third parties and institutional investors on terms agreed by the BDC. Such terms need to be approved by the Council and Morgan Sindall as members of BDC.
16. Developments are therefore funded by differing forms of debt. When the development is completed and sold the proceeds are first used to repay the highest ranking debt. After that any additional finance loan notes to the Council and Morgan Sindall are repaid. Finally, the council and Morgan Sindall member loan notes issued against the land value (as match by MS) are repaid. Only then is any surplus (profit) potentially shared equally (50/50) between the Council and Morgan Sindall. If the scheme makes insufficient revenue to support the repayment of the low ranking debt then this debt is not repaid.

17. In respect of the Winter Gardens individual development subsidiary the council and Morgan Sindall have already issued, on equal terms, a loan to enable the £6.8 million purchase of the connected Exeter Road site. The £3.4 million loan from each partner being at 2.98% for a fixed five-year period which meant it was repayable before the project's completion and therefore outside of the established and normal debt structure as per the Member's Agreement.
18. This loan was issued on the basis that it would be repayable in five years from the date of drawdown, in August 2022.
19. The recommendation in the February report was to reclassify the loan as an additional finance loan note and therefore would now be payable on completion of the scheme after any repayment of higher ranking debt. This means the Council is now taking on a higher level of risk. This higher level of risk obligates the council to consider a higher interest rate to ensure the loan is still state aid compliant. However, as the private sector company are happy to continue to invest their £3.4 million at 2.98 per cent, then the Council can continue at this rate as it is deemed to be State Aid Compliant.
20. That said, any additional finance loan notes or member contribution loan notes are unsecured and will potentially not be repaid if the development is not successful. The Winter Gardens scheme is a large (circa £150 million GDV) development and therefore there are several risks that need to be managed and are outlined the risk assessment section of this report. Councillors therefore need to understand when and how they have received assurance on the scheme's overall viability as ultimately this £3.4 million of Council and a further £7.6m taxpayers money will be invested in the scheme alongside the value of the winter gardens car park land.
21. Should the Council decide to invest an additional £7.6 million into the long-term viability of the scheme then it will be required to ensure its Non-Treasury Asset Investment Strategy discloses the material long-term, illiquid nature of this holding.
22. The reclassification of this £3.4 million loan also obligates the council to adhere to the latest statutory guidance for such arrangements rather than those in force when the original loan was drawn down. By reclassifying this loan, the council will now treat the loan and the further loan of £7.6 million as capital expenditure financed by borrowing within its accounts. In turn this means the council is required to set-a-side a minimum revenue provision (MRP) payments for the prudent repayment of the debt, which in accordance with the councils approved MRP policy equates to £136,000 per annum (4%).
23. Provision has been made as part of the proposed 2020/21 budget for this £136,000 annual payment. Any resources set aside annually as part of this process should be available for redistribution when the loan is eventually repaid. In addition, a maximum £304k per annum (4%) will need to put aside as the Minimum Revenue Provision

(MRP) for the new £7.6m loan and the associated interest the council will need to bear on the associated borrowing and this will need to be reflected in the Medium Term Financial Plan (MTFP) 2021/22. To model this more accurately we will need a forecast from BDC as to the time-period over which this drawdown will occur

24. In respect of the value of the member loan note associated with land the council will hold in the Winter Gardens this will not be determined until later in the process when the conditions set out in the option agreement between the Council and BDC have been satisfied.
25. The February report authorised the increase in the Advance Sums to be met from a loan to BDC from MSIL. This does not have an impact on the MTFP. The increased budget and cost of build could erode the Site Lease Value (Council's Land Value) and the Council's profit expectation, however it is too early to predict whether this is actually the case and as receipt of these payments are not included in the MTFP, there is no adverse impact.
26. The change to the original £3.4 million loan to a Council Additional Finance Loan means that the loan will not be repaid on a set date. Instead the loan will be repaid once the higher ranking debt is repaid in full. The Council will however be entitled to receive interest until such time as the loan is repaid as it will be able to do so in relation to the additional £7.6 million which is likely to commence being drawn down in 2021/22.
27. The amount of Additional Council Finance ("ACF") required to secure Third Party Debt is estimated to be around £7.6 million less the Site Lease Value. It is too early to determine the precise amount of the ACF as the Site Lease Value will not be known until such time as the construction procurement process is complete and the "contract sum" under the fixed price lump sum construction contract has been agreed between BDC and the appointed contractor. It is anticipated that the precise level of ACF will be known around Q1 2021. It is prudent at this stage to assume that the ACF is £7.6 million.

### ***Regeneration Opportunities***

28. The BDC has been undertaking market engagement in relation to the forward funded opportunities within the scheme for the last 12 months.
29. These opportunities within the mixed-use scheme consist of Private Rented Sector (PRS) and age friendly accommodation, a 225 public car park, 4,000m2 leisure provision, a range of A3 restaurant units with alfresco dining fronting Exeter Road and a convenience store facing the BIC roundabout.
30. A brochure providing further detail on this development is attached at Appendix C.

31. The individual elements of the scheme have been considered by the Investment Panel against the criteria of the CIS and in the context of the Council's existing investment portfolio asset base and sector exposure. The panel collectively determined that it is appropriate for the Council to focus its interests on the elements of the scheme that are strategically fundamental to the delivery of the regeneration of the town centre and the provision of new homes, the Residential PRS and Public Car Park elements, not the Retail and Leisure sector elements.
32. As part of the Town Centre Vision, the Council acknowledges that transport movement is crucial to its long term success and that the future car parking locations and ownership play an important part in delivering holistic town centre regeneration.
33. The scheme has been designed across four blocks A1 & A2, B, C & D to support a phased construction approach. It is proposed that blocks A & B are built out first which incorporate the majority of the basement parking, A3 retail street frontage, leisure space and the convenience store. This will be followed by blocks C&D.
34. An indicative programme is detailed in the Investment Brochure, with a start on site scheduled for Q1 2021, blocks A & B are due to complete in late 2023 with the completion of the whole scheme in mid-2024. Based on this draft programme it is envisaged BCP would take ownership of the proposed investment elements in late 2023 early 2024.
35. In total the development has 350 plus dwellings providing 1,2, and 3 bed flats. It is essential to the overall scheme viability that the housing element contains a proportionate mix of sale, rent and age friendly accommodation that reflects current and future market demands. In this development it is roughly a third of each type.
36. In accordance with the CIS all offers are made subject to contract and: -
- all necessary surveys
  - an assessment of necessary capital works
  - a formal "Red Book" valuation to ensure best value is demonstrated in accordance with Section 123 of Local Government Act 1972
  - benchmarking with comparable transactions
  - an agreed "exit strategy"
  - legal due diligence
  - financial due diligence including credit information for all tenants
  - the requisite Council approvals
37. As highlighted in the executive summary the short to medium term impact of COVID-19 on the residential PRS market sector is unknown at this stage although industry experts such as Savills are currently reporting that rents remain largely unimpacted

at this stage. Current research by leading agents and property portals are all projecting that the current crisis will create a short sharp dip in market conditions with us starting to recover late 2020/early 2021.

38.

39. The Royal Institute of Chartered Surveyors (RICS) have issued guidance to its valuers highlighting that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value.

40. Indeed, the current response to COVID-19 means that it is faced with an unprecedented set of circumstances on which to base a judgement. Consequently, less certainty and a higher degree of caution will be attached to valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, RICS has recommend that valuations are kept under frequent review.

41. The proposed PRS acquisition is a long term (50 year) opportunity for the Council, the impact on market rents and valuations will be constantly reviewed and considered as part of the due diligence still to be undertaken as detailed in item 35.

42. The Council will be required to enter into an Agreement for Lease for both elements and will provide forward funding for the acquisitions later this year. The Agreement for lease will detail the contractual obligations and a stage payment schedule which will be drawn down during the two-year construction period. The Council is familiar with entering into these types of agreement and it is proposed that finalisation of the heads of terms for these contracts is delegated to the Corporate Property Officer and Monitoring Officer.

43. The financial model for the acquisition of the PRS and Public Car Park elements are detailed in the confidential Appendix D attached to this report.

44. The purpose of this report is to update Members and seek approval for the equity investment required for the delivery of the scheme and to acquire the specific elements highlighted to deliver new homes and support the long term regeneration of the town centre

### **Private Rented Sector (PRS)**

45. This opportunity concerns the acquisition of a 250-year leasehold interest in relation to 123 PRS homes located in block A2 and the four lower floors of block B and the 225 space Public Car Park within the Winter Gardens scheme.

46. These blocks have been specifically designed to reflect the PRS market with a mix and size of accommodation to suit market demand. The units in block A1 and the upper floors of block B will be offered for open market sale, due to their projected values and positioning within the scheme. Blocks C& D will provide age friendly accommodation.

47. A report compiled by Knight Frank revealed that demand for privately rented homes continues to grow with an additional 560,000 households expected to be living in the

private rented sector by 2023. There are currently 29,416 professionally managed PRS units completed, with a current pipeline of PRS units under construction or in planning of 110,092.

48. Favourable demographic trends, a continuing supply/demand imbalance in the housing market and attractive rental growth prospects, not to mention stable long-term returns, combine to make the UK's PRS market a particularly strong investment proposition for institutional investors as well as local authorities who are increasingly entering this market.
49. The letting market in the town remain strong and on prime newer housing stock, such as Citrus Building, Coast, The Summit and Berry Court there are currently properties on the market with rents of around £850 to £1,100 pm for a 1 bed and 2 beds from £1,150 to £1,500pm.
50. It is important to note that this scheme is strategically important to the Council to enable it to meet its Housing Targets and to support regeneration. Investing in the PRS element will improve tenant choice in the local marketplace 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, the homes will appeal to an increasingly mobile, professional workforce.
51. This means that the 123 build to rent homes in the completed development will be owned by BCP Council and will be let at market rents on Assured Shorthold Tenancies. There will be parking provision within the scheme available separately to the public car park for the PRS tenants to use on an unallocated basis.
52. Since the Council is not able to grant Assured Shorthold Tenancies, the homes will be managed and operated by the Council's wholly owned company, Seascope Homes and Property Limited (SHP), on a long lease which is already set up to provide such services.
53. It is a strategic objective of SHP to grow its market share in PRS schemes across the BCP area and to date the Council has acquired a 46 flat PRS scheme at St Stephens Road and is committed to funding 26 units of PRS accommodation within the Council's Princess Road scheme. There is demand locally for smaller blocks of PRS units to meet housing need.

## **Public Car Park**

54. In addition to the PRS element it is proposed the Council acquire the 225-space public car park which will be managed in-house.
55. By developing on Council-owned town centre surface level car parks, such as the Winter Gardens it is acknowledged that during the construction phase of the development, the revenue generated from the car parks in question would cease and car parking would be displaced to other car parks in the locality.
56. It should be noted that income projections within the financial model rely on increasing the car park tariffs for this site by 50% per annum. Income is based on 2018-2019 actual base income per space for the Winter Gardens car park.

57. It should be noted that in relation to this site only the proposed pricing strategy would be a change from the current Council pricing policy.
58. It is proposed that the net operating income that can be reasonably and robustly assumed from this new public car park will be applied to fund (a) the capital and interest payments required under prudential borrowing and (b) annual operational expenditure.
59. The car park element has been modelled over a 30-year term at 3.5% using prudential borrowing and at the end of the term the Council will own the asset with no outstanding loans.

### **Lease Structure**

60. BCP is the freeholder of the majority site area with the exception of a parcel of land which was acquired by the Winter Gardens Development LLP (WGD), a wholly owned subsidiary of BDC in 2017 to enable the development. Under the conditions of the Option Agreement for BCP land, the site under option will be transferred into WGD as a 250-year lease for development in addition to the land acquired. The lease for the PRS and car park will be transferred back to the Council in the most efficient tax and funding structure which is to be determined with legal and tax advice.
61. BDC are proposing to form a management company and purchasers of the scheme will share ownership to ensure everyone has an element of control in the management of the estate. It will be essential for the Council to ensure the correct management structure is in place for the robust control of building insurances, future maintenance and management of the estate and to obtain the benefit of collateral warranties.
62. As these are leasehold acquisitions service charges and maintenance costs will be incurred, these have been factored into the financial appraisal for both elements.
63. Acquisition of these long leasehold interests will enable the Council to retain control of public car parking provision within this prominent town centre redevelopment and provide high quality rented accommodation whilst generating a return.
64. With regards to the timing it is envisaged that the Public Car Park lease will be transferred to the Council at the start of construction with forward funding to commence at that stage on a monthly drawdown basis. It is acknowledged that a Section 123 Valuation will be undertaken at this time.
65. It is envisaged that the PRS leases will be transferred at what is termed as Golden Brick level (the level above the commercial elements and car park) with forward funding to commence at that stage on a monthly drawdown basis.

### **Summary of financial implications**

66. The confidential financial report in appendix D considers the detailed terms for the acquisitions and the financial business case for proceeding.
67. As part of Town Centre Vision and agreeing to develop on Council-owned town centre surface level car parks, the Council acknowledge that during the construction phase of the development, the revenue generated from the Winter Gardens car park would cease and car parking would potentially be displaced to other car parks in the locality.

68. The level of car parking income across the Town Centre Car Parks as a whole has been going up year on year despite a number of car parks being closed as people take up space in previously less used car parks. It is anticipated that the car parking revenue received from the closure of Winter Gardens car park will result in an increase in car parking revenue in other car parks in the area including those owned by the Council and third-party operators. However, in this instance, displacement is negatively affected as the three largest alternative car parks to Winter Gardens are not owned by the Council.
69. It must however be noted that any decrease in the level of the Council's car parking income must be balanced against the value of regenerating the area, a land value which demonstrates "best value" under section 123 of the Local Government Act of 1972 and a 50% share of the profit from the development.
70. Overall the financial model concludes that these strategic acquisitions will deliver a positive return for the Council over the respective terms. At the end of this period, the Council will own the assets with no outstanding loans.
71. In addition, the wider economic benefits of the proposals include;
- a. no debt (outstanding loans) associated with the assets at the end of its economic life. Therefore, any capital growth over this period will be a direct benefit to the Council.
  - b. the estimate value of the assets at the end of its economic life, assuming this value increases by the standard rate of inflation and the asset is maintained in a consistent condition.
  - c. the option going forward of selling the assets at any point to realise a capital receipt to recoup the original investment.
  - d. in respect of the Bournemouth Development Company (BDC), protecting the Council's purchase price/contribution, as this is fixed with the risk of cost overruns covered by BDC.
  - e. in respect of Seascope Homes and Property Limited, any profits arising from the management of the PRS scheme may be returned to the Council by way of dividend payments via Seascope Group Limited.
72. Once purchased, the performance of these assets will be closely monitored to ensure that it continues to meet income and expenditure projections, with necessary corrective action taken as necessary.
73. In addition to the financial risks associated with funding these acquisitions the following factors have also been considered;



- Legal parameters within which Prudential Borrowing can be undertaken –The Government retains the power to "cap" any local authority undertaking what they regard as risky borrowing. Any such cap could impact on other programmes and ambitions of the Council;
- In addition, CIPFA has started a review of the prudential code in response to concerns expressed by some commentators regarding increasing property investment activity by Council solely for investment purposes;
- HM Treasury consultation document title "Public Works Loan Board – future lending terms" dated March 2020;
- State Aid implications;
- Availability of capital resources – including Community Infrastructure Levy, and impact assessment of their depletion on the Council;
- Cashflow implications.

### **Summary of legal implications**

74. The legal obligations of the Council and Morgan Sindall Investments Ltd as members of BDC are set out in a Limited Liability Partnership Members' Agreement which was negotiated as part of an EU Procurement Process undertaken in 2009/2010. The Delegation's Policy contained in the LLP MA identifies the decision to be taken at "LLP *Member*" level, decisions to be taken at Partnership Board level and decisions to be undertaken at Development Manager level.

75. The Localism Act 2011 grants local authorities far-reaching powers to act commercially. The purchase of these assets for investment purposes is entirely in accordance with these powers.

### **Summary of human resources implications**

76. The BDC has board representatives from the Council and also from Morgan Sindall Investments Ltd. The board representatives are responsible for delivering the Winter Gardens Development. BDC has appointed Morgan Sindall Investments Ltd as the Development Manager to manage the day to day development activity. The Development Manager is tasked with implementing BDC Board decisions and reporting on progress.

### **Summary of environmental impact**

77. A key objective of the Corporate Plan is to reduce the town centre's carbon footprint, whilst improving its competitiveness. The scheme presents many opportunities to do this by having more people living in the town centre thereby giving them better access to town centre amenities. This reduces the need for a private car. The location of the scheme within the town centre has easy access

to key retail and leisure attractions, the main Bournemouth transport terminal at the station and regular bus routes make this a very sustainable location. The Environmental impact analysis indicates that this is likely to have a positive impact on the carbon footprint.

78. The proposed new public car park provision is in line with current policy, however the current car parking strategy is being reviewed with a Supplementary Planning Document (SPD) due at the end of 2020. With the shift towards fewer larger town centre car parks in the Council's ownership more control can be exerted over future pricing strategies and usage.
79. The evolution of the construction industry demands that buildings are delivered more economically, within shorter time frames, more cost-effectively and with reduced impact on the environment. BDC currently uses Building Information modelling (BIM) to deliver benefits on its projects, but going forward would look to integrate BIM more to increase the opportunity for offsite prebuild. This includes engaging and supporting the supply chain to adopt BIM standards and processes on a typical project, and delivery of data to drive automated manufacture and offsite production.
80. BDC seeks to work closely with local suppliers, clients, designers to procure sustainable materials wherever possible. Rather than just optimising the acquisition, use and disposal of resources, BDC looks to create a loop of reusable resources and assets for their clients. This is demonstrated on existing projects from choosing materials and components to optimise operation as well as build, to promoting training and employment within the local community.
81. BDC will procure environmental risk assessments, through the supply chain, for each project that address the construction, commissioning and handover phases. Every project, once on site has an environmental management plan that describes the systems, monitoring and auditing to achieve the project's objectives in a sustainable manner.

### **Summary of equality implications**

82. The Equality Impact Needs Assessment indicates that the TCV provides substantial opportunities to create a positive Equalities Impact, particularly by improving accessibility of the town centre.

### **Summary of risk assessment**

83. The Town Centre Vision, as a major programme of the Council, has been subject to a full Risk Assessment.
84. Members should ensure they have considered matters relating to the risk, security, liquidity and proportionality associated with the proposal. They should also satisfy themselves that the potential returns are consistent with the level of risk.

85. Requests for finance loan notes or additional Member contributions from the Council is a standard market requirement for equity funding from partners for developments.
86. Investment Risk: including the risk that the development is non-profit making. This risk can, for certain elements of the development, be mitigated if parts of it are pre-sold. In other words, parts of the scheme are sold to institutional investors before construction works on site commence. The residential element of the scheme does however expose BDC to significant market risk. By undertaking the residential element in stages, it is intended that this market risk can be mitigated to avoid creating an oversupply and building units that meet end users/purchaser's requirements.
87. Construction Risk including late completion and cost overruns. BDC will enter into a fixed price lump sum contract with the building contractor to mitigate the effects of such risk being held by BDC.
88. Prudential Borrowing Risk – as identified Item 54, it is likely that prior to the drawdown of funds CIPFA will have completed their review of the prudential borrowing code on Local Authority Investments. The outcome of this review may restrict the funding options available to the Council. However, this investment alongside the financial benefits identified will contribute to the Council's Corporate vision, specifically helping to create dynamic places, investing in the homes our communities need and revitalising and re-inventing our high streets and local centres. It is therefore our understanding that suitable Prudential funding will be available to the Council. The consultation outcomes will be reviewed when available to ensure our understanding remains correct. The current view of HM Treasury (as outlined in para 1.36 and 1.37 of the above mentioned consultation document) is that the government fully supports Councils using commercial structures to advance core objectives of service delivery, housing and regeneration and is merely aiming to address the relatively narrow sub set of capital spending of Councils who have been using PWLB loans to buy investment assets primarily for yield.

## **Appendices**

**Appendix A** - BDC Winter Gardens Scheme Debt & Development Funding

**Appendix B** - Extract from LLP Members Agreement setting out clause 6 and 7

**Appendix C** - Winter Gardens Brochure

**Appendix D** - Confidential Financial Report - **CONFIDENTIAL – Please note should Cabinet wish to discuss the contents of Appendix D the meeting will need to go into Confidential (Exempt) session.**

## APPENDIX A

### BDC Winter Gardens Scheme Debt & Development Funding

Chart 1

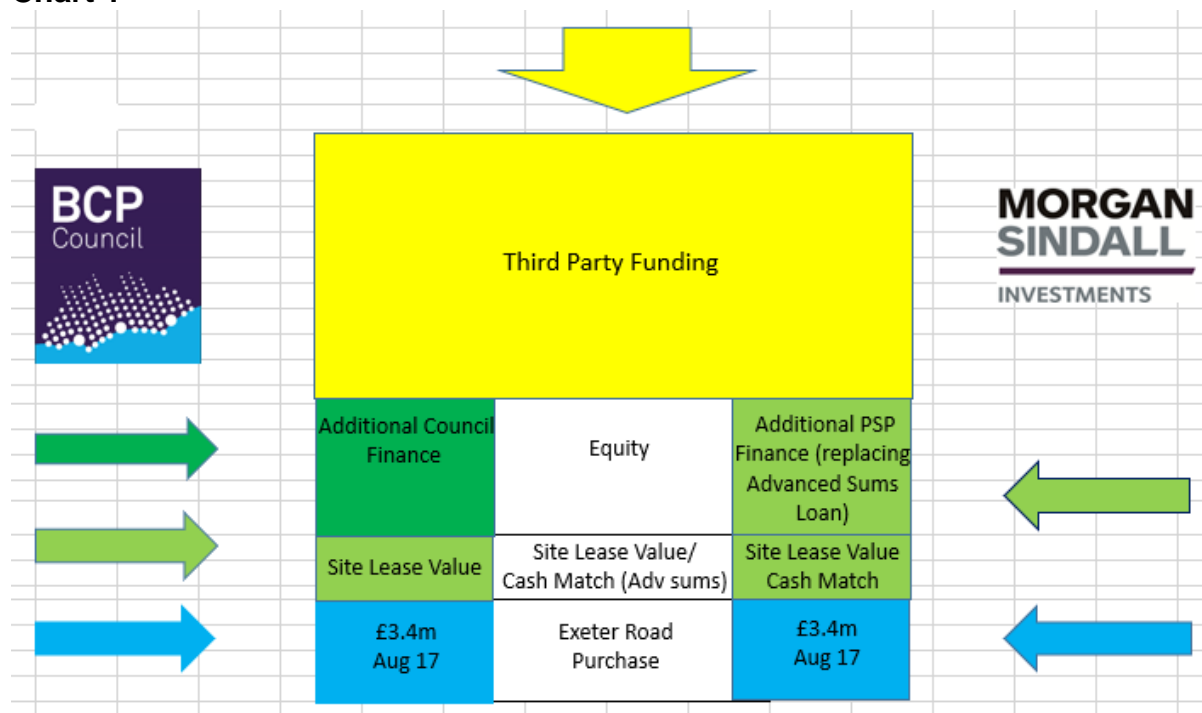
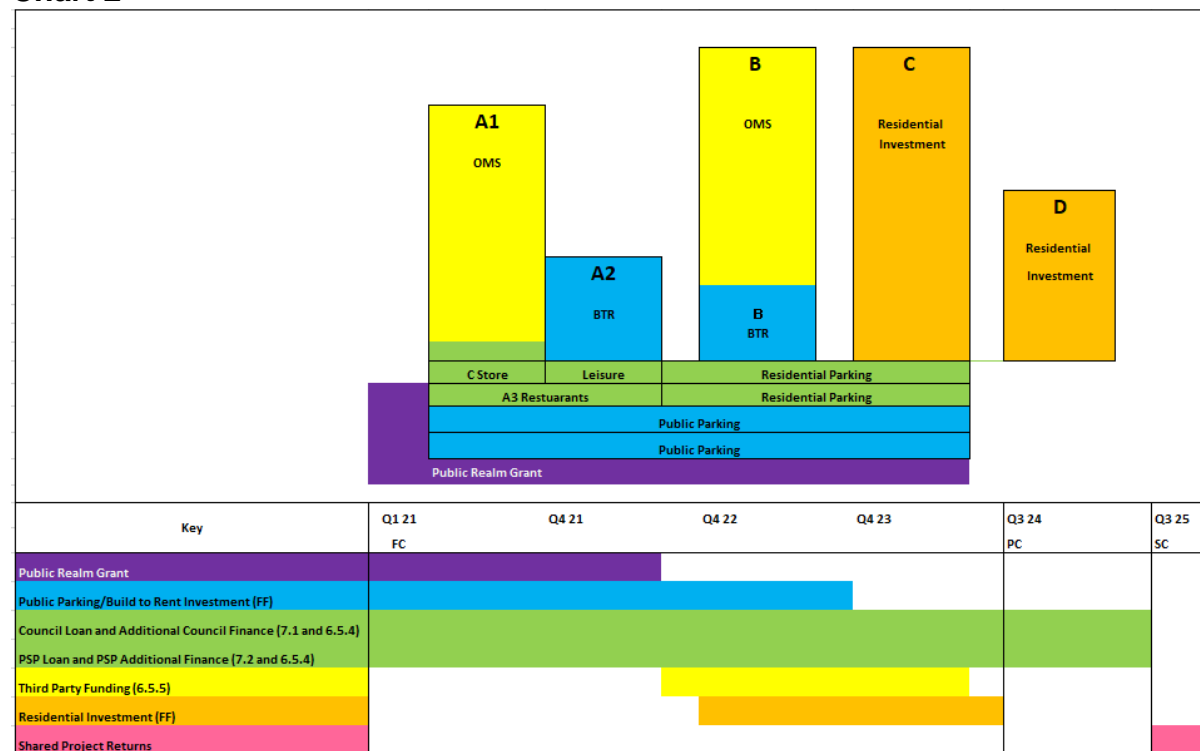


Chart 2



## APPENDIX B

### Extract from LLP Members Agreement setting out clause 6 and 7

- 6.4 No Member shall have the right to the return of its respective Capital Contribution except as otherwise provided under the terms of Clause 32.4.
- 6.5 The Business Plans shall identify the envisaged **funding requirements of the LLP and** the relevant Development Subsidiaries and the requirements for drawdown of Member Loans from time to time. It is intended that the funding requirements of the LLP and the Development Subsidiaries shall be met through the following methods: -
- 6.5.1 the Member Loans;
  - 6.5.2 the Interim PSP Finance;
  - 6.5.3 the provision by the PSP of Additional PSP Finance to individual Development Subsidiaries on terms as may be agreed by the LLP and the PSP from time to time;
- 
- 6.5.4 **the provision by the Council of Additional Council Finance to individual Development Subsidiaries on such arms length commercial terms as may be agreed by the LLP and the Council from time to time;**
- 
- 6.5.5 further loans provided on arm's length commercial terms from an institutional lender or other third party ("**Third Party Funder**") to individual Development Subsidiaries on terms as may be agreed by the LLP from time to time ("**Third Party Funding**"); and
- 6.5.6 the LLP lending sums to Development Subsidiaries in accordance with Clauses 7.8 and 7.9.
- 6.6 Unless otherwise unanimously agreed by the Members, no Additional PSP Finance or Third Party Funding shall be provided in relation to a Site or Package of Sites until such time as all the PSP Loan(s) for that Site or Package of Sites is drawn down by the LLP.
- 6.7 **(Where required) the Business Plans shall identify the amounts of Third Party Funding to be provided by a Third Party Funder, Additional PSP Finance and/or Additional Council Finance (as applicable) provided always that:-**
- 6.7.1 **the loans are provided on the most commercially and financially advantageous terms obtainable by the LLP (or the LLP acting on behalf of the Development Subsidiary) at the time of borrowing;**
  - 6.7.2 **the borrowings of any Development Subsidiary shall comply with the Maximum Gearing Threshold; and**
  - 6.7.3 the amounts are approved by members in accordance with the delegation policy
- 6.8 The Parties agree that the Council may provide funding to the LLP to meet up to 50% of:
- 6.8.1 any Advanced Sums to be expended to pursue Stage 1 Project Appraisal Sign Off in relation to Sites to be brought forward in accordance with the Partnership Business Plan and Development Programme, subject always to the aggregate of any Council and PSP funding by way of Advanced Sums in relation to such activity being no greater than the Advanced Sum Cap;
  - 6.8.2 any Advanced Sums to be expended in relation to Non Site Specific Costs; and

6.8.3 any Advanced Sums set out in the Site Development Plan(s) from time to time

provided that the terms of such funding shall be in accordance with the principles set out in Schedule 15 and such further detailed terms as the LLP, the Council and the PSP may (in their absolute discretion) agree to give effect to such principles.

## **MEMBER LOANS**

### **Council Loan**

7.1 Subject to the terms of the Option Agreement, the Council shall grant a lease of each site to an individual Development Subsidiary set up in accordance with Clause 21 and Schedule 10 for the purposes of developing out such site or Package of Sites. In consideration of the grant of a Lease by the Council to the relevant Development subsidiary the LLP shall issue to the Council such number of Council Loan Notes as is equal to the Site Lease Value for the relevant site transferred, The aggregate Site Lease Value of all sites so leased shall constitute the Council Loan from time to time.

### **PSP Loan**

7.2 The PSP agrees to match the Council Loan and agrees to pay to the LLP the Site Lease Value of each site leased to the LLP by the Council pursuant to the Option Agreement, This shall constitute the PSP Loan which shall be provided by the PSP in accordance with the provisions of Clauses 7.4 and 7.7 (inclusive). It is acknowledged and agreed that:

7.2.1 in relation to each Site, the Site Lease Value of such site will not be known by the Parties until such time as it is calculated in accordance with the Option Agreement and, consequently, the aggregate Council Loan and matching PSP Loan shall be unknown until such time; and

7.2.2 from time to time the PSP shall contribute Advanced Sums in order to fund the Non Site Specific Costs which shall be excluded from the calculation of the PSP Loan. **Package of Sites**

7.3 The Parties may package Sites together (each a "Package of Sites") where the aggregate Site Lease Values for such Package of Sites is considered to be more than or equal to the aggregate of Advanced Sum to be advanced in relation to such Sites. In such circumstances, the aggregate Site Lease Values for such Package of Sites shall determine the PSP Loan to be paid by the PSP in relation to such Sites. Where a Site Lease Value for any Site comprised within the Package of Sites is less than the Advanced Sums advanced by the PSP in relation to such Site the PSP Outstanding Loan Commitment in relation to such Package of Sites shall be determined in accordance with the following formula:

PSP Outstanding Loan Commitment for the Package of Sites = A

minus B Where:

A= in relation to each Site where the Site Lease Value exceeds or is equal to the Advanced Sums (plus interest accrued thereon) advanced for such Site, the Site Lease Value minus the Advanced Sums (plus interest accrued thereon) advanced in relation to such Site (aggregated across the Package of such Sites)

B = in relation to each Site where the Advanced Sums (plus interest accrued thereon) advanced for such Site exceed the Site Lease Value for such Site, the Advanced Sums (plus interest accrued thereon) advanced in relation to such Site minus the Site Lease Value (aggregated across the Package of such Sites).

In circumstances where the aggregate Advanced Sums advanced in relation to such Package of Sites is more than the aggregate Site Lease Values for such Sites, then the provisions of Clauses

7.7.1 and 7.7.2 shall apply and reference to:

7.3.1 Site in Clause 7.7.1 shall be to the relevant Package of Sites;

7.3.2 Advanced Sum Capitalised Amount in Clauses 7.7.1 and 7.7.2 shall be to the outstanding Advanced Sum Loan Notes (plus interest accrued thereon and which has not yet been



# Winter Gardens Bournemouth

RESIDENTIAL AND COMMERCIAL OPPORTUNITY





# OPPORTUNITY TO FORWARD FUND PART OF THIS RESIDENTIAL-LED MIXED USE DEVELOPMENT



## KEY DEVELOPMENT FUNDAMENTALS

- Residential accommodation and amenity space spread across four buildings
- In excess of 350 apartments providing a mix of 1, 2 and 3 bedroom flats and penthouse apartments
- Place making development with over 4000m2 of leisure space
- A range of A3 restaurant units split and fronting Exeter Road
- A small convenience store for all residential needs
- Basement parking with separate decks for public parking and residential parking beneath attractive public realm landscaping and footpaths
- Steps away from Bournemouth BIC and 7 miles of award winning beaches
- Prime location within central Bournemouth close to prime retail and leisure amenities
- Mix of Open Market units with Private Rented Sector units (PRS) and Age Friendly Opportunities across four individual blocks.
- Bournemouth Development Company will oversee the delivery of the project
- Morgan Sindall Investments as Development Manager
- Main Contractor: VINCI Construction UK
- Long leasehold interest of 250 years
- Full planning secured in March 2019
- At an advanced stage of design and procurement
- Part land banked by the Winter Gardens Development SPV and part Bournemouth Development Company LLP Land Option with Bournemouth Christchurch and Poole Council



## DEVELOPMENT OVERVIEW

The Development consists of four Blocks, A (split into A1 and A2), Block B, Block C and Block D as illustrated below.



The four blocks are currently split to enable the option for two construction phases however the current plan is to have minimal phasing between the blocks by using different tenures to reduce the occupation period. The basement car parking and commercial uses will be built first followed by Blocks A and B and shortly after Blocks C and D. This is demonstrated in the indicative programme below: -

	2019				2020				2021				2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Pre-construction</b>																								
Planning																								
Contractor Procurement																								
Detail Design																								
Option Execute																								
<b>Phase 1</b>																								
Car Park construction																								
Block A1&2 construction																								
Block A1 Sales																								
Block B Construction																								
Block B Sales																								
<b>Phase 2</b>																								
Block C Construction																								
Block D Construction																								

## DEVELOPMENT OVERVIEW

There are a number of different opportunities, which include A3 retail, being made up of five restaurants, a small convenience store, leisure facilities which are a planning requirement, along with the public car park.

In addition two sections of the development have been identified as being ideal for PRS units. These are set out in the table below with the public car park rental income information: -

### Commercial Rent Roll

Section	Units/ Space	GIA Sqm	NIA Sqm	Estimated rent P.A (£)	Avg. £psm pa
Public car park	225	-	-	£533,704 (net)	-
Block A2 PRS	65	4917	3858	£899,438	£233
Block B (first 4 floors) PRS	58	4460	3564	£816,105	£229

## DEVELOPMENT STRUCTURE

There will be a mix of leases in regards to the car park spaces being leased with the residential units and the public car park. This structure is not unknown within BDC where public car park space re-provision is a standard requirement.

The scheme has a mixed use of Commercial A3 and Leisure units along with a Convenience Store and Residential Units. The residential units are expected to be a mix of open market sales, PRS and age related units.

The open market sales units are to be senior debt funded geared with BDC member's equity along with the Commercial A3 Retail units, Leisure units and Convenience Store.

PRS and age related units are to be forward funded from the appropriate stage of construction to mitigate stamp duty on purchase of the assets.

## PUBLIC CAR PARK

In order to carry out the Winter Gardens development there is a requirement for the re-provision of public car parking, for a total of 225 spaces. This takes into account the 175 already provided on the BH2 development. The cost of re-providing the car park spaces is c. £12m plus fees.

Annual income from the existing temporary public car park has been gathered from the Commercial Finance team at BCP Council for the past three years. As set out below:-

### Project

Code K1036      Winter Gardens/Priory Road

Year	Income	Expenditure	Net Income
2016-2017	£486,686.04	£84,835.20	£401,850.84
2017-2018	£697,224.95	£84,523.35	£612,701.60
2018-2019	£741,255.04	£55,849.00	£685,406.04

The forecast revenue has been based on the current net income per space of £2,965 on the 225 spaces re-provided totalling £667,722. An increased expenditure of 20% has been assumed reducing the net income to £533,704. This net income has been capitalised using a yield of 4.5% to total £11,646,599 with an allowance of 1.8% for purchaser costs.

## RESIDENTIAL PRIVATE RENTED SECTOR UNITS

Located just 0.1 miles from Bournemouth's main square, less than 1.5 miles from Bournemouth's mainline station and less than a five minute walk from Bournemouth's award winning beach. With bars, restaurants and entertainment on the door step Winter Gardens is in a prime position for privately rented homes.

The 2011 Census results showed that Bournemouth's Central ward has an extremely active private rental market, with 51% of households renting privately. This reduces to 31% when considering the whole Borough of Bournemouth. Of those that rent privately the largest demand comes from the 16-34 age group due to both the population size of this group and the proportion of that age group renting privately. The 35-49 age group are also active renters however above this the proportion of people renting drops off. The highest use for rental accommodation in Bournemouth is for 1 and 2 bed properties with the use of larger properties being significantly lower. The mix at Winter Gardens reflects these apparent preferences for 1 and 2 bedroom homes.

BDC have recently completed a Build to Rent scheme in Bournemouth called Berry Court which consisted of 113 units made up of Studios, 1, 2 and 3 bedrooms. Radian, the investor / operator, were able to make reservations for over 75% of the homes prior to completion, an indication of the high demand for good quality, professionally managed privately rented accommodation in Bournemouth.

Both Blocks A2 and B's first four floors are suitably designed for the build to rent market with a mix and size of accommodation to suit market demand. However, there is the ability for any investor to work with BDC to maximise the internal layouts to suit.

At Berry Court the following rental values were achieved at completion in August 2018.

	Studio	1 bed	2 bed	3 bed
Monthly Rent Range	£750	£850 - £1250	£1050 - £1450	£1350 - £1750
Average Rent per month	£750	£980	£1150	£1500

The rental ranges within a mile of Bournemouth are currently as follows:

	Studio	1 bed	2 bed	3 bed
Monthly Rent Range	£375 - £775	£450 - £990	£650 - £2000	£795 - £3500

BDC estimates rents at Winter Gardens to have the following values:

	Studio	1 bed	2 bed	3 bed
Monthly Rent Range	£775-£825	£900-£1250	£1200 - £1650	£1350 - £1750

## DELIVERY TEAM

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### Developer: The Bournemouth Development Company LLP

The Bournemouth Development Company LLP partnership was formed between the Bournemouth Christchurch and Poole Council (formally Bournemouth Borough Council) and Morgan Sindall Investments Limited. To date five successful developments have been developed or are still in construction within Bournemouth providing secure investment for both external investors and the Council.

#### Track Record

- Citrus Building, Horseshoe Common
- Student Accommodation, Madeira Road
- MSCP, Madeira Road
- Berry Court, St Peters Road
- Tree Tops, St Stephens Road



### Contractor: VINCI Construction UK

VINCI is a world leader in concessions and construction. The company employs approximately 185,000 people in 100 countries. VINCI's UK companies turn over circa £2 billion per annum and employ around 900 employees. VINCI Construction UK is the largest British subsidiary of VINCI and is a national construction and facilities company.

#### Track Record

- BH2, Bournemouth
- Eastbourne College
- New Covent Garden Market
- Olympic Stadium



### Architect: Bright Space

BrightSpace Architects are united by a shared belief that good design can elevate everyday places. With a talented team of over 20 architects, designers, technologists and support staff working out of a purpose-built studio in Fordingbridge, Hampshire.

#### Track Record

- Zen, Southampton High St
- Berry Court, St Peters Road
- Waterlooville



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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Report subject	<b>Bournemouth Town Centre Vision (TCV): Winter Gardens Site – Project Risk Register</b>
Meeting date	7 July 2020
Status	Supplementary Report - Public
Executive summary	<p>Cabinet on 27 May 2020 approved the recommendations detailed in the Bournemouth Town Centre Vision (TCV) Winter Gardens site Report and referred the matter for decision by the Council on 9 June 2020.</p> <p>Whilst a summary of the key project risks was outlined in the Cabinet report a further BCP Council project risk register was sent by email to Council members by Cllr Mark Howell during the meeting of Council on 9 June 2020.</p> <p>After the receipt of the risk register the Council decided to defer the decision on this item, for further consideration at a future meeting.</p> <p>The Council's project risk register is appended to this supplementary report, for consideration by Council when considering the ratification of the Cabinet decision dated 27 May 2020.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Council has regard to the project risk register when considering the ratification of the Cabinet Decision dated 27 May 2020.</b></p>
Reason for recommendations	<p>To ensure Members are informed of the key risks associated with this project to enable this exciting and reputationally important mixed-use regeneration scheme to go ahead, helping to deliver high quality homes, and increased footfall in Bournemouth Town Centre.</p>



Portfolio Holder(s):	Councillor Mark Howell, Economy Regeneration & Culture
Corporate Director	Bill Cotton, Corporate Director, Regeneration and Economy
Report Authors	Sarah Longthorpe, Strategic Projects & Investment Manager
Wards	Bournemouth Central;
Classification	For Information

## **Background**

1. Whilst Cabinet approved the report dated 27 May 2020 which summarised the key risks associated with this project, Council noted that the report did not appendix the project risk register, similar to that of another report being considered at the meeting for the acquisition of land at Holes Bay, Poole which did have a Council project risk register appended.
2. The Council project risk register was subsequently issued by email to councillors, however in order to give time for due consideration it was agreed to defer consideration of this item until the Council meeting dated 7 July 2020.
3. Whilst the key risks were outlined in the Cabinet report the attached risk register provides more context and detail on the risks and the associated mitigations. The risk register demonstrates that there are significant risks associated with the delivery of this project, but also identifies the mitigation strategies that have been put in place.
4. It should be noted that the project risk register is a working document and will be reviewed and amended to reflect changes to the risk profile going forward.

## **Summary of financial implications**

5. The financial implications are outlined in the Cabinet report dated 27 May 2020.

## **Summary of legal implications**

6. The legal implications are outlined in the Cabinet report dated 27 May 2020.

## **Summary of human resources implications**

7. The human resource implications are outlined in the Cabinet report dated 27 May 2020.

## **Summary of sustainability impact**

8. The sustainability implications are outlined in the Cabinet report dated 27 May 2020.

## **Summary of equality implications**

9. The equality implications are outlined in the Cabinet report dated 27 May 2020.

**Summary of risk assessment**

10. A risk register is attached at Appendix E.

**Background papers**

Bournemouth Town Centre Vision (TCV): Winter Gardens Site Regeneration Opportunities.

**Appendices**

Appendix E – Risk Register

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## RISK REGISTER FOR

## Winter Gardens (BDC)

RISK REGISTER COMPLETED BY: Sarah Longthorpe

Objectives of the Project, Policy, Initiative, Service etc:

Risk Key:

Definitions:

Priority Ratings:

L = Likelihood (1-4)

1-2 Low risk

I = Impact (1-4)

3-6 Medium risk

S = Score (I x L)

8-16 High

## Corporate Risk Categories:

Pol=Political      Enviro=Environmental  
 Econ=Economic    Comp=Competitive  
 S=Social          Cust=Customer/Citizen  
 T=Technological   Rep=Reputation  
 L=Legislative     Phys=Physical

## Service Risk Categories:

Res=Resource      Cont=Contractual  
 L=Legal            T=Technological  
 Phys=Physical     Enviro=Environmental

PLEASE SEE TABS BELOW FOR THE RISK  
 SCORING MATRIX, INFORMATION ON  
 RISK CATEGORIES AND IMPACT &  
 LIKELIHOOD SCORING DEFINITIONS

A:  
 B:  
 C:  
 D:  
 E:  
 F:

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Risk No	Risk			Risk Category	Risk Owner	Gross Risk Score (ie as if no mitigations/ controls in place)			Risk Mitigation/Control Measures Put in Place	Net Risk Score (ie rating of the risk with current controls or procedures in place)			Further Action (ie mitigation/ controls) required	Action Owner	Completion Date (DD/MM/YYYY)	Target Risk Score (ie rating of risk once these new actions successfully implemented)		
	Risk (uncertainty which may affect objective)	Risk Cause (definite situational facts affecting the objective)	Risk Impact (contingent effect on objective)			L	I	S		L	I	S				L	I	S
1	Access to PWLB funds could be capped/restricted for investment opportunities	Change in Treasury/Government policy	Increased borrowing rate, stricter criteria, reduce financial viability of PRS & Car park acquisitions	Economic	Chief Financial Officer	3	3	9	If PWLB funding is restricted the Council could seek alternative funding sources, but these would be at a higher level which would reduce yields. Scheme has been modelled at 3.5%, higher than PWLB rates	2	2	4	The scheme is not an purely an investment opportunity. Funding is sought to deliver a scheme for regeneration and new housing benefits.	Chief Financial Officer	01/04/2021	1	2	2
2	Covid-19 The RICS has advised that market activity is being impacted in many sectors therefore valuations should be considered with a higher degree of caution as there is less certainty in the market.	Global Pandemic	There is unlikely to be any evidence in changes in valuations comparables as the market is stalled. Whilst the residual risk remains for the short term time this is a long term project and the impact will be reduced.	Economic	Corporate Director R&E	3	3	9	To continue to monitor the PRS market particularly up to completion of the scheme. Offer subject to RICS Red book valuation to demonstrate best value.	2	2	4		Corporate Director R&E	01/04/2021	1	2	2
3	PWLB Interest rates may rise	Any rise in interest rates between investment decisions and drawing down the funding	Returns are reduced; figures previously reported to Cabinet and Council are no longer achievable.	Economic	Chief Financial Officer	3	3	9	Financial model uses higher borrowing rate at 3.5%	3	2	6	Each opportunity is individually financially assessed using current borrowing rates. Higher rate applied to model to reflect risk	Chief Financial Officer	01/04/2021	1	2	2
4	Investment Risk: including the risk that the development is non-profit making.	Markets/demand changes	Inability to secure forward funded investment for elements of scheme, may require planning/change of use	Economic	Chief Financial Officer	3	3	9	This risk can, for certain elements of the development, be mitigated if parts of it are presold. In other words, parts of the scheme are forward sold to institutional investors.	2	2	4	BDC undertaken extensive market sector research and engagement with investors and end users. BCP Council acquiring Car Park & PRS elements.	Chief Financial Officer	01/04/2021	1	1	1
5	Loss of Rent/Car park income.	PRS accommodation or car park demand reduces. Market becomes saturated, Consumer trends change	Less income received	Economic	Corporate Director R&E	3	3	9	Market demand for rented remains high in town centre, limited supply. More car parks are being developed consolidating useage into new MSCPs. Price point competitve against other private sector operators.	2	2	4	Use of new car park technology to reduce income leakage. Business case and due diligence scrutinised by Corporate Property, Section 151 and Monitoring Officers. Opportunity to change rent or car park charge levels, offer incentives.	Corporate Director R&E	01/04/2021	1	2	2
6	Full Council fail to ratify Cabinet approval	Disagreement politically on progression of scheme	May stall/delay scheme delivery	Political	Corporate Director R&E	2	3	6	Considered by Overview & Scrutiny and approved by Cabinet in May 2020.	2	2	4	Deferred at Council on 9/6/20 to allow risk register to be considered by Councillors.	Corporate Director R&E	01/04/2021	1	1	1
7	Construction Risk	Cost overruns, late completion	Increase in constuction costs	Procurement	Chief Financial Officer	3	3	9	BDC will enter into a fixed price lump sum contract with the building contractor to mitigate the effects of such risk being held by BDC.	2	2	4	BCP acquiring Car Park & PRS at fixed price, cost over run risk sits with contractor.	Chief Financial Officer	01/04/2021	1	1	1
8	Reputational	Delays to scheme, under performing assets	Adverse media coverage, perception that the Council is diverting financial resources away from direct service provision.	Reputational	Corporate Director R&E	2	2	4	Communications strategy highlighting regeneration benefits scheme, BDC have PR team.	1	1	1	Use of SHP and in-house car park management, effective procedures in place for income collection and void management	Corporate Director R&E	01/04/2021	1	1	1

Risk No	Risk			Risk Category	Risk Owner	Gross Risk Score (ie as if no mitigations/ controls in place)			Risk Mitigation/Control Measures Put in Place	Net Risk Score (ie rating of the risk with current controls or procedures in place)			Further Action (ie mitigation/ controls) required	Action Owner	Completion Date (DD/MM/YYYY)	Target Risk Score (ie rating of risk once these new actions successfully implemented)		
	Risk (uncertainty which may affect objective)	Risk Cause (definite situational facts affecting the objective)	Risk Impact (contingent effect on objective)			L	I	S		L	I	S				L	I	S
9	Failure to complete legal agreements and execute option in a timely matter	Internal resource issues delays completion of agreements	Scheme is delayed, construction costs increase	Legal	Corporate Director R&E	2	2	4	Early enagement with Legal Services relating to pending workload so resources can be planned.	1	1	1	Consider use of external legal advisors to complete transaction.	Corporate Director R&E	01/04/2021	1	1	1

**CABINET**

Report subject	<b>Organisational Design - Implementation &amp; Budget</b>
Meeting date	24 June 2020
Status	Public Report
Executive summary	Cabinet adopted our Organisational Design and Operating model as the basis of the BCP Council Transformation Strategy. Below is set out the results of the Market Pre-Engagement process, the estimated budget requirements for the implementation of the programme and the preferred procurement and contract structure for the partner/supplier relationship(s). Also recommended is a change in approach to the direction of travel agreed in February with regard to the Estates & Accommodation Strategy and the utilisation of Bournemouth Town Hall campus as the BCP Council Civic Centre and administrative hub.
Recommendations	<p><b>It is RECOMMENDED that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>a) Note the feedback from the Pre-Engagement process with potential partners/suppliers;</b></li> <li><b>b) Approve the Procurement approach and contract structure, including the capped Framework Limit;</b></li> <li><b>c) Authorise the commencement of the procurement process and delegate authority to award the contract to the Chief Executive in Consultation with the Leader and appropriate senior officers;</b></li> <li><b>d) Approve the proposed governance including the establishment of a Cabinet Working Group to provide oversight of the programme</b></li> <li><b>e) Approve the funding proposals as set out in section 39 a to b</b></li> <li><b>f) Approve the acceleration of the adoption of Bournemouth Town Hall Campus as the BCP Council Civic Centre and administrative hub</b></li> </ul> <p><b>It is RECOMMENDED that Council:</b></p> <ul style="list-style-type: none"> <li><b>g) Approve the budget set out in Appendix 1b;</b></li> <li><b>h) Approve the funding proposals as set out in section 38 a to c.</b></li> </ul>

Reason for recommendations	To approve the budget and procurement approach required to successfully deliver the BCP Council Transformation Strategy adopted by Cabinet in November 2019 and to approve a short term shift in the Estates & Accommodation Strategy in light of the impact on ways of working by the Coronavirus/Covid-19 crisis.
Portfolio Holder(s):	Councillor Vikki Slade, Leader of the Council and Portfolio Holder for Corporate Services
Corporate Director	Julian Osgathorpe, Corporate Director Resources
Report Authors	Julian Osgathorpe, Corporate Director Resources Adam Richens, Director of Finance/s151 Officer
Wards	Council-wide
Classification	For Decision and Recommendation

## Background

1. In November 2019 Cabinet considered the output from the Organisational Design Project. This was facilitated by KPMG and co-designed with Members and Officers and expressed a view of the potential Operating Model for BCP Council following the successful delivery of the Local Government Reorganisation of Dorset.
2. Accompanying the Operating Model was a high-level business case which showed potential net benefits of up to £36 million per annum (£43.9 million per annum gross) of savings in return for an estimated one-off investment of up to £29.5 million.
3. Cabinet endorsed and adopted the Organisational Design and Operating Model as the basis of the Transformation Strategy for BCP Council and asked that the following activities be undertaken
  - a. Carry out a Pre-Market Engagement exercise with potential partners and/or suppliers to test the underlying assumptions, costs and delivery models for the implementation of the programme, and
  - b. Assess the impact of the costs and benefits arising from the implementation of the programme on the Medium Term Financial Plan (MTFP) and develop a financial strategy to support them
4. In addition, Cabinet established a working group to consider the Estates & Accommodation Strategy and the potential for a single BCP Council Civic Centre. This is being managed and delivered separately and will not be considered within the ambit of this report.
5. This report will set out the output from 3. above covering the following specific areas:
  - a. The structure, process, feedback and findings of the Pre-Market Engagement
  - b. The anticipated budget for the successful implementation of the Transformation Programme

- c. The resulting preferred procurement approach for taking the programme forward
  - d. The financial strategy for supporting the budget
- 6. With the key recommendations relating to the implementation of the Transformation Programme originally intended to be considered in April 2020, it is inevitable that the unprecedented impact of the Coronavirus/Covid-19 Pandemic should be considered in the context of the Council's approach to both significant streams of our Transformation Strategy, i.e. Organisational Design and Accommodation Strategy.
- 7. This impact, along with any changes to the principles and approaches that were considered and adopted by Cabinet in November 2019 and February 2020 will be set out in a dedicated section below.

### **Pre-Market Engagement**

- 8. The background and context of the Council and its aspirations was set out in writing including the provision of the output from KPMG that accompanied the November 2019 report to Cabinet. The focus of the engagement was on four core areas:
  - a. Whether the Organisational Design and Operating Model was clear and understood, and how they would go about delivering it, and
  - b. Proposing a simple framework for the core technology requirements to support the Organisational Design and Operating Model, and asking for their recommendations on appropriate technology solutions and how they would go about implementing it, and
  - c. The costs, risks and timelines for delivering 6. a and b, and
  - d. Their views on different options for partnership structures and/or procurement routes
- 9. A range of potential partners and/or suppliers was identified and invited to provide their written responses to detailed questions in the above areas, as well as then meeting with a panel of key officer stakeholders to review and discuss all aspects of their responses in more detail.
- 10. The organisations identified and invited included large Management Consultancies and implementers, technology consultants and implementers, as well as large software providers. Due to commercial confidentiality, as well as to effectively mitigate the risk to any open procurement process that may follow, the respondents and their submissions are not provided as background papers to this report.
- 11. At a high level, the key responses can be summarised as
  - a. There was widespread acknowledgement that the Organisational Design and Operating Model was an appropriate and understandable response to the context provided by the Council. Interestingly, some respondents expressed a view that, given the scale of the programme and the likely level of investment required to deliver it, the level of estimated benefits was lower than they expected.
  - b. There was a majority of respondents that expressed a clear preference for, and rationale in support of, a consolidated and strategic technology architecture to support and optimise the successful realisation of the Council's objectives for the organisation and ways of working.



- c. A period of up to four years was generally accepted as the appropriate horizon for the purposes of planning and implementing the transformation programme.
- d. There was a majority of respondents who stressed that the capacity and capability of the Council would be a significant determinant of the speed of delivery for the programme as well as the ability to support and improve the organisation once the partner and/or supplier(s) had concluded their role(s).
- e. There are clearly a number of variables involved in any assessment of likely costs, ranging from the capacity and capability of the Council itself, through to the structure of any partner/supplier mix as well as any future decisions on preferred technology provision.
- f. There was a majority of respondents who believed that the best contract structure for the Council, in order to manage the complexity and risk of such a large programme, is a “prime” or “strategic” partner who is able to draw on a wide range of other partners in order to support as many of the programme’s requirements as possible.
- g. There was a majority of respondents who, based on their views on their preferred technology solutions, believed that the procurement of significant elements of the resulting software licensing should be procured separately through well-established central government Procurement Frameworks.

### **Transformation Programme Delivery Budget**

- 12. The budget requirement is set out in Appendix 1. This is based on both the original high-level design and business case undertaken by KPMG but also the feedback and engagement process that has been outlined above.
- 13. The total one-off budget requested is £37.62 million, including a contingency of 10%, while the additional revenue consequences over the four-year anticipated delivery period of the programme grow to £4.5 million per annum.
- 14. While the additional revenue cost is in line with the high-level cost-benefit analysis in the November Report, the one-off costs requested are higher. This is due to several factors that are discussed below.
- 15. During the Pre-Engagement process it became clear that a significant emphasis was being placed on the capacity and capability of the Council to support, deliver and continually improve the model once delivered. There were different views expressed on this point ranging from a very deep reliance on any partner/supplier relationship both during and after the implementation of the programme through to the Council resourcing itself to be a more capable organisation during and following the successful implementation.
- 16. As a result of these considerations the approach that is proposed, and therefore represented in the budget, is for the Council to rely no more heavily than is absolutely necessary on the partner/supplier during the delivery phase, but instead look to strike more of a balance between external and internal resources.
- 17. The budget is therefore profiled so that the Council will leverage the strategic relationship(s) with partner/supplier as strongly as possible during the early phases of the programme, while transferring knowledge and experience to strengthened in-house teams. This will allow us to transition more of the programme delivery away from the partner/supplier sooner than had been originally intended.

18. While the approach expressed above is feasible, it must be acknowledged that it cannot be extended to remove the requirement for a partner(s) in total. There are several critical categories of resource that will be required to successfully deliver the programme that the Council cannot realistically hope to recruit and retain. This is due to either the value commanded by the particular resources within the market, the attractiveness of BCP Council as an employer, or the comparatively short periods of time that certain resources will be required during the overall programme.
19. There is a significant cost included within the budget for the purchase and roll-out of a large number of laptop devices. These are required to replace the current static desktops that are prevalent across the Council. While it may be argued that this is a cost that is more directly related to the Estates & Accommodation project, it has been brought forward in order to accelerate the introduction of modern ways of working.
20. There is a cost included in the budget for the Major Change & PMO team. This team will be critical to the success of the programme and the successful transition of knowledge from the partner/supplier to the wider organisation. The team is not included within the base budget of the Council, and as a result its costs must be recovered from project expenditure. The allocation of costs for the team has been split between this budget and the budget that will come forward to support the Estates & Accommodation project in due course.
21. The budget also includes an allocation for Council resources to start building our Data & Analytical capability in line with the core principles of the Organisational Design and Operating Model. This includes both partner/supplier and internal capacity and capability as well as hardware and software. This will support a real step change in our capability and help build the data centric organisation that is explicit in the Transformation Strategy.
22. Notwithstanding this, the views that have been received through the initial KPMG supported work and the Pre-Engagement with the market suggest that there may come a point during the later stages of the programme where the maturity of the organisation and its ambition and appetite for data and analytics require additional investment. The potential level of investment in this regard is likely to be in the region of £1.0 - £1.2 million and as such it has not been included at this stage and instead will be subject to a review and separate business case once we are in a better position to understand the cost/benefit analysis.
23. Finally, it must be noted (particularly the anticipated increased revenue element) that the costs set out in Appendix 1 are gross of any potential savings that may be realised throughout the implementation of the Transformation Strategy. While it is likely that there will be compensatory savings made as a result of this investment, for example in software licensing for the existing IT estate, it is not appropriate to estimate and offset these at this stage as it could result in “double counting” of benefits/savings at a later stage.

### **Recommended Contract Structure and Procurement Process**

24. Based on the Pre-Engagement feedback, there are three potential options for the Council in delivering the Transformation Programme. These are set out and considered below.
  - a. Undertake three separate procurements, for an implementation partner, a strategic technology partner and the appropriate technology licensing

- b. Undertake a procurement for a strategic partner capable of implementing the programme. The necessary licences will be procured separately by the Council using established and more economically advantageous Framework Agreements. Under this option, alternative partnering arrangements could be sought by the Council on an ad hoc basis for smaller, niche components within the programme in the event that this is believed to be either necessary or technically/financially advantageous
  - c. Undertake a single procurement for a single strategic partner who can implement the programme, deliver the technology solutions that the Council may wish to utilise and also provide the appropriate technology licensing
25. Option (a) is not recommended as it will mean that the Council is responsible for managing the relationship between the implementation and technology partners. In a programme of this scale, complexity and duration this presents a significant risk in terms of both cost and deliverability.
26. Option (c) is not recommended for the following reasons:
- a. there is likely to be such a limited number of potential providers that it would not support a properly competitive procurement process, and
  - b. as a result of this the Council is likely to be significantly constrained in its technology choice(s) through the implementation programme, and
  - c. the feedback is that there is no commercial or technical advantage to be gained by attempting to “roll up” the procurement of the technology licenses in a single procurement due to the nationally negotiated pricing structures obtainable through Frameworks, and
  - d. the licensing relationship will extend beyond the delivery horizon of the programme and therefore by rolling up the licensing into the implementation relationship we will be locked into the (larger) relationship for longer than necessary
27. Option (b) is therefore recommended as providing the optimum balance of reducing procurement and implementation risk while preserving choice for the Council in respect of technology choices.
28. The most appropriate procurement approach for the delivery of this is an Open OJEU process. The contract structure sought under this Open OJEU process will be a BCP Council Framework which will have a “Zero Value” at award but which will be capped at a specific financial value and expire within a prescribed period of time.
29. The advantages of this approach to the Council is that it will
- a. Not require an extended period of time to develop a full and detailed specification for every element of the programme over multiple years.
  - b. It provides flexibility to allow for the development of individual work packages throughout the programme rather than being bound in by a detailed specification.
  - c. Mean that the Council is not committed to spending a prescribed amount of money with the partner, and therefore allow us to stop or reduce spend according to our needs and situation.

- d. Help create more of a “partnership” approach between the Council and the partner by working more closely to define requirements, identify and deliver solutions and realise benefits.
  - e. Allow more opportunity for the Council to learn from the partner and transition responsibility for more of the programme to the in-house teams through the delivery horizon of the programme.
30. The disadvantages of this approach to the Council are that;
- a. There is no cost certainty for the completion of the programme, only a fixed cost cap.
  - b. It will require strong technical design of the procurement process, framework contract and each of the individual work packages.
  - c. It may be more challenging to establish and assess the appropriate evaluation criteria within the original framework procurement.
31. Based on these considerations there is a strong argument that the recommended approach provides the best opportunity for the Council to effectively procure and, manage the partner relationship given the scale, complexity and duration of the programme.
32. While it is not intended to develop a detailed specification to support this procurement, based on the initial work supported by KPMG and also the Pre-Engagement process it is possible to outline a potential implementation timeline. This is attached at Appendix 2 and covers the major work packages that will be required to support the three benefits classes identified and estimated in the high-level business case adopted by Cabinet in the November Report, namely:
- a. The reduction in FTE numbers as a result of removing/reducing duplication through improved ways of working, technology adoption and exploitation and consolidation of resources and activity.
  - b. Reducing Third Party Spend through rationalisation of the preceding authorities contract registers and more effective leveraging of our new scale.
  - c. The harmonisation of fees, charges and income at a level that is benchmarked with appropriate sources.
33. In terms of the value for the Framework, based on the budget discussed above it is recommended that the Council imposes a fixed cap value of £18 million. While this may appear high in comparison with the value of £12 million included in the budget for partner/supplier resources, it is proposed for the following reasons:
- a. This will be a long and challenging procurement process for a critical, long term relationship. As such, it is worth making sure that there is sufficient head room within the procured relationship for as many possible variations within the programme.
  - b. On this basis we should include within the overall assessment of potential spend with the partner/supplier.
    - i. The full contingency provided for within the budget
    - ii. The potential to accommodate the increased spend on data and analytics

- iii. The potential to draw additional resources from their networks and/or associates in the event that the Council is not able to recruit the appropriate level of additional resources
- iv. A degree of overage for unforeseen requirements throughout the lifecycle of the Transformation Programme

### **Governance of the Implementation Programme**

- 34. With the implementation contract awarded and the strategic partner in place, it will be necessary to establish an appropriate governance architecture to ensure that the programme is mobilised, monitored and progressed with the pace and control appropriate for its scale and complexity.
- 35. It is proposed that operational management and decision making for the programme is delegated to Corporate Management Board, operating in its own right or within other established organisational Structures, comprised of
  - a. Chief Executive/Head of Paid Service;
  - b. Section 151/Chief Finance Officer;
  - c. Monitoring Officer/Director of Law & Governance;
  - d. Corporate Director, Resources (Transformation);
  - e. Corporate Director, Adults Social Care
  - f. Corporate Director, Childrens Social Care
  - g. Corporate Director, Environment & Community
  - h. Corporate Director, Regeneration & Economy
- 36. This delegation will operate and be effective where the decisions are:
  - a. Within the scope of the organisational design and operating model agreed by Cabinet, and
  - b. Within the budget approved by Cabinet and Council for the implementation of the Programme
- 37. Notwithstanding the above, the scale and scope of this programme is such that oversight of its implementation by elected Members is appropriate. It is therefore proposed that Cabinet establish a Working Group to meet regularly and provide oversight of the programme.
- 38. It is also proposed that there should be regular reporting to Cabinet, and therefore Overview & Scrutiny Board, with regard to the implementation of the programme focussing on:
  - a. Progress
  - b. Budget
  - c. Risks
  - d. Issues
  - e. Benefits Management

## Funding Strategy

39. The identification and deployment of funding on this scale is a challenging task for the Council given the cumulative effect of the last ten years of austerity on our financial position and the impact of the Coronavirus/Covid-19 crisis. Notwithstanding this, the Transformation Strategy and the programme that has been developed is the single largest, and most comprehensive response to the continuing demands of the Council's MTFP.
40. In addition, the reorganisation of local government in Dorset was intended to create the opportunity for the new Councils to take advantage of the opportunities that the process created to completely reimagine and remake local services to not only reduce costs but bring them into line with expectations of real-world, real-time digital service models.
41. Even at the higher level of costs that are set out in Appendix 1, the underlying high-level business case for the implementation of the Council's Transformation Strategy is compelling. It may be argued, however, that as a result of the higher level of costs the Council adopts the higher level of benefits realisation assumed in the business case as its expectations for return on investment.
42. In respect of the funding strategy supporting this report Council in February 2020 made two key decisions;
  - a. As part of the 2020/21 Budget and Medium Term Financial Plan report, the approval of the application of a Flexible Use of Capital Receipts strategy which earmarks any receipts in the next two years (2020/21 and 2021/22) in support of the transformation programme. The latest estimate of such receipts before April 2022 is £14 million which is lower than the previous estimate £16.2 million for reasons mainly associated with the impact of Covid19.
  - b. As part of the Housing Revenue Account (HRA) Budget Setting 2020/21 report the approval of a contribution of £2 million (£1 million from each neighbourhood) towards the transformation programme. This contribution was agreed on the basis that the HRA will benefit in future from reduced recharges from a lower cost base within the General Fund
43. Building on this pre-existing commitment, this report requests Council approve of the residual £21.6 million funding package which supports the overall £37.6 million budget for the transformation programme as set out in Appendix 1a and 1b attached. Specifically, Council is being asked to approve the;
  - a. Transfer into a transformation programme earmarked reserve the £10.3 million previously set aside in a financial liability earmarked reserve which acted as a counterweight to the accumulated deficit on the Dedicated Schools Grant. This transfer is supported by the CIPFA Bulletin for the closure of the 2019/20 financial statements which stipulates that the reserve does not need to be in place from the 1 April 2020 onwards and can be seen as a response to the national lobbying on the issue by BCP and other affected authorities.
  - b. Release of the £4.2 million in revenue contributions previously made in support of the Oakdale Skills and Learning Centre capital scheme. These contributions were made to provide a local subsidy towards the overall viability of the scheme and will mean that the full business case for the

development on the site will need to be reflective of this decision when it is eventually brought forward.

- c. The allocation of the entire annual £2 million Revenue Contribution to Capital Outlay (RCCO) in 2020/21. Similarly, it is proposed to use the £2 million RCCO provision which would ordinarily be made in 2023/24 and £1.8 million of the RCCO provision which would ordinarily be made in 2024/25. This will mean that there are no unallocated capital resources in 2020/21 whereas in 2023/24 and 2024/25 capital resources should be available as the capital programme will benefit from any capital receipts in those years as the Flexible Use of Capital Receipts strategy does not apply to any receipts received after 1 April 2022 onwards.
44. A key risk associated with this funding strategy will be in realising c£14m in capital receipts by the 31 March 2022 which can then be used to fund the transformation programme by the application of the flexible use of capital receipts policy. Current analysis indicates plans to dispose of approximately £14.6m of capital receipts in this timeframe however there will be significant subjectivity around the actual sales values achieved in a post covid19 environment and the fact that some of the disposals will be subject to conditions such as successful planning permission. Due to such issues it is considered appropriate not to assume the entire £14.6m and therefore allow for some degree of variation. The Councils Corporate Property Group will be regularly reviewing progressing on delivering such capital receipts
45. In addition, and in further support of the funding strategy for the transformation programme Cabinet is being asked to approve the;
- a. use of £0.7 million of the residual redundancy provision in the current transition and transformation earmarked reserve.
  - b. redirection of the £0.48 million annual provision for capital related corporate maintenance in 2020/21 and in the following four years of the plan. This would leave the amounts provided in revenue for such maintenance responsibilities. In addition, it is proposed to also redirect the £0.25 million in unspent 2019/20 capital related corporate maintenance.
46. It is also worth noting that in adopting the above funding strategy the council is creating a position where the total value of the savings which will be realised through the investment in this transformation programme will be available in support of the councils annual budget process and Medium Term Financial Plan.

### **Impact of Coronavirus/Covid-19 Pandemic**

47. Aside from the global public health impacts, it is incontrovertible that the crisis has likely forever changed the way in which we all work. In many ways, these fundamental shifts are entirely consistent with the vision and ambition that had already been adopted by Cabinet and which are set out in the Reports in November 2019 and February 2020.
48. Significant time has been spent over the last several weeks considering whether, and if so how, the crisis should impact our plans regarding the two key workstreams within our Transformation programme, specifically
- a. Organisational Design/Operating Model, and
  - b. Accommodation Strategy

49. In terms of the Organisational Design and the accompanying Operating Model driven transformation, the following shifts in emphasis are now considered necessary

- a. The high-level estimate of gross benefits (i.e. £43.9 million) must now be adopted as our minimum expectation of savings and efficiencies to be generated in return for the investment in the programme; and
- b. The pace at which we generate savings and efficiencies will have to be accelerated by comparison to the profile included in the November 2019 Report.
- c. It will be possible to accelerate some elements of the programme and realise early benefits. These elements will be focussed on the following
  - i. The identification and creation of some “Centres of Excellence”, which will involve bringing together roles from across the organisation that are carrying out similar functions
  - ii. The rationalisation of some key ICT systems where there is sufficient clarity with regard to the options available to us and their consistency with the intended Operating Model, Technical and Data Architecture
  - iii. External benchmarking and/or harmonisation of our Fees & Charges across the Council
  - iv. Early identification of Third Party Spend opportunities where commercial contracts of the pre-existing authorities are sufficiently aligned to be brought to an economic end

50. Notwithstanding these opportunities, the critical elements of the Transformation Programme will not be possible without the engagement of the strategic partner and their expertise and resources. Their engagement will be focussed on the large technology components of the Operating Model such as the Digital Front Door, Digitally Enabled Service Delivery, Data & Analytics and the implementation of the new Transactional Enabling Services.

51. The Accommodation Strategy is significantly more impacted by the current crisis. In February 2020 Cabinet approved and adopted the redesign and refurbishment of the Bournemouth Town Hall campus as the BCP Council Civic Centre and operational hub for the Council. In doing so, they acknowledged that alternative options such as the acquisition of an alternative site was economically not viable given the then prevailing market conditions and our reasonable estimate of our spatial requirements.

52. Cabinet requested that a Pre-Market Engagement exercise be carried out to more accurately assess the potential costs and options for the redesign and refurbishment of the Bournemouth Town Hall campus. The expectation was that this would be carried out and the results reported back to Cabinet in June 2020. While the Pre-Market Engagement has now been issued, it has not been possible to undertake it in the originally anticipated timeline due to the pandemic crisis.

53. During the pandemic we have been able to accelerate the introduction of new ways of working for a very large part of the Council. The adoption and utilisation of, for the Council, new technology has resulted in many of our core office buildings being largely empty with minimal disruption to the provision of our services. While there is a great deal more to do to make this “New Normal” completely pervasive and resilient,



the experience has clearly demonstrated that we can be more ambitious in the short term than previously planned.

54. Based on this experience, it is proposed that the decision of Cabinet in February 2020, with regard to the adoption of the Bournemouth Town Hall campus as our BCP Council Civic Centre and principal office accommodation, be modified as follows:

- a. In the first instance, the relocation of all staff from Poole Civic Centre, Christchurch Civic Offices and the Bournemouth Learning Centre (to the Bournemouth Town Hall campus) be accelerated to facilitate the closure and/or repurposing of those offices as quickly as possible.
- b. As this programme evolves, we will also look to identify as many other buildings as possible that can also be included in the relocation programme in order to either support service development proposals or to generate capital receipts for the council. It should be noted, however, that there is often significant time lapse between the release of any buildings and the subsequent receipt of the transfer proceeds.
- c. In undertaking this short-term programme of relocations, we will not materially redesign or refurbish the Bournemouth Town Hall campus and will seek to reuse as much of the existing office furniture estate as possible. This will mean that the up to £29 million costs identified in the February 2020 Cabinet report will not be incurred at this stage.
- d. Notwithstanding this, there will be a need to incur some costs to facilitate this short-term programme of relocation and consolidation. These costs are required to cover aspects such as:
  - i. Removal of non-structural walls to create more open space within some parts of the Bournemouth Town Hall campus;
  - ii. Investment in appropriate facilities/solutions to comply with social distancing requirements within office environments;
  - iii. Transportation of equipment from decommissioned sites to Bournemouth Town Hall campus
  - iv. The relocation of some critical services currently located within buildings that we are vacating, such as the CCTV Monitoring service and the Telecare/Out of Hours Support service
- e. At this stage, and given the impact of the Coronavirus/Covid-19 crisis, it is not possible to provide an estimate of costs to support this revised programme of activity. It is therefore proposed that once the planning and budgeting has been completed a subsequent report will be brought to Cabinet to approve any financial consequences. In the interim, it is proposed that the Governance arrangements outlined above are authorised to utilise the contingency funding within the budget allocation outlined in this report to progress the delivery of the project.
- f. While adopting this revised short term and significantly less costly way forward, we should also allow for opportunities to re-examine some of the assumptions in the February Report. Specifically, our reduced spatial requirements along with reductions in commercial office values might present the opportunity to re-examine the option to acquire more affordable and

appropriate office accommodation. If such an opportunity presents itself, this will be expedited and brought to Cabinet for decision.

### **Summary of financial implications**

55. The financial implications of this report are set out in detail above.

### **Summary of legal implications**

56. The Council has the power to enter into contracts pursuant to section 1 of the Localism Act 2011. The Council is bound to continuously improve the way in which it exercises its functions having regard to a combination of economy, efficiency and effectiveness pursuant to section 3 of the Local Government Act 1999. The services proposed to be procured are intended to support the Council's compliance with that duty and without prejudice to the Council's wider duty to consult in that regard.
57. The Council will undertake the procurement in accordance with the Public Contracts Regulations 2015 and will issue a notice in the OJEU accordingly. Should the duties on public sector bodies change following the UK's exit from the European Union, then the Council will seek legal advice to ensure that the process remains compliant with the law applicable from time to time.
58. Some specialist external legal advice may be sought on aspects of the procurement documentation and process. Such work will be awarded under an existing framework agreement to which the Council is a party. The cost of that support is included in the budget set out in Appendix 1.

### **Summary of human resources implications**

59. There are no direct and new human resources implications arising from the Organisational Design and Operating Model elements of this Report that have not been considered in the November 2019 report.
60. Notwithstanding this, as the Transformation Strategy and its accompanying programme is commissioned, many of the individual work packages will result in human resources consequences. These will be identified, managed and resolved through the use of the Council's HR Policies and Procedures and with the full engagement of the Trade Unions.
61. The impact of accelerating and adapting the Accommodation Strategy as outlined above is the subject of engagement and consultation with Unions and staff groups. It is worth acknowledging that there is already a large-scale refresh and renegotiation of all employment Terms & Conditions under the auspices of the Pay & Reward Programme. However, it may be necessary to agree and implement a small number of interim measures in the event that the relocation of staff groups and the conclusion of the Pay & Reward negotiations are not achievable within an appropriate time frame.
62. It is also anticipated that the significant changes to our working practices, particularly for the majority of office-based staff, will help make any changes to principal office locations less impactful for most staff.

### **Summary of sustainability impact**

63. There are no direct and new sustainability impacts arising from this report that have not actively been considered in the November 2019 and/or February 2020 reports to Cabinet.

64. However, the Transformation Strategy is a key element of the Council's commitment to create a carbon neutral organisation by 2030 in its response to the declaration of a Climate & Ecological Emergency. The introduction of new technologies and modern ways of working to reduce travel is the fundamental reason for the bringing forward of spend on appropriate devices as outlined above.
65. In addition, through the procurement process to create the Framework Contract that is outlined in this report, the sustainability credentials of the potential partner/supplier will be examined in order to ensure that it is consistent with the ideology, principles and policies of the Council.

### **Summary of public health implications**

66. There are no public health implications arising from this report.

### **Summary of equality implications**

67. There are no direct new equalities implications arising from the Organisational Design and Operating Model elements of this report that have not been considered in the November 2019 report to Cabinet.
68. Notwithstanding this, a high level Equalities Impact Analysis has been undertaken with regard to the proposed changes to the Estates & Accommodation Strategy and is attached at Appendix 3. This has been the subject of engagement with the Trade Unions. This high level analysis will be developed specifically for each of the facilities and teams impacted by the changes as we move through the programme.
69. However, as with the Human Resources section above, as the programme is commissioned and individual work packages are developed, it will be necessary to assess the equalities implications on all stakeholders (internal and external to the Council) and ensure that all appropriate actions are taken.
70. As with sustainability, through the procurement process we will examine the potential partner/supplier's credentials and policies as they relate to the equalities obligations of the Council.

### **Summary of risk assessment**

71. The principle risks arising from this Report relate to the choice of, and effective execution of the procurement approach. These have been set out above.
72. The financial risks arising from the funding of a programme of this scale have been considered and set out above. Notwithstanding this, it is submitted that the principle financial risk arising from the successful implementation of the Transformation Strategy and its accompanying programme is the failure to realise the level of benefits that are expected in return for the investment.
73. This risk will need to be carefully managed and "owned" by all Members and Senior Officers as we move through the implementation of the programme. Based on the feedback during the Pre-Engagement process, all of the respondents recommend the early establishment of robust leadership and governance models to oversee the implementation of the programme.

## **Background papers**

### **Appendices**

Appendix 1 – Budget

Appendix 2 – Programme Timeline

Appendix 3 – High Level Equalities Impact Analysis (Estates 7 Accommodation Strategy)

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### Transformation / Organisational Design - Budget and Funding Plan

Project Costs	Total £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m
Revenue Costs - one-off costs	23.04	1.25	10.43	7.08	2.48	1.80
Capital one-off costs	5.80	3.80	1.00	1.00	0.00	0.00
<b>Total Project one-off Implementation Costs</b>	<b>28.84</b>	<b>5.05</b>	<b>11.43</b>	<b>8.08</b>	<b>2.48</b>	<b>1.80</b>
Contingency 10%	2.78	0.00	1.65	0.69	0.00	0.44
<b>Total Project one off Implementation Costs inclusive of contingency</b>	<b>31.62</b>	<b>5.05</b>	<b>13.08</b>	<b>8.77</b>	<b>2.48</b>	<b>2.24</b>
Redundancy Costs	6.00	3.00	3.00	0.00	0.00	0.00
<b>Total Project Costs</b>	<b>37.62</b>	<b>8.05</b>	<b>16.08</b>	<b>8.77</b>	<b>2.48</b>	<b>2.24</b>
<b>Funding Plan</b>						
a. Transfer Financial Liability Earmarked Reserve (previous counterweight DSG Deficit) into a Transformation Earmark Reserve based on interpretation latest guidance	(10.33)		(2.04)	(8.29)		
b. Residual provision for redundancy costs (current Transition & Transformation Earmarked Reserve)	(0.72)	(0.72)				
<b>Prioritisation of capital resources</b>						
d. 2020/21 Revenue contribution to capital (total 2020/21 budget £2m)	(1.90)	(1.90)				
e. Reduced future revenue contributions to capital (annual budget £2m)	(3.76)				(2.00)	(1.76)
f. Flexible Use of Capital Receipts - forecast capital receipts	(14.06)	(3.45)	(10.61)			
<b>Redirected Capital Resources</b>						
d. Release previous revenue contributions into the Oakdale Capital Scheme. The implication is there is no resources now set-aside to subsidise the scheme which remains to be brought forward.	(4.20)	(1.25)	(2.95)			
h. Redirect the annual provisions made for corporate maintenance (capital related). Potentially leaves the amount annually provided in revenue excluding the RCCO	(2.40)	(0.48)	(0.48)	(0.48)	(0.48)	(0.48)
i. Redirect provisions made for corporate maintenance (capital related) 2019/20 unspe	(0.25)	(0.25)				
<b>Total Funding</b>	<b>(37.62)</b>	<b>(8.05)</b>	<b>(16.08)</b>	<b>(8.77)</b>	<b>(2.48)</b>	<b>(2.24)</b>

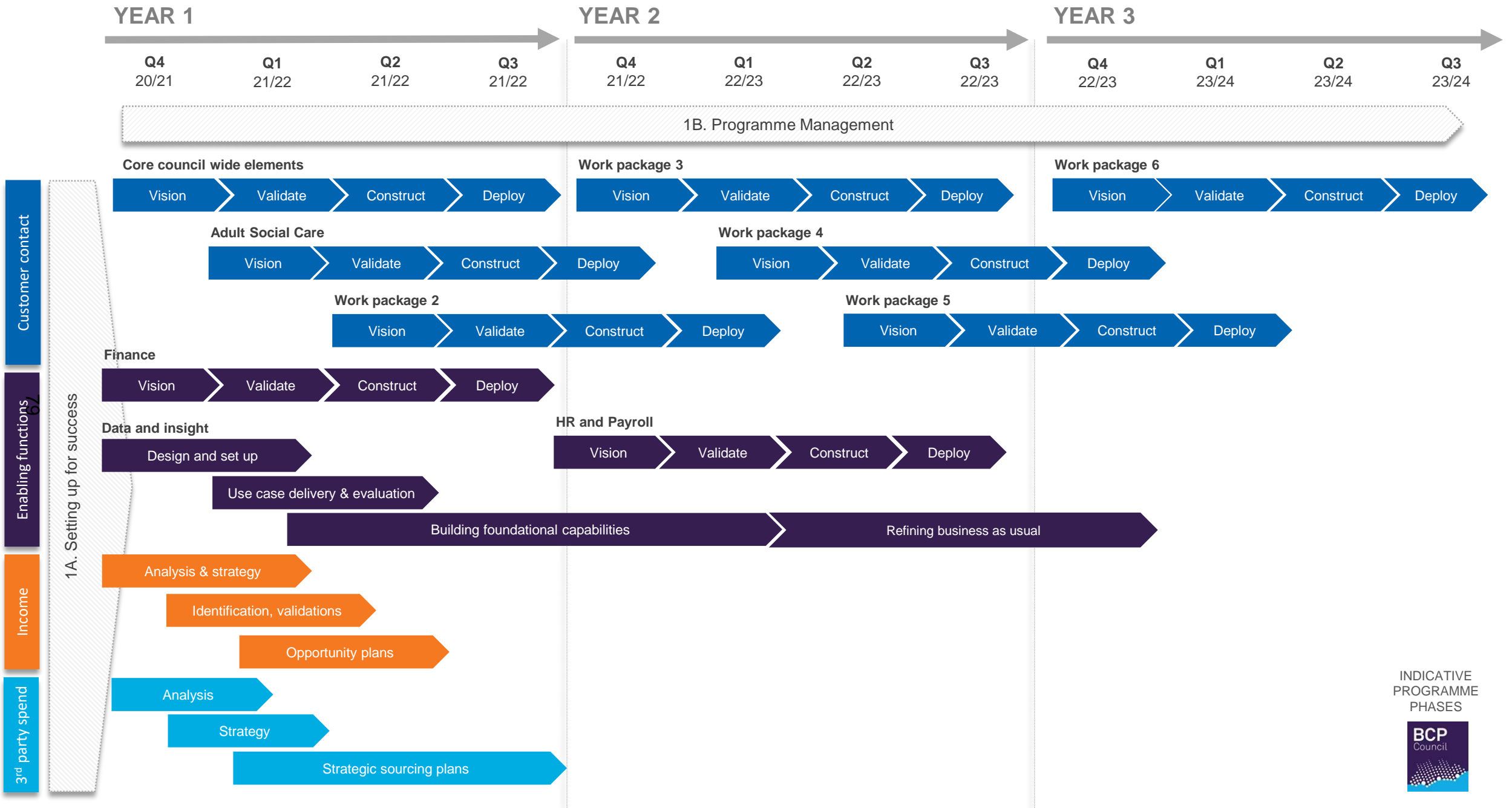
	Total £millions	20/21 £millions	Medium Term Financial Plan Provision			
			21/22 £millions	22/23 £millions	23/24 £millions	24/25 £millions
In-year Increased Revenue Costs		2.10				
Incremental Additional Revenue Costs			3.50	0.50	0.50	0.00
<b>Funding Plan</b>						
c. HRA Funding approved as part of the original 2020/21 Budget	(2.00)	(2.00)				
d. 2020/21 Revenue contribution to capital (residual of £2m budget)	(0.10)	(0.10)				
Amount to be factored into the Council Medium Term Financial Plan			(3.50)	(0.50)	(0.50)	0.00
<b>Total Funding</b>		<b>(2.10)</b>	<b>(3.50)</b>	<b>(0.50)</b>	<b>(0.50)</b>	<b>0.00</b>

**Please Note:**

- i. The Council will continue to lobby the government in respect of;
  - Extending the time frame for the flexible use of capital receipts.
  - A capital direction to enable the council to borrow to finance the revenue costs of this proposal.

### Appendix 1a

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# BCP Equality Impact Assessment Template

## Executive Summary and Conclusions

*Once the Equality Impact Assessment Template has been completed, please summarise the key findings here. Please send a copy of your final document to the Policy and Performance Team.*

As a response to the Covid 19 pandemic, the Council has changed the way it works and engages with customers and the community. The proposal to maintain the momentum of flexible modern ways of working across the BCP Council estate and repurpose council buildings overall appears to offer more positive than negative outcomes for protected characteristics.

Customer access points will still be available for face to face contact for those that choose to access council services this way but in more central and accessible sites in Poole and Christchurch.

Most Council staff are already working differently and have adapted to flexible and remote ways of working.

Modern and more accessible ways of working will make BCP Council a more accessible and open employer. Most staff will have seen a reduction in travel to work time and costs and there is likely to have been a positive impact for people with limited access to public transport. Generally staff have had more options about how they fulfil their duties which promotes BCP Council as an employer of choice.

However, there are some potential negative impacts for staff that the Council should commit to addressing through its Workforce Strategy as the impact on individuals is better understood. Learning from the staff survey and Accommodation Occupancy Diagnostic tool will help inform this. This equality impact assessment should continue to be reviewed and updated in light of further feedback.

In summary:

- Online working and learning does not suit all ages and over a 3<sup>rd</sup> of BCP Employees in the three main offices are over the age 55.
- Some staff may not have access to a suitable, safe workspace outside of an office environment and no access to space to have confidential discussions.
- The pace of change and working with new technology may have impact on people's health and wellbeing as there is an increased risk of loneliness and poor mental health
- It may present some staff with safeguarding issues, for example domestic violence, and greater frequencies in home working may increase risks to affected employees, particularly women

## BCP Equality Impact Assessment Template

Part 1 - The Project	
<b>Policy/Service under development/review:</b>	Estates and Accommodation Strategy
<b>Service Unit:</b>	Organisational Development
<b>Service Lead:</b>	Julian Osgathorpe
<b>Equality Impact Assessment Team:</b>	Sarah Ray- Dene Julian Osgathorpe Matti Raudsepp Joelle Price Bridget West Sam Johnson Vicky Edmonds Graeme Smith
<b>Date assessment started:</b>	19/05/20
<b>Date assessment completed:</b>	
What are the aims/objectives of the policy/service?	<p>To maintain the momentum of flexible modern ways of working across the BCP Council estate and repurpose council buildings.</p> <p>To consolidate the Council's office footprint and reduce the impact of climate change through the ways people use and access council buildings and services.</p> <p>During the current climate, significant strides have been made towards different ways of working. The proposal is to embrace these changes and</p>

## BCP Equality Impact Assessment Template

### Part 1 - The Project

	<p>to outline what can be achieved through a reassessed accommodation &amp; estates programme.</p> <p>The report to Cabinet in Feb '20 set out the current Estates context, the options for achieving a single council hub and the evaluation criteria to be applied to the options, and the recommended way forward for the delivery of a single BCP Council Civic and administrative hub.</p>
What outcomes will be achieved with the new or changed policy/service?	<ul style="list-style-type: none"> <li>• Flexible ways of working which will benefit all staff</li> <li>• Protection of vulnerable members of staff and customers with more effective adoption of social distancing guidance</li> <li>• Reduction in the council's carbon footprint</li> <li>• Financial savings which will enable the more efficient delivery of public services</li> <li>• Safe and accessible buildings, kit and equipment</li> <li>• Relocation of customer access points in Poole and Christchurch to more accessible central locations</li> </ul>
Are there any associated services, policies or procedures?	<ul style="list-style-type: none"> <li>• Customer Access Strategy – being developed</li> <li>• Digital Strategy – being developed</li> <li>• Medium Term Financial Strategy</li> <li>• Asset Management Plan</li> <li>• Employee Pay &amp; Reward (terms &amp; Conditions) – being developed</li> <li>• BCP Council Travel Plan – being developed</li> <li>• Corporate Strategy</li> <li>• Climate strategy</li> <li>• People Strategy</li> <li>• Health and Safety Policy</li> <li>• Lone working procedures</li> <li>• Corporate Safeguarding policy</li> </ul>

## BCP Equality Impact Assessment Template

### Part 1 - The Project

	<ul style="list-style-type: none"> <li>• Organisational Design Programme</li> </ul>
Please list the main people, or groups, that this policy/service is designed to benefit, and any other stakeholders involved:	<ul style="list-style-type: none"> <li>• BCP Staff, agency workers, Councillors and Contractors</li> <li>• Customers, residents, visitors with improved and more central customer contact centres.</li> <li>• Community groups</li> </ul>
With consideration for their clients, please list any other organisations, statutory, voluntary or community that the policy/service/process will affect:	<ul style="list-style-type: none"> <li>• Trade unions</li> <li>• Citizens Advice Bureau and their customers</li> <li>• Public Health</li> <li>• Community and voluntary sector groups and third parties who use the Town Hall for their meetings and events</li> </ul>

### Part 2 – Supporting Evidence<sup>1</sup>

*Please list and/or link to below any recent & relevant consultation & engagement that can be used to demonstrate a clear understanding of those with a legitimate interest in the policy/service/process and the relevant findings:*

#### Employee First Data:

Payroll data from Employee First shows that across the authority almost 7% of the workforce on the payroll are 65 or over, rising to 9% in the main offices. This increases to 30% and 33% respectively when including those 55 and over. Those under 25 make up 5.5% of the total workforce falling to under 3% in the main offices.

68% of the workforce identifies as female with that figure falling to 66% in the main offices.

<sup>1</sup> This could include: service monitoring reports, research, customer satisfaction surveys & feedback, workforce monitoring, staff surveys, opinions and information from trade unions, previous completed EIAs (including those of other organisations) feedback from focus groups & individuals or organisations representing the interests of key target groups or similar.

# BCP Equality Impact Assessment Template

## Part 2 – Supporting Evidence<sup>1</sup>

3% of the workforce is identified as having some form of disability with similar figures for the main offices.

A Staff survey of working arrangements implemented during Covid 19 is currently being undertaken which will help understand the impacts on staff and inform the strategy

Accommodation Occupancy Diagnostic tool is being completed by service managers to understand office accommodation needs  
Staff parking permit data from the existing Bournemouth Town Hall site will be used to help understand mobility issues and parking demand.

### Customer Data:

Limited data available on footfall at the main offices so further work needs to be undertaken to establish if there are wider access issues if customer access points are changed. However, 11,500 customers visited the Poole Civic offices between April 19 and March 2020. Of those, approximately 270 people attended to discuss disability related issues.

A better understanding of channel shift will also help determine if there are wider negative impacts. An example is improving the digital offer combined with moving to an appointment based operation. Revenues & Benefits service reduced customer drop in footfall by approximately 70% on Poole site from 13,656 customers in 2016/17 to 4,021 customers in 2019/2020 (not included March 2020 due to office closure).

[Wider population data](#), [ward profile data](#) and the [State of BCP report](#) are here:

More detailed community and economic impact assessments are currently being prepared. This will help us better understand the full impact of Covid 19 on people's health and financial wellbeing, on the business community and in the workplace.

*If there is insufficient consultation or engagement information please explain in the Action plan what further consultation will be undertaken, who with and how.*

## BCP Equality Impact Assessment Template

### Part 2 – Supporting Evidence<sup>1</sup>

Please list or link to any relevant research, census and other evidence or information that is available and relevant to this EIA:

- [Tableau dashboard workforce profile](#)
- [BCP Diversity Data](#)
- Refuge have reported a 66% increase in calls and enquiries to the national domestic abuse helplines since lockdown began. <https://www.refuge.org.uk/refuge-reports-further-increase-in-demand-for-its-national-domestic-abuse-helpline-services-during-lockdown/>

Please list below any service user/employee monitoring data available and relevant to this policy/service/process and what it shows in relation to any Protected Characteristic:

*If there is insufficient research and monitoring data, please explain in the Action plan what information will be gathered:*

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
1. Age <sup>2</sup>	<ul style="list-style-type: none"> <li>Customer access points in more accessible central locations</li> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport</li> <li>Flexible working hours allows good work life balance</li> <li>BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>Online working and learning doesn't suit all ages</li> <li>Young people may not have access to suitable workspace outside of an office environment.</li> <li>Pace of change and working with new technology may have impact on people's health and wellbeing.</li> <li>Increased loneliness and poor mental health</li> <li>Lack of space to have confidential discussions</li> </ul>
2. Disability <sup>3</sup>	<ul style="list-style-type: none"> <li>Customer access points in more accessible central locations</li> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport.</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated workstation set up at work may not be the same at home or in new shared spaces</li> <li>Some people may be more at risk if lone working/working from home</li> <li>Bournemouth Town Hall is compliant with the Equality Act but access is not always easy for those with limited mobility</li> <li>Increased loneliness and poor mental health</li> <li>Lack of space to have confidential discussions</li> </ul>

<sup>2</sup> Under this characteristic, The Equality Act only applies to those over 18.

<sup>3</sup> Consider any reasonable adjustments that may need to be made to ensure fair access.



## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>• Positive impact on those with a mobility impairment</li> <li>• More likely to keep disabled people in employment</li> <li>• More options about how you fulfil duties</li> <li>• BCP council becomes an employer of choice</li> </ul>	
3. Sex	<ul style="list-style-type: none"> <li>• Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>• Reduction in travel to work time and costs</li> <li>• Positive impact on people with limited access to public transport</li> <li>• Flexible working hours allows good work life balance</li> <li>• BCP Council becomes an employer of choice</li> <li>• For women - opportunities for flexible working hours could help reduce costs of childcare because predominantly childcare responsibilities fall to women and single parent families are headed up by women</li> </ul>	<ul style="list-style-type: none"> <li>• Safeguarding issues (domestic violence) - women are more likely to be victims of domestic violence, and greater frequencies in home working may increase risks to affected employees</li> <li>• Increased loneliness and poor mental health</li> <li>• Lack of space for confidential discussions</li> </ul>

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>For women – could allow more options to increase their working hours or take up employment which suits their family commitments.</li> </ul>	
4. Gender reassignment <sup>4</sup>	<ul style="list-style-type: none"> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport.</li> <li>More options about how you fulfil duties</li> <li>BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>Lack of space to have confidential discussions</li> <li>Increased loneliness and poor mental health</li> </ul>
5. Pregnancy and Maternity	<ul style="list-style-type: none"> <li>Customer access points in more accessible central locations</li> <li>Opportunities for flexible working hours could help reduce costs of childcare because predominantly childcare responsibilities fall to women and predominantly single parent families are headed up by women</li> </ul>	<ul style="list-style-type: none"> <li>Lack of space to have confidential discussions</li> <li>Increased loneliness and poor mental health</li> </ul>

<sup>4</sup> Transgender refers people have a gender identity or gender expression that differs to the sex assigned at birth.

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>• May support with mobility concerns in the later stages of pregnancy</li> <li>• May support with tiredness and fatigue during pregnancy</li> </ul>	
6. Marriage and Civil Partnership	<ul style="list-style-type: none"> <li>• Customer access points in more accessible central locations</li> <li>• Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>• Reduction in travel to work time and costs</li> <li>• Positive impact on people with limited access to public transport.</li> <li>• More options about how you fulfil duties</li> <li>• BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of space to have confidential discussions</li> <li>• Increased loneliness and poor mental health</li> </ul>
7. Race	<ul style="list-style-type: none"> <li>• Customer access points in more accessible central locations</li> <li>• Modern and more accessible ways of working will make BCP Council a more accessible and open employer.</li> <li>• Reduction in travel to work time and costs</li> </ul>	<ul style="list-style-type: none"> <li>• Online working/learning doesn't suit everyone – English not first language</li> <li>• Lack of space to have confidential discussions</li> <li>• Increased loneliness and poor mental health</li> </ul>

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>Positive impact on people with limited access to public transport.</li> <li>More options about how you fulfil duties</li> <li>BCP council becomes an employer of choice</li> </ul>	
8. Religion or Belief	<ul style="list-style-type: none"> <li>Customer access points in more accessible central locations</li> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport.</li> <li>More options about how you fulfil duties</li> <li>BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>Need to consider contemplation room as an option for staff on site</li> <li>Lack of space to have confidential discussions</li> <li>Increased loneliness and poor mental health</li> </ul>
9. Sexual Orientation	<ul style="list-style-type: none"> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of space to have confidential discussions</li> <li>Increased loneliness and poor mental health</li> </ul>

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine to the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>• More options about how you fulfil duties</li> <li>• BCP council becomes an employer of choice</li> </ul>	
10. Armed Forces Community	<ul style="list-style-type: none"> <li>• Customer access points in more accessible central locations</li> <li>• Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>• Reduction in travel to work time and costs</li> <li>• Positive impact on people with limited access to public transport.</li> <li>• More options about how you fulfil duties</li> <li>• BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of space to have confidential discussions</li> <li>• Increased loneliness and poor mental health</li> </ul>
11. Any other factors/groups e.g. socio-economic status/carers etc <sup>5</sup>	<ul style="list-style-type: none"> <li>• Customer access points in more accessible central locations</li> <li>• Modern and more accessible ways of working will make BCP Council a more accessible and open employer.</li> </ul>	<ul style="list-style-type: none"> <li>• Some people may have limited access to ICT and limited internet/broadband packages</li> <li>• Maybe an increase personal cost, electricity, heating etc if working from home</li> </ul>

<sup>5</sup> People on low incomes or no income, unemployed, carers, part-time, seasonal workers and shift workers

## BCP Equality Impact Assessment Template

### Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
	<ul style="list-style-type: none"> <li>BCP council becomes an employer of choice.</li> </ul>	<ul style="list-style-type: none"> <li>Poor broadband connectivity may be an issue for some</li> </ul>
12. Human Rights	<ul style="list-style-type: none"> <li>Customer access points in more accessible central locations</li> <li>Modern and more accessible ways of working will make BCP Council a more accessible and open employer</li> <li>Reduction in travel to work time and costs</li> <li>Positive impact on people with limited access to public transport.</li> <li>More options and personal choice about how you fulfil duties</li> <li>BCP council becomes an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>We may lose the opportunity to share skills from working in a collective environment.</li> </ul>

**Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.**

## BCP Equality Impact Assessment Template

### Part 4 – Equality Impact Action Plan

Please complete this Action Plan for any negative or unknown impacts identified in the assessment table above.

Issue identified	Action required to reduce impact	Timescale	Responsible officer
Safeguarding issues (domestic violence) - women are more likely to be victims of domestic violence, and greater frequencies in home working may increase risks to affected employees	To provide information to staff on support available. This has already been undertaken and information is available here. <a href="https://bcpcouncil.sharepoint.com/sites/covid19">https://bcpcouncil.sharepoint.com/sites/covid19</a>	Ongoing	HR
Online working and learning doesn't suit all ages or where English is not the first language	This needs to be reflected in the workforce strategy, specifically around training. Consider tailored training.		
Young people may not have access to suitable workspace outside of an office environment.	Consider access to suitable space in the accommodation plans for the central hub.		
Pace of change and working with new technology may have impact on people's health and wellbeing.	Consider in Health and Wellbeing and Health and Safety guidance and training.		
Increased loneliness and poor mental health	Consider in Health and Wellbeing and Health and Safety guidance and training.		

## BCP Equality Impact Assessment Template

### Part 4 – Equality Impact Action Plan

Please complete this Action Plan for any negative or unknown impacts identified in the assessment table above.

Issue identified	Action required to reduce impact	Timescale	Responsible officer
Lack of space to have confidential discussions	Consider access to suitable space in the accommodation plans for the central hub.		
Dedicated workstation set up at work may not be the same at home or in new shared spaces	Considered in DSE assessments and Health and safety guidance.		
Some people may be more at risk if lone working/working from home	Consider in Health and Safety policy and lone working guidance.		
Bournemouth Town Hall is compliant with the Equality Act but access is not always easy for those with limited mobility	Consider disability access in the accommodation plans for the central hub.		
Need to consider contemplation room as an option for staff on site	Consider in the accommodation plans for the central hub.		
Some people may have limited access to ICT and limited internet/broadband packages	Consider in the accommodation plans for the central hub.		
Maybe an increase personal cost, electricity, heating etc if working from home	Consider in the Employee Pay and Reward (Terms and conditions) Strategy		



## BCP Equality Impact Assessment Template

### Part 4 – Equality Impact Action Plan

Please complete this Action Plan for any negative or unknown impacts identified in the assessment table above.

Issue identified	Action required to reduce impact	Timescale	Responsible officer
Poor broadband connectivity may be an issue for some	Consider in the accommodation plans for the central hub.		
We may lose the opportunity to share skills from working in a collective environment.	This needs to be reflected in the workforce strategy, specifically around training. Consider tailored training and mentoring.		

#### Key contacts for further advice and guidance:

**Equality & Diversity:**  
[performance@bcpcouncil.gov.uk](mailto:performance@bcpcouncil.gov.uk)

**Consultation & Research:**  
[insight@bcpcouncil.gov.uk](mailto:insight@bcpcouncil.gov.uk)

## CABINET



Report subject	<b>Bistro on the Beach redevelopment</b>
Meeting date	24 June 2020
Status	Public
Executive summary	<p>To deliver a new year-round destination visitor attraction and local amenities on Southbourne beach featuring:</p> <ul style="list-style-type: none"> <li>• Fully accessible public lift from cliff top car park to promenade with viewing &amp; interpretation point</li> <li>• New restaurant with external dining terrace</li> <li>• New public toilets and beach office</li> <li>• 16 Beach Lodges offering short stay holiday accommodation</li> <li>• Spa treatment room facility for Beach Lodge guests</li> </ul> <p>Delivery will be subject to securing planning consent.</p> <p>The scheme would be funded via prudential borrowing over 25 years, repaid from new net income from the development.</p> <p>Three options have been considered:</p> <ol style="list-style-type: none"> <li>1. Comprehensive redevelopment (recommended): Results in a budget surplus</li> <li>2. Do nothing: a budget pressure</li> <li>3. Demolition and less comprehensive scheme (kiosk and beach huts): a budget pressure</li> </ol> <p>Option of repair to existing facility has been discounted following structural review.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Cabinet &amp; Full Council to approve full redevelopment scheme option 1, to be funded via prudential borrowing.</b></p>
Reason for recommendations	<ol style="list-style-type: none"> <li>1. Supports the ambitions and outcomes for the Council's Corporate Plan and Seafront Strategy</li> <li>2. Resolves a £104k a year budget pressure from lost commercial activity when the current building closes in 2023</li> <li>3. Generates significant new revenue after borrowing costs covered, for the Council to support vital services</li> <li>4. Introduces new public amenities including full accessibility to Southbourne beach for the first time</li> </ol>

	<p>5. Introduces a transformational premium year-round visitor attraction, drawing new visitors to the conurbation, contributing to wider economic spend, capitalising on expected growth in 'staycation' domestic holidays</p> <p>6. Replaces existing public amenities (toilets and beach office) which might otherwise be lost when building closes down</p> <p>7. Encourages year-round use of the beach by families staying in Beach Lodges and more accessible year-round restaurant offer which will make for a safer promenade environment for all</p> <p>Targets improved visitor satisfaction rates for Southbourne beach, currently one of the lowest performing beaches within BCP for satisfaction rates</p>
Portfolio Holder(s):	Councillor Lewis Allison, Leisure, Tourism & Communities
Corporate Director	Bill Cotton
Contributors	Chris Saunders, Shirley Haider, Noel Oliver, Gareth Dop, Helen Tavener, Andrew Emery, Rebecca Whelan-Edmonds, Andrew Brown, Daniel Povey
Wards	East Southbourne & Tuckton
Classification	For Recommendation

## 1. Background

- 1.1.1 Current 'Bistro' leisure building at Southbourne will have reached the end of its useful economic life upon termination of current restaurant lease in March 2023
- 1.1.2 This loss will result in a financial pressure of £104k to the Council's Medium Term Financial Plan (MTFP) by 2023, if not earlier due to covid lockdown limiting trading potential in the near-term.
- 1.1.3 The full business case (attached) outlines a comprehensive redevelopment on the same footprint. Key elements of the build include:
- Beach office, public toilets, store
  - Larger restaurant with up to 120 internal covers and 100 external covers plus a separate kiosk
  - 16 overnight stay beach lodges for short term holiday rental
  - A spa facility
  - A 12-person capacity lift linked by walkway to the cliff top car park, providing full access to the promenade
- 1.1.4 Capital Cost Cash Flow: An independent construction cost plan has been prepared by Currie & Brown (see appendix 3). The total project cost,

including a 15% construction contingency is £6.84m (see high level breakdown below)

Item	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total Cost £000's
Demolition Works		215		215
Shell & Core Works		2,260		2,260
Fit Out Works (excl. restaurant)			1,151	1,151
External Works		300	370	670
Prelims, Profit & Overheads			790	790
Cliff Works		103		103
CDM		1	1	2
Inflation			100	100
Professional Fees, inc surveys	100	350	83	533
Statutory Services		16		16
Employers Agent		22	3	25
Legal		10		10
Beach Lodges furnishing			55	55
<b>Sub Total</b>	<b>100</b>	<b>3,277</b>	<b>2,553</b>	<b>5,930</b>
Contingency @15%				910
<b>Grand Total</b>	<b>100</b>	<b>3,277</b>	<b>2,553</b>	<b>6,840</b>

Excluded from this cost summary is the internal fit out of the restaurant and kiosk, which would be specified and undertaken by the restaurant operator once appointed following open market tender. Project timeline proposes to tender and appoint operator spring 2021, prior to site works, winter 2021 – spring 2023.

#### 1.1.5 Images of the current building:





1.1.6 Images of the proposed timber clad new building (below). Note that the new building sits within the footprint of the existing structure with the current depth of public promenade maintained.







## 1.2 Alternative options considered:

1.2.1 Option 2 do nothing. Results in loss of current asset, due to poor state of the building, by 2023. This places a permanent £104k annual MTFP pressure on the budget and results in loss of amenities such as toilets and potentially puts pressure on the Blue Flag award for this beach, with impacts for the local tourism economy.

1.2.2 Option 3 demolition and replacement with low cost temporary kiosk and toilets. This option would carry a budget pressure as the development would not generate sufficient to cover the cost of the work due to the likely £200k demolition costs for the current building. On top of this, it would also not address the £104k MTFP budget pressure from loss of current commercial activity

## 1.3 Post covid-19 recovery and growth prospects for domestic tourism:

1.3.1 Prior to Covid-19 the Dorset Tourism Study, prepared for BCP Council and the Dorset LEP identified a strategy for growth for the tourism economy through improving productivity by attracting more visitors off-peak and reducing the impacts of seasonality. The year-round destination proposals in this business case are designed to address this challenge.

1.3.2 Visit England has conducted national consumer sentiment research during the Covid lockdown (April 2020) and has identified coastal areas and the South West in general as being the top destinations domestic holiday makers are looking to re-book. Coastal resorts such as the BCP area should enjoy a faster recovery than city destinations where social distancing and other hygiene confidence-inducing measures may be harder to implement.

- 1.3.3 BCP's tourism sector, through schemes such as this, has an opportunity to take advantage of a post-Covid increase in staycations. In order to capitalise on turning a short-term bounce in demand into a longer-term trend, the resort will need to focus on improving the quality, authenticity of experience and environmental sustainability of its offer with many more tourists continuing to value the impact of their travel on the planet. This proposed Southbourne scheme is well placed to meet this emerging opportunity with an innovative and sustainable destination experience, taking the Council's successful business model with Bournemouth Beach Lodges to the next level.
- 1.3.4 The site currently accommodates 25 day-use only beach huts on the first floor, of which 14 are annuals and 11 casual hire. Under all scenarios considered in this business case, the day use beach huts will not be replaced either within the new development or in the do-nothing option resulting in building closure. This is due to the lack of alternative locations at Southbourne to re-house the huts. Re-provision of the huts within the scheme footprint is not possible due to requirement to generate a high yield per square metre in order to fund scheme costs via borrowing. The new public lift from cliff top to promenade and new amenities will provide wider benefits for BCP residents and visitors. Annual hut tenancies are subject to contract agreement each year with clause provision enabling the Council to terminate if required. The programme anticipates that tenants will be able to retain their current huts through to early September 2021.
- 1.3.5 Ward Councillors for East Southbourne & Tuckton as well as adjacent West Southbourne have been consulted.

## **2. Summary of financial implications**

- 2.1.1 The proposed scheme is to be funded from prudential borrowing over 25 years, paid back from net income generated by the new restaurant and beach lodge operations. Any borrowing will need to be repaid regardless of income generated. The Council would be taking on a fixed debt repayment schedule whilst income streams may be variable. Mitigating this risk, the financial model assumes a higher Invest to Save borrowing rate of 5.5%, as opposed to the current prudential borrowing rate of 2.35%. Sensitivity modelling also shows that income could drop by a further 3% against the mid estimate for the scheme to still be viable.
- 2.1.2 The financial case has been prepared with and reviewed by Strategic Finance and is detailed at Appendix 2.

Table 1: Headline summary

	Invest to Save 5.5% rate		
	Worst (£'000s)	Mid (£'000s)	Best (£'000s)
16 Lodges net income	(676)	(772)	(869)
Lodges revenue costs	325	325	325
Lodges net profit	(351)	(448)	(545)
Restaurant lease income	(80)	(90)	(100)
Total net income	<b>(431)</b>	<b>(538)</b>	<b>(645)</b>
Scheme cost	6,849	6,839	6,829
Annual borrowing cost	510	510	510
<b>Net cost / (surplus) to Council</b>	<b>79</b>	<b>(28)</b>	<b>(135)</b>

- 2.1.2 The Invest to Save medium risk rate reflects a Risk Premium uncertainty around future income streams because of Covid 19. Should this risk fall away by 2023 commencement of operations then the net surplus may increase by up to £145k a year reflecting the current prudential borrowing rate of around 2.35%.
- 2.1.3 A full 25-year cash flow forecast has been prepared (Appendix 2) and this shows the scheme generating a net surplus of £2.54m over 25 years



Table 2: Summary 25-year cash flow forecast:

All figures  
in £'000s

Income	Assumptions	years 1 - 5	years 6 - 10	years 11 - 15	years 16 - 20	years 21 - 25	Total over 25 years
16 lodges	assume 3% annual increase	(4,101)	(4,754)	(5,512)	(6,390)	(7,407)	(28,164)
restaurant	5-year rent review @ 3% increase	(236)	(455)	(469)	(483)	(498)	(2,141)
<b>Gross Income</b>		<b>(4,337)</b>	<b>(5,209)</b>	<b>(5,981)</b>	<b>(6,873)</b>	<b>(7,905)</b>	<b>(30,305)</b>
Operational Costs							
Annual running costs	assume 2.5% annual increase	1,706	1,931	2,184	2,471	2,796	11,088
Major Repairs	based on 0.8% asset value from year 10	0	68	368	417	471	1,324
<b>Operational Spend</b>		<b>1,706</b>	<b>1,999</b>	<b>2,552</b>	<b>2,888</b>	<b>3,267</b>	<b>12,412</b>
Net surplus before borrowing		(2,631)	(3,210)	(3,429)	(3,985)	(4,638)	(17,893)
Prudential Borrowing	Medium Risk Invest to Save 5.5%	2,550	2,550	2,550	2,550	2,550	12,750
<b>Net Surplus</b>		<b>(81)</b>	<b>(660)</b>	<b>(879)</b>	<b>(1,435)</b>	<b>(2,088)</b>	<b>(5,143)</b>
MTFP pressure (lost income)		520	520	520	520	520	2,600
<b>Net Surplus plus MTFP pressure</b>		<b>439</b>	<b>(140)</b>	<b>(359)</b>	<b>(8915)</b>	<b>(1,568)</b>	<b>(2,543)</b>

2.1.4 Table 1 presents a typical year income projection. Table 2, the 25-year cash flow, includes the net impact of the MTFP pressure from the loss of current

facilities. It should be noted that years 1 to 3 would carry a budget pressure due to rent relief for the first years of operation of the restaurant, reflecting the high set up costs to fit out the facility. We have estimated a fit-out cost of £220k. The restaurant would be handed to the operator as an empty shell.

- 2.1.5 Subject to approval by Cabinet (and full Council) the project would commence August 2020, with site works from September 2021 and complete by May 2023. On-site works in 2022 may necessitate some temporary catering offer and agreement with current tenant to vacate site early. There is an un-costed risk here around early termination of the current restaurant offer in Sept 2021 in order to enable works to deliver the new asset by May 2023. To mitigate this risk it is proposed to develop the scheme to full planning consent and open market tender for future restaurant operation by end of the current financial year 2020/21. This will help to establish the financial and operational impacts of early termination.
- 2.1.6 Due to the time between the decision to approve the capital scheme in June 2020 and the commencement of works in September 2021, cost and income estimates will be reviewed before contractually committing the council to the work. This review can take into account any additional costs arising from any early termination of the current catering concession
- 2.1.7 Covid-19: Reflecting on the current budget challenges as risks around managing Covid-19 it should be noted that projected spend to deliver the project, for the current year 2020/21, would be minimal and largely confined to officer time as we develop and issue a Design and Build Tender.
- 2.1.8 The Treasury is currently consulting on changes to Public Works Loan Board terms that would prevent councils from accessing borrowing for purely commercial investments. Final proposals are not agreed. The scheme proposed in this report brings positive regeneration and service outcomes through investing in an end of life building, providing toilets and a beach office, and improving access to the beach through provision of a lift.

### **3. Summary of legal implications**

- 3.1 The site is owned freehold by the Council with no significant covenants. Wayleave agreements for services connections and diversions will be required and may take time to secure. Negotiations for early surrender of the restaurant lease would be required if it is intended to establish the new facility by 2023.
- 3.2 Comments from Head of Legal:
  - 3.2.1 A preliminary title report needs to be undertaken to flag any show stoppers (including in respect of land over which pedestrian walkway and platform will be located). **Response:** Site is freehold owned by the Council. Cliffs are designated and will require consultation & agreement with Natural England to form the pedestrian walkway. SSE electrical plant equipment is located within

the current building and agreement will be required with Utility provider to rehouse in new build.

- 3.2.2 Wayleaves are mentioned – the terms should be reviewed to ensure they are wayleaves not leases and whether there are likely to be any relocation issues – these can be particularly costly; **Response:** this is in reference to potential services diversions. Costs based on similar agreements on seafront sites.
- 3.2.3 Procurement compliance advice should be included – this will apply if granting development lease or if tendering works contract
- 3.2.4 Legal fees of £10k seem very low if you have budgeted on the basis that this will require external legal support (and that would largely depend on capacity to undertake this project in addition to the base BAU we do) – that budget would need to cover the cost of legal fees in connection with obtaining VP (advice and deed of surrender), wayleave and title advice including purchasing searches (which can sometimes be hundreds of pounds each depending on the size of the site), drafting agreement for lease and lease; **Response:** to be reviewed further with Legal Team
- 3.2.5 Warren Edge is presumably outside the Bournemouth Development Company arrangement. **Response:** Correct.

#### **4. Summary of human resources implications**

- 4.1 A project delivery team has been identified from existing resources within the Destination and Culture team. Support from wider Council services to deliver the project will include: Corp Comms, Legal, Procurement and Property Services as well as Planning. The level of support required is set out in the Full Business Case document, appended to this report.

#### **5. Summary of environmental impact**

- 5.1 The scheme is located adjacent to a coastal flood-plain setting with environmentally designated cliffs behind. Full environmental surveys will be required in order to minimise impacts at planning stage. The facility will feature solar power generation and efficient natural ventilation systems to minimise carbon footprint.
- 5.2 The destination offer will be promoted as an eco-lodge experience on one of Britain's best beaches designed to encourage more domestic 'staycations' and offer a high-quality experience that draws a proportion of environmentally aware UK residents away from taking flights for international holidays in the future.

#### **6. Summary of public health implications**

- 6.1 The project improves access to leisure and the coastal environment for residents, and visitors, within the BCP area. This will have positive benefits to health. Until covid-19 has been successfully addressed, public health measures to limit the spread of the virus will be required through construction and operation of the new facilities. It is hoped for that health measures will

have relaxed sufficiently by 2023 to enable efficient operation of the new leisure offer

## 7. Summary of equality implications

- 7.1 The project delivers a transformational improvement in access to Southbourne beach with a level walkway and lift from the cliff top car park down to the promenade level.
- 7.2 Full detail of the equalities implications are set out in the Full Business Case document, appended to this report.

## 8. Summary of risk assessment

- 8.1 The top project risks and proposed mitigations are identified as:

Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions
Increase to Council's overall debt portfolio	High	5.5% Invest to Save borrowing rate used. Income sensitivity analysis demonstrates a further 3.3% drop in occupancy projection for Beach Lodges would still allow scheme to break even
Budget over-run	High	15% budget contingency included
Programme over-run	High	15% time contingency included
Cliff stability	High	Early survey and assessment. Provisional sum included in budget and based on costs for similar works elsewhere over a larger area (Manor Steps)
Covid related supply chain delays	High	Early engagement with supply chain.
Planning delay	High	Early engagement with Planners. Clear understanding of issues to address. Early engagement with EA critical around Lodges. Precedent set with Manor Steps scheme

- 8.2 A full risk register is included at Appendix 4

## 9. Background papers

Full Business Case Southbourne. This sets out the full business case and follows HM Treasury Green Book recommended five case Business Case model. It is appended to this report and provides greater detail on the summary points above.

## 10. Appendices

Appendix 1- Southbourne Design RIBA 2 follow link:

[https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW\\_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI](https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI)

Appendix 2 - Southbourne Financial Case v4 – **CONFIDENTIAL – Please note should Cabinet wish to discuss the contents of Appendix 2 the meeting will need to go into confidential (Exempt) session.**

Appendix 3 - Southbourne Cost Plan v2

Appendix 4 - Southbourne Risk Register v4

## Full Business Case:

### Southbourne Seafront Leisure Scheme



Prepared by: Andrew Emery, Resort Development & Strategic Planning Manager

Version: v3

Date: 7<sup>th</sup> May 2020

# 1. Introduction

This business case sets out a bold vision to establish a new year-round destination visitor attraction and local amenities on Southbourne's Blue Flag award-winning seafront.

The present 'Bistro on the Beach' building will have reached the end of its economic life when the current restaurant tenancy finishes in March 2023, and will no longer be viable to repair. This will create a permanent £104k budget pressure on the Council's Medium Term Financial Plan MTFP.

The proposal is to replace this building with a new multi-functional facility on the same footprint. Key features of the proposed new offer include:

- A fully accessible pedestrian walkway from the car park, nestled in the cliff, to a platform with commanding views and interpretation of the bay and a lift down to promenade level, transforming and opening up access to Southbourne promenade with the first new cliff lift facility since 1935.
- A new restaurant at promenade level with extensive external dining terrace and bi-folds to open up the inside of the restaurant to the beach in summer.
- New public toilets and beach office.
- At first floor level, 16 brand new Beach Lodges, offering short stay holiday accommodation for up to four guests and featuring kitchens, bathrooms, heating, wifi and tv. The lodges would be a more premium version of the successful Bournemouth Beach Lodges operation at Manor Steps and would be powered with solar energy.
- A spa / treatment room facility for the exclusive use of Beach Lodge guests.

This new destination offer has been designed to transform Southbourne beach into a genuine year-round visitor offer with public amenities to improve access for local residents too.

This business case sets out an invest to save scheme (borrowing rate of 5.5%) to establish new income streams which will pay for the scheme, cover the MTFP budget pressure and generate a positive return over 25 years. The 25 year cash flow (see appendix 2) also includes reinvestment to maintain the building to a high quality over this period.

The project presents an ambitious response to the opportunities for growth in domestic tourism 'staycations' identified both immediately prior to covid-19 and anticipated to accelerate once the economy opens up by 2023.

The lodges would offer a premium eco-friendly, experience focused short stay holiday on one of the UK's top award-winning beaches and maximise the value of a key Council-owned asset.

The project meets the strategic ambitions set out by the Council's Corporate Plan and adopted Seafront Strategy, as well as the Government's Industrial Strategy and will play an important role creating new jobs and helping the conurbations' £1.1 bn tourism economy get back up onto its feet.

The business case follows the format of HM Treasury Green Book 5 case Business Case.

## 2. The Strategic Case

This section sets out the strategic case for the project – the rationale for undertaking the project.

### The Project

The current leisure building at Southbourne seafront comprises the Bistro on the Beach restaurant, a beach office, store, public toilets, a kiosk and 25 day use beach huts on the first floor. The building was constructed forty years ago along with two further double storey blocks of day-use beach huts. The two additional blocks of beach huts were demolished in 2014 due to the poor condition of the buildings and were replaced with a row of 21 'super huts' in 2017.

The principal building containing the Bistro restaurant is subject to an annual condition survey which has highlighted the structure is in a very poor state with structural steels rusting within a concrete encasement. It has been concluded that the building has reached the end of its serviceable life, being considered uneconomic to repair.

In 2019/20 the restaurant generated a turnover of £1,086,470, up considerably year on year over the previous two years. This in turn generated a net rental return to the Council of £77,446. Additional income included £27,266 from the 25 day huts.

The Council's total net income from the site was: £104,712 in 2019/20. Going forward, this income will dwindle to nothing if the building is not replaced from 2023. The current structural condition means that the Council is not in a position to retender the restaurant offer or extend the current lease operation beyond 2023. This will create an ongoing budget pressure for the MTFP.

The current tenancy of the Bistro restaurant is due to expire in March 2023. In order to maintain continuity of operation and the smooth re-tendering, a decision to re-tender needs to be formally decided by **Spring 2021 at the latest** in order to give the current tenant due notice and prepare the re-tender to market.

Should the preferred option to replace the building with a new facility be taken, as set out in this business case, work to deliver the scheme will need to commence by **October 2020** for a **May 2023** opening. It is anticipated that project spend could be minimised in 2020/21 to officer time as tenders are prepared.

### The Project:

It is proposed to establish a new destination leisure attraction within the site of the current 'Bistro' building. The new facility would consist of:

- Beach office, public toilets, store
- Larger restaurant with up to 120 internal covers and 100 external covers plus a separate kiosk
- 16 overnight stay beach lodges for short term holiday rental
- A spa facility
- A 12-person capacity lift linked by walkway to the cliff top car park, providing full access to the promenade



Full concept design to RIBA stage 2 can be found by following this link:

[https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW\\_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI](https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI)

A detailed three dimensional CGI model can be viewed here, with select screenshots below:

<https://sketchfab.com/3d-models/bistro-on-the-beach-concept-revb-62759c55f29048d3b4b2d81424b15e8b/embed>





### Transforming access to Southbourne's Blue Flag beach

The facility would, for the first time since commercial development of this beach in 1885, make Southbourne promenade fully accessible to all. The nearest cliff-lift at Fisherman's Walk being located one mile to the west. The lift would also enhance the commercial prospects for the restaurant and beach lodges to function year-round, making the facilities easier to access for all from the car park in the evenings and during the winter months.

### Alignment with regional and local strategies

The **Council's Corporate Strategy** sets out a vision to establish vibrant communities with outstanding quality of life where everyone can place an active role.

This prioritises five themes:

- Sustainable Environment
- Dynamic Places
- Connected Communities
- Brighter Future
- Fulfilled Lives

The project address two of these themes:

**Sustainable Environment SDG 12:** Maximise access to our high-quality parks and open spaces by working with partners to increase the accessibility and diverse offer for parks and open spaces, increasing the number of visitors. This is achieved by:

- Introducing year round fully accessible lift service from the cliff top car park to the promenade, improving the ability for visitors and residents to access the Blue Flag beach at Southbourne

**Dynamic Places SDG 8 / 10:** Create a sustainable, vibrant and inclusive economy by supporting tourism, one of the five key sectors, to become more sustainable and increase productivity and reward. This is achieved by:

- Replacing lost revenue from the current restaurant offer, by reinvesting in the site. This revenue would be **lost** if the **do nothing** project option is pursued.
- Deliver a unique new year-round destination visitor attraction in the form of holiday accommodation, spa and restaurant adjacent to a Blue Flag beach, reducing seasonality and improving productivity of the asset.
- Attract new audiences and holiday makers to BCP area supporting the wider tourism economy and the local high-street economy of Southbourne in particular
- Generate new income streams from the Beach Lodge and Spa facility for the Council, and uplift car park revenue, enabling invest to save and safeguard essential services

## **Seafront Strategy**

Feasibility development of the proposals in this business case was funded by BCP Council in November 2019.

The development opportunity was first articulated in the Bournemouth Seafront Major Projects Plan in 2010. This was later incorporated, following extensive stakeholder and public consultations into the Bournemouth Seafront Strategy which was adopted by Bournemouth Council in 2013.

In 2020 a BCP Summary Seafront Strategy Statement was adopted. This brings together the existing seafront strategies and development aspirations under one umbrella to provide a conurbation-wide strategic setting for coastal leisure asset development. The BCP Summary Seafront Strategy Statement aligns with the Council's Corporate Plan.

The vision for the seafront is to create a World Class Seafront, promoting investment, wellbeing and sustainability. Strategic Aims to achieve this vision are:

- Conserving and enhancing the natural coastal environment
- Sustainable investment in facilities, access and infrastructure
- Unlocking the potential for new leisure attractions to encourage local economic growth and year-round visitor footfall
- Maximising income potential to support Council services

The project addresses all four strategic aims by:

- Improving access to the natural environment, via the lift. The viewing point at the top of the lift access tower will feature panoramic views and interpretation of the local environment
- Reinvestment will protect existing leisure facilities from being degraded
- Introduces new year-round destination facilities to Southbourne beach
- Preserves existing Council income streams and introduces new income streams from the beach lodges and spa.

## **The visitor economy and Covid-19**

Prior to the lockdown introduced by the Government in late March 2020 in response to Covid-19, the BCP area was one of the UK's most productive and competitive coastal resorts attracting 12,629,000 annual visitor trips. Visitors spent £841,231,000 in the local economy and £1.1 billion in

business turnover. This supported around 18,896 jobs<sup>1</sup>, making the tourism sector larger than Advanced Engineering (£803m added value supporting 17,300 jobs), over twice the size of the creative tech sector (£363m supporting 3,800 jobs) and seven times the size of the agri-tech and aquaculture sector covering the whole of Dorset (£108m supporting 700 jobs).

In addition, the conurbations 12.8 miles of award-winning seafront offered a much-loved leisure space for nearly 400,000 residents. The seafront is known for its high-quality environment, acknowledged by 23 beach awards, including 9 Blue Flags of which Southbourne beach is one.

Prior to Covid-19, the Government published a Tourism Sector Deal in 2019 as part of the Industrial Strategy in an effort to help boost productivity, job creation and export growth. Tourism was a UK top 5 export sector (£27bn) with a domestic industry worth £130bn and featured two thirds of inward investment in the European hotel sector coming to the UK (£7bn).

### **Covid-19 impacts on Tourism and Hospitality**

The government imposed shut down of the economy and active discouragement of tourism in order to combat the spread of the virus has had a profound impact on the tourism and hospitality sector. BCP Council is actively encouraging residents and visitors to stay away from the seafront. BCP and Dorset Councils have undertaken a joint survey of tourism businesses to understand that impact in detail. A copy of the first survey report can be found at **Appendix 6**.

As of early May 2020, around 83% of businesses across tourism and hospitality have temporarily closed with the majority of staff furloughed. The lock-down having occurred at the start of the visitor season has meant that businesses had limited cash reserves to start and are now facing a cash flow crisis. Immediate support has come in the form of:

- Coronavirus Job Retention Scheme
- Rates relief
- Retail, Hospitality and Leisure Grants
- Business Interruption Loan Scheme

The longer the current restrictions remain in place then the prospects for long term business survival diminish. Local tourism and hospitality business operators believe that if restrictions remained in place till September then only 44% of businesses would survive. On this scenario, 83% of surviving businesses currently believe it would take more than 6 months to return to profitability with 51% estimating it may take more than a year. The loss of the 2020 summer season is estimated to result in a loss of some £652m in visitor spend to the BCP area, with direct impacts on supply chain.

It is clear that, at least until a vaccine has been introduced, the industry will have to adjust to a 'new normal' involving greater social distancing restricting capacity numbers within restaurants and occupancy within guest accommodation as well as increased management costs especially around cleaning regimes and PPE equipment for staff.

This will have a direct impact on rental values with knock on impacts for landlords. We will certainly see a reduction in income for the Southbourne site for 2020/21 compared to previous years.

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<sup>1</sup> 2018 Visitor Volume and Value Report prepared for BCP Council by South West Research Company (most recent data available)

Whilst it is hard to predict with accuracy when the economy will return to normal or a new normal, the Southbourne project does benefit from the fact that the soonest it could become operational is summer 2023. It is to be hoped that a vaccine or other measures should have taken effect by then. It is critical, therefore, that decisions around this business case should fully consider the opportunities for recovery and growth in 2023 rather than the economic crisis in 2020.

### **Post-covid**

Prior to Covid-19, the Dorset Tourism Study (Jan 2020) prepared by the Dorset Tourism Association with support from the BCP Council and the Dorset LEP identified a strategy of growth for the tourism sector. 72% of tourism businesses within Dorset were looking to grow. Improving productivity was seen as a priority for 74% of businesses, believing the way to achieve this was through attracting more visitors off-peak and reducing the impacts of seasonality. The year-round destination proposals for Southbourne embrace this challenge.

The BCP tourism and hospitality industry is well placed to bounce-back from Covid-19 and there are some strong grounds for optimism around market growth. The draft deposition to the DCMS enquiry by the BCP Destination Management Board for the tourism and hospitality sector highlights a pathway for the future of the industry:

- Adaptation of communications and PR messaging, providing assurances that the destination is a safe place to visit
- Getting local residents on board with the resumption of tourism activity, noting resident concerns around large numbers of visitors returning, potentially re-infecting the local population with the virus
- Visit England consumer sentiment research (April 2020) identifying coastal and the South West in general as being the top destinations domestic (UK) holiday makers are considering re-booking post-covid. Those most likely to replace an overseas holiday with domestic holiday (staycation) are aged 34-55
- In recent decades, coastal resorts have faced increasing competition from city destinations for short mini-breaks and day trips. The Visit England report highlights that when domestic consumers are considering locations for future replacement holidays, 32% are considering seaside destinations compared to 13% considering cities.

BCP's tourism sector has an opportunity to take advantage of a post-covid increase in staycations as domestic tourism becomes more competitive in the face of likely increased cost of overseas holidays and flights due to social distancing requirements.

In order to capitalise on turning a short-term bounce in demand into a longer-term trend, the resort will need to focus on improving the quality and range of visitor experiences, driving repeat visits. The focus will be on quality, authenticity of experience and environmental sustainability as many visitors continue to value the impact of their travel on the planet. The proposals for Southbourne are well placed to meet this emerging opportunity with an innovative and sustainable destination experience that builds on the success the Council has achieved with the Bournemouth Beach Lodges offer at Manor Steps and takes it to the next level.

### **Bournemouth Beach Lodges**

Between 2017 – 2019 the Council constructed a two-phase development of short-term holiday let Beach Lodges at Manor Steps. The combined development of 24 properties nestled in the cliff at Manor Steps, approx. 2.5 miles to the West of Southbourne, is operated in-house by the Council's



Destination and Culture team and offers mid-week and weekend breaks throughout the year for up to six guests per lodge. Each Beach Lodge features a small kitchen, shower and WC, heating, wifi and tv. Since opening at Easter 2017, the Beach Lodges have welcomed over 3,400 staying groups and achieved a year-round occupancy of around 73%. During the peak season, occupancy rises to 100%. The lodges have exceeded all expectations in terms of income, generating a net return of £520k to the Council in the 2019/20 budget statement, and high quality customer feedback with 5 stars off 149 tripadvisor reviews: [https://www.tripadvisor.co.uk/Hotel\\_Review-g186262-d12199947-Reviews-Bournemouth\\_Beach\\_Lodges-Bournemouth\\_Dorset\\_England.html](https://www.tripadvisor.co.uk/Hotel_Review-g186262-d12199947-Reviews-Bournemouth_Beach_Lodges-Bournemouth_Dorset_England.html)

The investment at Manor Steps enabled improvements in public amenities enjoyed by locals and day visitors. These included refurbished public toilets, a new, more accessible kiosk and public realm improvements. Additionally, the development has turned the site into year round occupation which has helped to drive down localised anti-social behaviour and vandalism of private beach huts.

The Destination and Culture team have identified with this business case an opportunity to expand on the success of the Bournemouth Beach Lodges, improving the offer through increasing quality and price-point in a way that will differentiate and ensure the new scheme does not risk impacting on demand for the existing lodges.

Following consumer feedback after three years of operation, the team have identified key opportunities with the Southbourne proposals to upgrade the new offer further. These include:

- Maximum of four guests per lodge, as opposed to six at Manor Steps. Analysis shows 91% of bookings since 2017 have been for groups of 4 or less. The new Lodges at Southbourne will have the same internal space as the existing lodges but feature two fewer beds, increasing overall internal space and contributing to a more premium feel along with uprated internal fixtures and furnishings.
- Convenient car parking: a consumer criticism of the Manor Steps lodges is the distance from parking the car to accessing the lodge. These issues are addressed at Southbourne with the existing car park nestled within the cliff directly behind the lodges. A level footbridge will connect the car park with a lift within the building stopping at the first-floor beach lodges and ground floor promenade and restaurant level.
- Additional minor improvements around internal specification within the kitchen and a skylight, enabling guests to sleep beneath the stars and within earshot of the ocean will add to the experience.
- The spa facility and viewing point at the top of the lift tower will provide flexible spaces for additional activities adding value.
- It is envisioned that the restaurant could potentially offer deliveries to guests doors
- Combined, the range of facilities on offer could appeal to new markets including beach weddings and corporate activities
- A review of existing booking processes has identified opportunities to increase income and profit margins through a more flexible minimum two-night stay offer, outside of the peak season. This should contribute to a slight reduction in management costs with changeovers spread more evenly through the week
- Introduction of active pricing which would flex in response to demand could also be introduced, although this would require some investment in developing a new online booking system.
- And for the Council, the day to day operating costs for the new lodges should be lower with the introduction of solar panels to offset power consumption, reducing the carbon footprint of the development.

- A key part of the formula for success of the beach lodges to date has been the avoidance of advertising on price comparator booking sites who take a fee on every booking made. The Beach Lodges may only be booked direct via the Bournemouth Beach Lodges own website. This has enabled the lodges to maintain a distinct position in the marketplace and avoid a race to the bottom on pricing.

As has been proven with the Manor Steps development, it is envisaged that the new year-round destination offer at Southbourne should drive down anti-social and vandalism issues, improving safety for all promenade users including residents especially in the evenings and at night.

Significant opposition to the first phase of beach lodges at Manor Steps was raised by local residents at the time of the initial planning application, resulting in a petition highlighting fears that the lodges would lead to increased anti-social problems from hen and stag parties as well as disruption for existing private beach hut tenants. These legitimate concerns have not materialised to any significant degree, with the lodges appealing strongly to a family audience. After a year of operation, a second phase of lodges was submitted for planning consent and saw very little objection.

It is to be assumed that some of the same concerns may be raised in objection to the proposal for Southbourne, for which the Council will be well placed to address via the example at Manor Steps.

### **SMART objectives and outcomes for the project**

SMART stands for specific, measurable, achievable, realistic and timely

**Specific:** – To deliver the project on time, on budget and to agreed quality as set out in this business case. The objectives of the realised asset are to safeguard existing revenue from the site by redeveloping a facility that has reached the end of its viability; establish new revenue streams for the Council to support vital services elsewhere; introduce a year-round tourism offer and increase visitor footfall and spend.

**Measurable** – The measure for performance success will be net income achieving or exceeding the projections within this business case; visitor footfall, spend and satisfaction improving by 10% in 2023 over baseline data established within the 2019 BCP Seafront Visitor Survey. This will be measured in a subsequent seafront visitor survey.

**Achievable** – The measurable objectives are benchmarked via a dozen coastal leisure regeneration schemes delivered by Destination and Culture team members over the past 5 years. These projects have included all of the elements contained within the Southbourne scheme such as restaurants, cafes, kiosks, beach lodges and public realm.

**Realistic** – Income projections and occupancy for the beach lodges are informed by review of three years operation of the Bournemouth Beach Lodges; a horizon scan of relevant examples elsewhere; review by independent hospitality consultants and consumer feedback. Projections for the restaurant and kiosk are informed by independent review by market agents; analysis of commercial leases and restaurant operations across BCP's seafront estate; and informal discussion with existing seafront operators to test assumptions. The financial case sets out a series of best and worst case scenario projections and includes sensitivity analysis to take account of covid-19 impacts.

**Timely** – Subject to business case approval by August 2020, securing planning consent and agreements with the current tenants on the site, it would be practical to deliver the scheme by May 2023. We assume that the construction industry and its supply chain would be in a position to tender for works in early 2021.

### **Dependencies and risks**

Delivery of the project will be dependent on successful negotiation with the sitting tenant in order to mitigate impacts on the current restaurant operation during the demolition and construction phase. This may involve either early surrender of the lease or establishment of a temporary offer during 2022 while the scheme is under construction. Alternatively, the project could be delayed until the current tenancy terminates in March 2023. This would mean the new facility coming online in 2025.

14 annual council beach hut tenants would lose their licences as the huts would be demolished to accommodate the new development. It is unlikely that the Council would be able to re-accommodate these tenants in Southbourne, due to a lack of alternative sites.

Wayleave and licence agreements would have to be reached with Wessex Water and SSE around their pumping station equipment located within a store at one end of the current building. It is intended to re-locate this equipment within the new development but close co-operation and co-ordination with the companies would be required.

Key risks include assumptions that Covid-19 economic and health impacts will be on the road to recovery by summer 2023. It is also assumed that the construction industry and its supply chain will be ready to respond to tenders issued in 2021.

Key design and construction risks around service diversions, cliff stability and piling requirements and planning consents can be achieved and managed. Appropriate mitigations are covered within the Strategic Risk Register at **Appendix 4**.

Political and Stakeholder support will be required and maintained throughout the duration of the project. The construction period is estimated to last at least 18 months which will mean Southbourne beach will be without some facilities for at least one season. Mitigation measures to ensure public access to the beach is maintained and some temporary catering facilities are available will be explored. Public toilets on the seafront within close access at Warren Edge would remain open throughout.

### **Market Failure**

Covid-19 is, in a sense, an induced market failure designed to address the critical health needs of the nation and to protect the NHS. Once the crisis is over it is anticipated the market will bounce back, although the return to a new normality may see some lasting impacts around consumer behaviour and expectations. It is also probable that spend patterns will be affected by economic recession for some period of time.

This business case considers the option of developing the scheme to outline planning only and offering out to the market to develop, deliver and operate the scheme. This option is possible but analysis identifies that it would generate a much lower return for the Council, resulting in a permanent reduction in net income compared to the current offer, albeit with none of the development and cost risks. The lower return is in part driven by the Council's ability to fund the



project at a lower borrowing rate than the commercial sector, enabling a faster return on investment.

## **Benefits**

The main benefits of the project are:

- Creation of new jobs in tourism and hospitality as well as safeguarding existing jobs
- Increased productivity (GVA) through development of a year-round offer
- Increased visitor numbers particularly in the shoulder season, staying longer and spending more. Emphasis here may be on higher spend and lower volume of overall visitors as the tourism sector contends with a post-covid world
- New destination offer, improving access to the beach

## **Stakeholder Support**

Redevelopment of the Southbourne site to create a new destination offer was consulted upon as part of the Bournemouth Seafront Strategy development. Further engagement with local residents and key stakeholders would be required, should this business case be approved, as part of the next stage for project development.

# **3. Economic Case**

This section sets out the economic case for the project, considering the cost and benefits of the scheme.

## **Critical success factors**

3.1.1 The critical success factors for this project are the following outcomes:

- Project delivery on time, to budget and quality as set out in this business case
- Replacing existing income stream to the Council from the site
- Establishing new net income stream over and above cost of borrowing to deliver the project, as set out in this business case
- Increasing productivity and asset realisation, developing year-round footfall and spend
- Achieving 74% annual occupancy levels for the beach lodges as set out in the modelling within this business case
- Increasing visitor spend to Southbourne beach by 10% by 2023, as measured by Seafront Visitor survey using 2019 results as baseline.
- Improve access to the beach for all, via new lift facility from the clifftop car park, increasing % of visitors with accessibility needs by 20% by 2023 as measured by Seafront visitor survey using 2019 results as baseline.
- Securing a tenant to operate the new restaurant and kiosk

## **Project Options Appraisal**

### **Option 1: Implement Proposed Project (*Preferred Option*)**

In Scope	Out of Scope																																
Comprehensive redevelopment to establish new restaurant, kiosk, public toilets, beach office, 16 beach lodges, spa facility and accessible lift / bridge link from car park to promenade	n/a																																
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)																																
Addresses £104k MTFP pressure and delivers a further £2.5m surplus over 25 years. Should the covid risk diminish by 2023, the net surplus may increase by £140k a year (an additional £3.5m over 25 years) Additional income expected to Warren Edge Council car park which is currently largely empty outside of peak summer holidays	£6.84m (funded through borrowing)																																
Expected Non Cashable Benefits	High Level Breakdown of Costs																																
<ul style="list-style-type: none"> <li>- New public amenities including full accessibility to beach</li> <li>- Premium year-round visitor attraction, drawing new visitors to the conurbation, contributing to wider economic spend.</li> <li>- Safeguards existing public amenities (toilets and beach office) which might otherwise be lost when building closes down</li> <li>- Year-round use of the beach by families staying in Beach Lodges and more accessible year-round restaurant offer will make for a safer promenade environment for all</li> <li>- Improved visitor satisfaction rates for Southbourne beach (see current visitor survey results)</li> </ul>	<table> <tr> <td>Demolition</td><td>£215,000.00</td></tr> <tr> <td>Shell &amp; Core Works</td><td>£2,260,000.00</td></tr> <tr> <td>Fit Out Works</td><td>£1,150,933.00</td></tr> <tr> <td>External Works</td><td>£670,000.00</td></tr> <tr> <td>Prelims, Profit &amp; Overheads</td><td>£790,000.00</td></tr> <tr> <td>Cliff Works</td><td>£102,680.00</td></tr> <tr> <td>CDM</td><td>£1,855.00</td></tr> <tr> <td>Inflation</td><td>£100,000.00</td></tr> <tr> <td>Professional fees, Surveys &amp; Reports</td><td>£532,055.00</td></tr> <tr> <td>Statutory Services</td><td>£16,450.00</td></tr> <tr> <td>Employers Agent and QS</td><td>£25,000.00</td></tr> <tr> <td>Legal</td><td>£10,000.00</td></tr> <tr> <td>Lodge furnishing</td><td>£55,000.00</td></tr> <tr> <td><b>Sub Total</b></td><td><b>£5,928,973.00</b></td></tr> <tr> <td>Contingency @ 15%</td><td>£910,295.90</td></tr> <tr> <td><b>Grand Total</b></td><td><b>£6,839,268.90</b></td></tr> </table>	Demolition	£215,000.00	Shell & Core Works	£2,260,000.00	Fit Out Works	£1,150,933.00	External Works	£670,000.00	Prelims, Profit & Overheads	£790,000.00	Cliff Works	£102,680.00	CDM	£1,855.00	Inflation	£100,000.00	Professional fees, Surveys & Reports	£532,055.00	Statutory Services	£16,450.00	Employers Agent and QS	£25,000.00	Legal	£10,000.00	Lodge furnishing	£55,000.00	<b>Sub Total</b>	<b>£5,928,973.00</b>	Contingency @ 15%	£910,295.90	<b>Grand Total</b>	<b>£6,839,268.90</b>
Demolition	£215,000.00																																
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Deliverables	Timeline (inc key milestones)																																
<ul style="list-style-type: none"> <li>- New destination facility</li> <li>- Tenant to operate restaurant</li> </ul>	Project approval July 2020 Project Commencement August 2020 Tender design and build Winter/Spring 2020/21																																

- Lodges, Spa and beach office to be operated in-house by Seafront Team	Secure Planning Consent Summer 2021 Site works October 2021 – March 2023 Fit out April/May 2023 Commence trading May 2023
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Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions
Budget over-run	High	15% budget contingency included
Programme over-run	High	15% time contingency included
Cliff stability	High	Early survey and assessment. Provisional sum included in budget and based on costs for similar works elsewhere over a larger area (Manor Steps)
Covid related supply chain delays	High	Early engagement with supply chain.
Planning delay	High	Early engagement with Planners done. Clear understanding of issues to address. Early engagement with EA critical around Lodges. Precedent set with Manor Steps scheme

Delivery models considered:

Three approaches to delivery have been considered:

- Council obtains outline planning then leases site out for private sector redevelopment and operation. Some interest was expressed via informal discussion with industry prior to covid lock-down. We are still awaiting a formal response on the potential from a commercial agent. It is understood that even if the offer was leased it would be unlikely to generate significant yield to the Council, certainly less than the developing the site in-house. This would also require the Council to sub-lease on terms of at least 99 years. This option has been rejected.
- Council funds the build and operates all facilities in-house. The Council has considerable experience and a management set up ready to go (Bournemouth Beach Lodges) to run a new premium lodge offer. Whilst the Council has a catering operation covering 14 units across the seafront, aspirations to provide a higher quality restaurant experience at Southbourne would require a totally separate supply chain and dedicated management team. There would be little gain in terms of economies of scale leveraging the wider catering offer and premium dining falls outside of the Council's expertise. This option has been rejected.
- Council funds the build, operates the beach lodges and spa. Restaurant operation is tendered out to specialist contractor. This option is recommended.

## Option 2: Do Nothing

In Scope	Out of Scope
Nothing	Redevelopment of Southbourne 'Bistro' complex
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)
none	£104k lost rental from Bistro & beach huts Some lost revenue from car park (mainly evenings and off-peak season) Lost business rates from Bistro restaurant Cost of decommissioning / making safe the building / security, once closed
Expected Non Cashable Benefits	High Level Breakdown of Costs
Reduced risk	n/a
Deliverables	Timeline (inc key milestones)
Closure of building within four to five years. Loss of public toilets and beach office. Loss of 25 beach huts Reduced demand for council owned car park at Southbourne Risk loss of Blue Flag award for Southbourne beach Reduced viability for tourism 'offer' in Southbourne, potentially impacting on local guest houses and hotels	Bistro restaurant tenancy ends March 2023. May be possible to extend for a further year before building is condemned to closure

No redevelopment of the site will see the current restaurant tenancy ending in March 2023. It may be possible to extend this existing tenancy agreement but not practical to re-advertise the tenancy on a substantial lease due to the poor condition of the building.

The building will continue to be surveyed on a regular basis to ensure it remains safe to use but it is beyond the point of being reasonably economically viable to undertake extensive repairs.

The likely scenario would see the facility permanently closed within two to three years on safety grounds.

The loss of the restaurant and first floor beach huts would result in a loss of £104k income to the Council, based on 2019/20 figures. Income will be substantially down in 2020/21 and possibly 2021/22 due to covid-19 lock down.

The loss of facilities including the closure of public toilets and beach office would have a significant impact on beach visitor numbers and loss of amenities for local residents and a likely further reduction in income to the council from lost business rates and less use of the cliff top car park, particularly in the evenings and off-peak season periods.

Lost facilities could impact on Southbourne's Blue Flag award, for which provision of toilets forms a key award criteria. Potential loss of a Blue Flag would result in reputational damage for the resorts reputation and could have wider economic impacts for local guest houses and hotels.

Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions
Current building becomes unsafe, resulting in closure of facilities including public toilets and beach office	High	Pop up temporary beach office. No space for additional temporary toilets
Loss of £104k revenue to the council	High	Explore pop up temporary kiosk on adjacent sites. Max revenue potential £10 to £20k a year
Reputational risk to resort: reducing investment in key tourism product that supports wider industry	High	Reinvest in core tourism product elsewhere to 'compensate' for loss of Southbourne facilities
Loss of political support: ward councillors under pressure from residents over loss of beach amenities	High	Demolish building and install temporary offer, see Option 4 (below)

**Option 3: Implement a less comprehensive solution, or implement the project in phases to spread the cost**

In Scope	Out of Scope
Demolition of Bistro complex in 2024, following termination of restaurant lease.  Install temporary kiosk, toilets and beach office on existing concrete pad plus up to 8 private beach hut sites	Comprehensive redevelopment of site
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)
None.	£480k capital funded via PRU borrowing at 2.35% over 10 years (max life of facilities). Annual borrowing cost £53k  £10 - £20k max income from kiosk, plus a further £12k from private beach hut sites which after borrowing would result in a net annual cost to the Council of £21k a year in addition to a £104k budget pressure from lost income from the restaurant.
Expected Non Cashable Benefits	High Level Breakdown of Costs
Reinstates some basic facilities, supporting footfall in the peak season and removing risks around blue flag beach award.	Demolition and making good the foundation base £300k Installation of temporary toilets and beach office portacabins £50k Installation of modular kiosk: £50k Fit out, services, planning and professional fees: £80k Cost of beach huts: none. These could be funded by tenants.
Deliverables	Timeline (inc key milestones)
Demolished building. New temporary toilets and kiosk facility plus up to 8 new private hut sites	Current site operates through to March 2023. Potential to negotiate a short lease extension for restaurant to cover 2023 season. Demolition of building winter 2023/24 Installation of temporary facilities by Easter 2024

Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions

Lack of funding. Commercial investment is not viable.	High	Subsidise investment from new commercial activity elsewhere or fund from Council reserves (unlikely)
Unsustainable budget pressure	High	Reduce services to fund budget pressure
Lack of stakeholder support, resulting from down-grading of amenities	High	Explore alternative investments to improve amenities elsewhere

This option may be considered as a short-term option to maintain some amenities once the current structure has been closed, whilst reserving the option for comprehensive redevelopment in the longer term. However, this option does present a significant budget pressure and could not generate sufficient revenue to fund its construction.

Further options around developing a modular café/ restaurant have been explored and costed by drawing off draft proposals and business case prepared (but not submitted) for development of a café at Sandpiper by the West Cliff Lift. A modular café at Southbourne would cost in the region of £750k to construct, rising to £850k if the Council decided to fit out itself and operate in house. Net projected income would not cover the borrowing cost, leaving nothing to cover wide site costs such as toilets, beach office and landscaping.

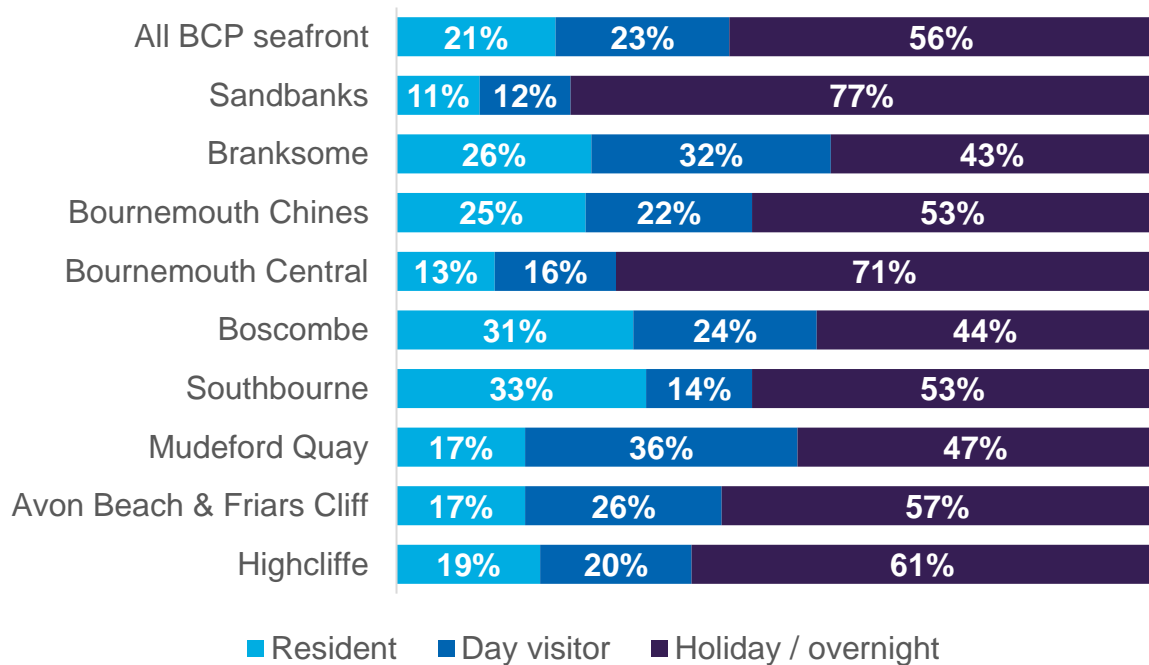
## 4. The Commercial Case

This sets out the evidence to support market demand for re-development of the site.

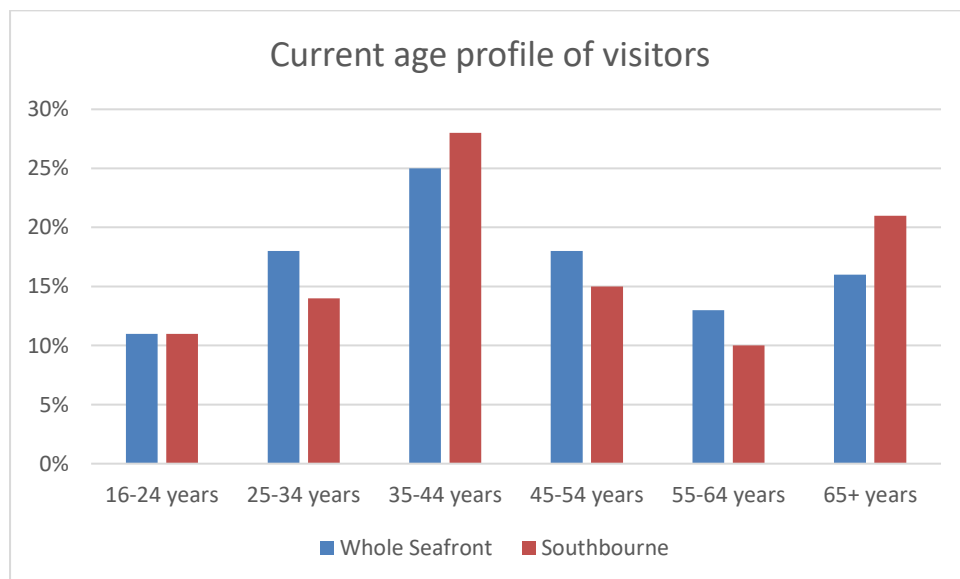
### BCP Seafront Visitor Survey 2019: Southbourne performance

Presented below are some snapshot results from the most recent seafront visitor survey undertaken in summer 2019. We have compared the results for Southbourne beach with the seafront as a whole (Sandbanks to Highcliffe Beach) to highlight some weaknesses and opportunities.

## Visitor type by seafront zone

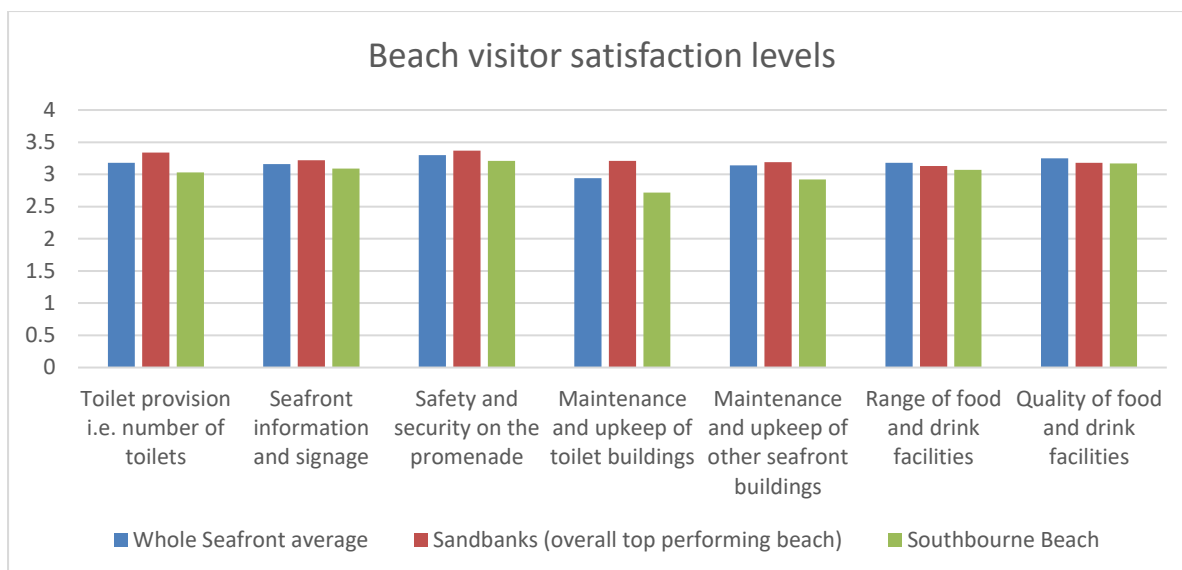


This chart illustrates the breakdown of current visitors to Southbourne beach during the summer months, compared to other sections of the seafront. This highlights its popularity with holidaymakers as well as local residents, but is less frequented by day visitors.

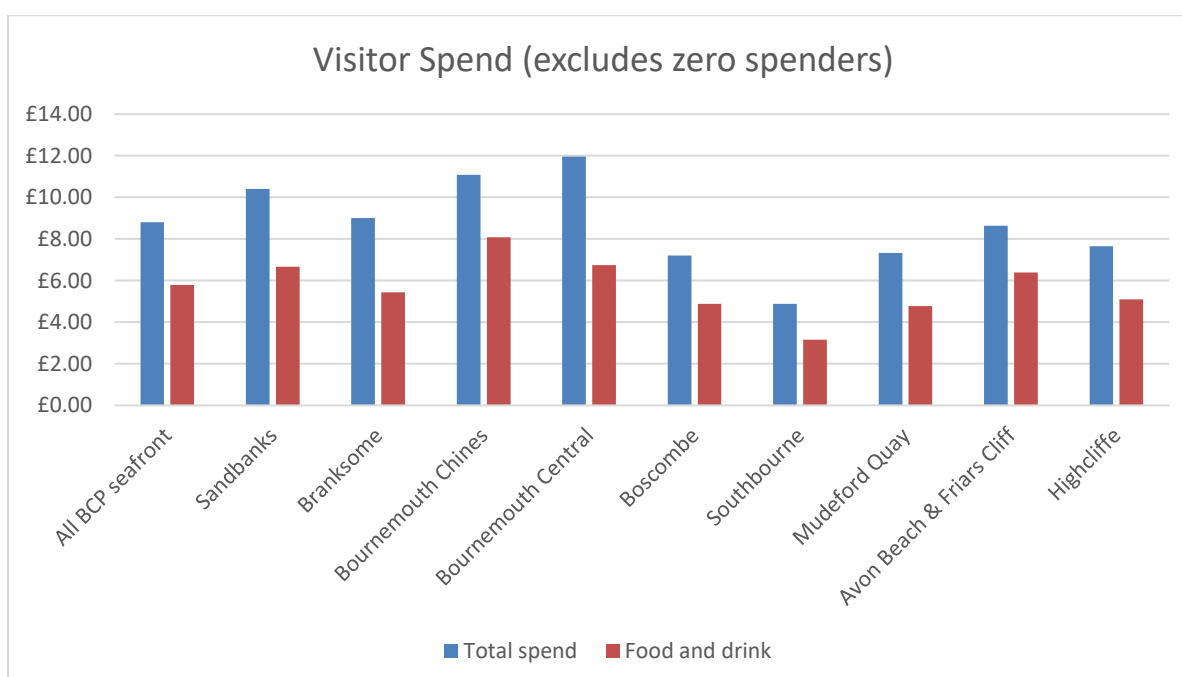


This chart illustrates the age profile of visitors to Southbourne beach compared with the overall average for the seafront as a whole, highlighting its enduring appeal to certain age groups.





This chart illustrates Southbourne’s relative poor performance on a number of satisfaction measures compared to the whole seafront average and the overall top performing beach for visitor satisfaction, Sandbanks in Poole. The proposed development would address these issues.



This chart illustrates Southbourne beach currently sees the lowest overall visitor spend and the lowest spend on food and drink for any of the beaches within BCP, presenting a key growth opportunity if the product development is right.

#### Current trading performance

The Bistro restaurant is currently achieving a turnover of over £1m a year. This is due to good management as well as demand from a captive audience with no commercial competition on the seafront within a mile.

## Commercial potential

The potential to increase turnover, subject to securing a good operator via a tender process, has been enhanced by key aspects of the scheme design:

- Introduction of lift and walkway from car park will make the restaurant more accessible and convenient especially in the evenings and off-season. This should help the operation to become year-round, as the Bistro site once was back in the 1980s.
- Year-round occupation of the beach lodges (targeting an average of 74% annual occupancy, as achieved at Manor Steps) would result in a ready made year-round market for the restaurant and would also enhance car park financial performance
- Combination of spa, lodges, restaurant, easy access, convenient car parking and potential space within the spa area/ viewing platform could support additional revenue streams from corporate events and beach-based weddings. A committed operator might draw example from the Lusty Glaze privately run beach operation in Newquay which hosts around 120 – 140 beach weddings a year utilising a restaurant and beach accommodation. Weddings start from £15k for site rental alone.

A full assessment of the income potential for the site can be found at **Appendix 2**.

### Warren Edge Car Park

A high-level review of car park income for the Warren Edge car park highlights how under-utilised the car park currently is. The majority of users during the high season (April to October) stay for less than 1 hour. Convenient free parking can be found on the adjacent roadway. The car park features 192 parking spaces, including accessible spaces.

Occupancy across the whole of April to October (214 days) was only 15,312 transactions in the last financial year. The bulk of these will have occurred during the summer holidays, which points to very low occupancy outside of July and August.

The proposed development at the Bistro site could help significantly improve occupancy, particularly in the evenings and outside of the summer holidays.

## 5. The Financial Case

Refer to Appendix 2: Southbourne Financial Case for further detail on cost breakdown and income projections.

Scheme capital costs have been prepared by the project team drawing on independent cost plan commissioned of Currie and Brown, see Appendix 3

Income projections have been prepared with input from Simon Scarborough Associates (hospitality industry consultants) and the Bournemouth Beach Lodges management team. Rental valuations for the restaurant have been prepared with input from Property Services and the Seafront Operations Contract Manager.

The return on investment and borrowing model has been prepared with input from the Council's Strategic Finance Team.

#### Return on investment:

	Invest to Save 5.5% rate			PRU borrowing 2.35% rate		
	worst	mid	best	worst	mid	best
16 Lodges net income	(675,711)	(772,488)	(869,266)	(675,711)	(772,488)	(869,266)
Lodges revenue costs	324,651	324,651	324,651	324,651	324,651	324,651
Lodges net profit	(351,060)	(447,837)	(544,615)	(351,060)	(447,837)	(544,615)
Restaurant lease income	(80,000)	(90,000)	(100,000)	(80,000)	(90,000)	(100,000)
Total net income	(431,060)	(537,837)	(644,615)	(431,060)	(537,837)	(644,615)
Scheme cost	£6.84m	£6.84m	£6.84m	£6.84m	£6.84m	£6.84m
Annual borrowing cost	509,918	509,918	509,918	364,908	364,908	364,908
Net cost / (surplus) to Council	78,858	(27,919)	(134,697)	(66,152)	(172,929)	(279,707)

#### Borrowing Rate Matrix

##### 3.5% Low Risk

The proposed capital expenditure expands on a service already provided by the Council, and there is significant evidence to support / guarantee the savings or income streams associated with the proposal.

##### 5.5% Medium Risk

Proposals where the Council has prior experience of delivering the proposed service / capital asset, but where forecast savings or additional income streams are not supported by robust evidence, reflecting the current covid-19 risk

##### 10.5% High Risk

The proposal is for a completely new activity to the Council, and no guarantee of savings or additional income streams can be provided

#### Risk Premium

Difference between Invest to Save Rate of 5.5% and potential PRU borrowing rate of 2.35% is £145k per annum (£510k modelling repayment less £365k potential actual)

- A 25 year cash flow forecast (see Appendix 2) is summarised below:

<b>Income</b>	<b>assumptions</b>	<b>years 1 - 5</b>	<b>years 6 - 10</b>	<b>years 11 - 15</b>	<b>years 16 - 20</b>	<b>years 21 - 25</b>
16 lodges	assume 3% annual increase	(4,101,244)	(4,754,465)	(5,511,729)	(6,389,604)	(7,407,302)
restaurant	5 year rent review @ 3% increase	(236,000)	(455,400)	(469,062)	(483,134)	(497,628)
<b>Gross Income</b>		<b>(4,337,244)</b>	<b>(5,209,865)</b>	<b>(5,980,791)</b>	<b>(6,872,738)</b>	<b>(7,904,930)</b>
<b>Operational Costs</b>						
Annual running costs	assume 2.5% annual increase	1,706,472	1,930,717	2,184,429	2,471,481	2,796,254
Major Repairs	based on 0.8% asset value from year 10	0	68,330	368,147	416,524	471,259
<b>Operational Spend</b>		<b>1,706,472</b>	<b>1,999,047</b>	<b>2,552,575</b>	<b>2,888,005</b>	<b>3,267,512</b>
<b>Net surplus before borrowing</b>		<b>(2,630,771)</b>	<b>(3,210,818)</b>	<b>(3,428,215)</b>	<b>(3,984,733)</b>	<b>(4,637,418)</b>
Prudential Borrowing	Medium Risk Invest to Save 5.5%	2,549,588	2,549,588	2,549,588	2,549,588	2,549,588
<b>Net Surplus</b>		<b>(81,184)</b>	<b>(661,230)</b>	<b>(878,627)</b>	<b>(1,435,145)</b>	<b>(2,087,830)</b>
MTFP pressure (lost income)		520000	520000	520000	520000	520000

<b>Net Surplus plus MTFP pressure</b>		<b>438,816</b>	<b>(141,230)</b>	<b>(358,627)</b>	<b>(915,145)</b>	<b>(1,567,830)</b>

- It should be noted that years 1 to 3 carry a budget pressure due to rent relief for the first years of operation of the restaurant, reflecting the high set up costs to fit out the facility. We have estimated a fit out cost of £220k. The restaurant would be handed to the operator as an empty shell.
- Subject to approval by Cabinet (and full Council) the project would commence August 2020 and complete by May 2023. On-site works in 2022 may necessitate some temporary catering offer and agreement with current tenant to vacate site early

#### Covid-19

- Reflecting on the current budget challenges as risks around managing Covid-19 it should be noted that projected spend to deliver the project, for the current year 2020/21, would be minimal and largely confined to officer time as we develop and issue a Design and Build Tender.

#### Capital scheme costs:

<b>Item</b>	<b>Cost</b>
Demolition	£215,000.00
Shell & Core Works	£2,260,000.00
Fit Out Works	£1,150,933.00
External Works	£670,000.00
Prelims, Profit & Overheads	£790,000.00
Cliff Works	£102,680.00
CDM	£1,855.00
Inflation	£100,000.00
Professional fees, Surveys & Reports	£532,055.00
Statutory Services	£16,450.00
Employers Agent and QS	£25,000.00
Legal	£10,000.00
Lodge furnishing	£55,000.00
<b>Sub Total</b>	<b>£5,928,973.00</b>
Contingency @ 15%	£910,295.90
<b>Grand Total</b>	<b>£6,839,268.90</b>

## 6. The Management Case

This section sets out the management case for the project, showing that it is deliverable.

### Governance

The project will be delivered by BCP Council's Seafront Delivery Programme Board. A robust governance structure is in place with a programme board headed by the Corporate Director for Regeneration & Economy. Other members of the board include Directors for Destination & Culture and Growth & Infrastructure, together with the Leader of the Council and Portfolio Holder for Tourism, Leisure & Communities and senior officers responsible for planning policy, strategic finance, seafront programme delivery, corporate communications and project management assurance.

### Delivery Track Record

The Seafront Delivery Programme Board oversees a strategic programme of investment across BCP Council's 15 miles of coast drawing off the Bournemouth Seafront Strategy, Poole Seafront SPD and strategic ambitions for Christchurch. These strategic aims have been brought together into an overarching BCP Council Seafront Strategy. Whilst the current Board was constituted in 2019 with the commencement of BCP Council, it draws on the best practice and the experience of team members who have previously overseen delivery programmes for the predecessor authorities of Bournemouth, Poole and Christchurch & East Dorset. Since 2013, the programme and project team members have overseen delivery of 15 capital projects in Bournemouth, 5 in Poole and 4 in Christchurch. Projects have included major public realm schemes such as Bournemouth Pier Approach, innovative tourism accommodation schemes such as Bournemouth Beach Lodges, significant access projects such as Highcliffe Zig Zag restoration, various beach hut schemes, play space developments, new cafes and tourist information centres and an adventure golf leisure attraction.

### Management Proposals

Programme and Project Managers report to the Destination and Culture Directorate and are currently engaged on the delivery of over £10m worth of projects. The Southbourne project will be able to draw appropriate delivery resources from an in-house team of three project managers and three programme managers with a combined experience of over 70 years of coastal project delivery.

The delivery team utilise Prince2 project management methodologies and procurement processes are managed with the support of the Council's Procurement Team and are fully compliant with the Council's procurement policies and OJEU regulations. The team have forged strong relationships with other council departments and external stakeholders with an interest in the seafront to ensure smooth and co-ordinated delivery of projects on time and on budget.

### Delivery Plan

Key project milestones are set out in the table below:

Project start date	Project end date
August 2020	May 2023

Key Milestone Date	Milestone Description
July 2020	Full Council Approval
Aug - Sept 2020	Commission full surveys including cliff stability
Sept - Oct 2020	Develop design and build tender documents
Nov '20 - March '21	Tender design and build contract
Late spring through summer 2021	Secure planning consent
Early sept 2021	Current restaurant trading operation suspended
Oct 2021	Commence site demolition and establish temporary offer with restaurant operator for duration of works
Nov 2021 - March 2023	Construction phase (17 months)
April - May 2023	Fit out phase (2 months)
May 2023	Completion and commence trading

## Permissions

The site is freehold owned by BCP Council and there are no covenants.

Agreements with Wessex Water and SSE will be required for the re-siting of pumping sub-station control equipment located within the current building. These would be relocated in the new facility.

Agreement with the current restaurant tenant to vacate the site early or otherwise agree to establishing a temporary offer would be needed in order to allow for construction during 2022 and early 2023.

Annual beach hut tenancies would need to be terminated at the end of 2021 summer season to facilitate redevelopment.

Licences and agreements to re-connect or divert services will be required. Potentially a power upgrade may be required.

Full planning consent will be required. Key issues identified by Planning Officers that will need to be addressed by the project have been identified:

### Key planning risks/issues:

- flood risk
- impact on nature conservation sites & habitats
- impact on character (in particular coastal and cliff) and public views – building height and form, detailed design and appearance (in particular lift tower and access/walkway)
- impact of uses – increased activity any new uses/activity types
- impact of mechanical vent/extraction for the restaurant - appearance and noise
- storage and disposal of waste – visual appearance, smell nuisance
- provision of cycle parking
- consideration of any parking implications

**Information that may be required for planning and could provide mitigation and understanding of the scheme:**

- flood risk assessments
- ecology surveys
- rationale for the tower design – issues it addresses, opportunities it creates
- cliff stability report
- drainage design

**Consultees required for a planning application**

- Natural England
- Environment Agency
- Dorset Wildlife Trust
- Design Review Panel
- Council teams (parks, car parks, highways, ground engineer (WSP), coastal engineers, tourism/ seafront, environmental health, ward councillors, resident associations)

**Contract Management Plan**

The Programme and Project Manager will work with the Council's Procurement Team to develop the most appropriate procurement strategy. At this stage, it is favoured to go down the route of a full design and build contract although further options will be considered in light of evolving covid-19 lock down impacts on the construction industry and supply chain.

The procurement process will be fully compliant with Council and OJEU regulations.

**Contingency Plan & Risk Management**

The cost plan allows for a 15% project contingency. The delivery programme of 33 months allows for 17 months on site construction time plus a further 2 months commercial fit out. This is considered sufficient for a build of this complexity and location and would allow for some float, anticipating delays due to winter working in a coastal environment.

A key risk revolves around the construction industry's ability to respond to the tender and programme in light of the present economic shut down.

The cost plan contains a number of assumptions around this:



- We have included marginal allowances of +1% for 12 months of pre-construction (1% per annum for 2020-21) and +1% to mid-point of construction at 6 months (2% per annum for 2021-22)
- Given the uncertain duration of the lockdown, the size of the fall in output through 2020 is difficult to assess. BCIS is assuming a fall of 8%, against a previous anticipated growth rate of 3%.
- It is our expectation, however, that tender price inflation will go negative as an immediate consequence of the lockdown, possibly by as much as -6%. We believe that there will be a wave of companies chasing to secure turnover in the first instance, and some project sponsoring bodies may be initially reluctant to proceed on planned capital projects while they are rebuilding their balance sheets and retaining cash. Once construction activity starts to rebuild to pre-lockdown levels, hopefully sometime during 2021, tender price inflation could quickly rise to around 3.5% to 4% pa as a consequence of prevailing input cost pressures and an increased pricing of risk.
- Getting the project out to market/tender quickly and maximising the use of locally available materials before the sector fully bounces back should result in competitive pricing with contractors keen to fill their order books.

A full project risk register is included as **Appendix 4**

### Monitoring and Evaluation

The principal evaluation will be based around a seafront visitor survey undertaken during the summer of 2023. This face to face survey interviews over 1200 seafront users during July and August every two years, enabling comparisons of data over time. The surveys cover visitor profile, satisfaction rates, purpose of visits, dwell and spend and have been conducted since 2003.

The beach lodge operation, which will be run by the in-house Bournemouth Beach Lodges team undertake continual performance monitoring in the form of room rate and occupancy analysis as well as cost monitoring. Performance will be benchmarked against the established offer at Manor Steps.

### Project Management Organisational Structure

Programme Board	Name	Position/Job Title
<b>Project Owner</b>	Bill Cotton	Executive Director
<b>Programme Manager</b>	Andrew Emery	Resort Development & Strategic Planning Manager, Destination & Culture
<b>Project Accountant</b>	Shirley Haider	Management Accountant
<b>Senior User</b>	Chris Saunders	Service Director, Destination & Culture
<b>Senior Supplier</b>	Julian McLaughlin	<i>Inc Project Assurance, Comms, HR, Risk, Legal to attend as mutually agreed by Project Owner</i>
<b>Leader</b>	Vicki Slade	

<b>Portfolio Holder</b>	Lewis Allison	<i>Where required for proper governance purposes</i>
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**Proposed Project Resource (including Stakeholders, SMEs, Internal and External Resource)**

Resource	Project Role	Estimated Effort
Rebecca Whelan-Edmonds	Project Manager	Between 10 – 20 hours a week for duration of project
Noel Oliver	Seafront Contracts Manager / User	5 hours a month for duration of project
Bournemouth Beach Lodges Manager	Operational User	Limited to start with but increasing towards end of project
Procurement Officer	Procurement support	15 hours
Melanie Brown	Corporate Comms support	15 hours
Gary Foyle	Stakeholder Engagement Co-ordinator	40 hours

**Consultation with Officers and Members**

*Include all who have been involved, include their views in the feedback*

Who has been consulted	Provide their name and their feedback
Strategic / Executive Directors	Bill Cotton
Service Director	Chris Saunders General comments on scheme proposal and concept design
Portfolio Holders	Cllr Lewis Allison Comments on scheme proposals and concept design
Corporate Finance / 151 Officer	Shirley Haider. Reviewed setting out modelling for borrowing repayments and sensitivity analysis and covid impacts
Legal / Monitoring Officer	
HR and OD	
IT and IS	
Policy / Consultation	
Communications / Marketing	Melanie Brown
Seafront Contracts Team	Noel Oliver input into concept design performance and operational specification. Review of commercial prospects and consultation with restaurant tenant
Seafront Operations Team	Andrew Brown input into concept design performance and operational specifications

Bournemouth Beach Lodges & Simon Scarborough Associates	Review of proposed beach lodge business model, providing income projections, pricing, product offer and occupancy modelling
Property Services	Gareth Dop providing input into valuations around lease of new commercial activities within the development

<b>Public Sector Equalities Duty</b> <i>Have you considered how this change may affect people protected under the Equality Act?</i>		
<b>EIA Screening Tool</b>	<b>Yes/No/Maybe</b>	<b>Comments</b>
Does the policy/service affect service users, employees or the wider community?	Y	Will deliver community and infrastructure improvements including improved accessibility
Is it a major policy/service with a significant effect on how functions are delivered?	N	A continuation of existing long term programmes of improvement. Will result in improvements to services
Will it have a significant effect on how other organisations operate?	Y	Will provide new commercial opportunities for leased restaurant offer, linking into beach lodges
Does it involve a significant commitment of resources? (human or financial)	Y	Will require significant capital investment to deliver project using invest to save model to generate new income streams for the Council
Does it relate to an area where there are known inequalities?	Y	Inequalities of access to services at Southbourne due to steep access slope.
Does it relate to a service that is currently underused by people it should reach?	Y	While the seafront is very well used by residents, some communities do not access the seafront due to issues around accessibility, transport and range of services on offer. Projects will deliver improved community facilities and access eg: lift access from cliff top to promenade, new public toilets, beach office, restaurant, kiosk and viewing platform with environmental interpretation
Does the policy/service relate to functions that previous consultation has identified as important to a particular group?	Y	Various consultations across BCP area have informed strategic plans and Seafront Strategies upon which this feasibility Programme is based
Do different groups have different needs or experiences in relation to the policy/service?	Y	Principally around access.

Is there likely to be a positive or negative impact in terms of equality?	Y	Positive
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**Does this proposal need consultation or communication with the public or other key stakeholders? Have you engaged the relevant teams?** *What needs to be consulted upon? Or communicated? Which stakeholders need to be included and when does this need to happen?*

Consultation and engagement with the community and key stakeholders will be required once business case has been approved.

Key stakeholders include: Ward Councillors, resident groups, statutory authorities, resident groups, tourism industry groups, NGO's and other Council departments.

A Stakeholder Engagement Plan will be developed with the Council's Consultation team as part of the project.

## Appendix

- 1: Southbourne Design RIBA 2 - follow sharepoint link:  
[https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW\\_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI](https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUCOOe5dFkWJaTcumW_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI)
- 2: Southbourne Financial Case
- 3: Southbourne Cost Plan v2
- 4: Southbourne Risk Register v4

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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**Date** 04-May-20

**Draft Order of Cost Estimate Ver 2**

## 1. Project Brief

The project site is located at Solent Promenade, Southbourne Coast Road, Southbourne, Bournemouth and consists of a new restaurant, takeaway, beach huts, seafront office, public toilets, shower and Wessex Water pumping station to replace the existing building on site.

This Order of Cost Estimate has been developed using the preliminary design developed by Footprint Architects. and assumes that the general construction is of a permanent type with high quality material levels to suit the marine and coastal environment.

## 2. Basis of Estimate

Base date of Estimate: 2 Qtr 2020  
Start date assumed within 12 months  
Construction duration assumed at 12 months

Information Used:-

1. Drawings received 4th April 2020:-  
Concept Presentation\_BistroOnTheBeach\_UPDATE
2. Drawings received 30th April 2020:-  
SK003 - DRAFT Ground Floor Plan Rev A  
SK004 - DRAFT First Floor Plan dated Rev A  
SK005 - DRAFT Sections Rev A  
SK006 - DRAFT Upper First Floor Plan Rev A  
SK007 - DRAFT Second Floor Plan Rev A  
SK008 - DRAFT Third Floor Plan Rev A  
SK009 - DRAFT Proposed GIFAs

## 3. Floors Areas Summary

	<b>Internal GIFA (m<sup>2</sup>)</b>	<b>External Terraces (m<sup>2</sup>)</b>	<b>Combined Total (m<sup>2</sup>)</b>
Ground Floor	465	0	465
First Floor	423	284	707
Upper First Floor	162	0	162
Second Floor	48	0	48
Third Floor	52	14	66
<b>Total</b>	<b>1,150</b>	<b>298</b>	<b>1,448</b>



**4. Assumptions & Exclusions**

1. Development costs including Legal Fees, lease, site acquisition and finance costs are excluded.
2. Statutory charges and professional fees are excluded.
3. Marketing costs including soft and grand openings, advertising, show units, literature and the like.
4. Envelope is designed to Part L levels of energy performance and not passivhouse standard.
5. External signage and building mounted signage are excluded.
6. The potential impact of the Covid19 virus on tender prices and inflation is excluded.
7. No allowance for disposal of hazardous material.
8. Supplies of equipment i.e. deckchairs etc. are excluded.
9. Loose fixtures, furniture and equipment (ff&e) i.e. sofas, tables and chairs in café, terrace, TVs, blinds etc. are excluded with the exception of those items included at Section 5.
10. Operators supplies and equipment (OS&E) i.e. bed linen, kitchen and dinnerware, consumables etc. are excluded.
11. Excludes any cliff stabilisation, piling, repairs to the pedestrian ramp and replacement of the existing retaining wall.
12. Air handling units supply and extract ventilation excluded. Assume natural ventilation with dedicated heating and cooling through split/VRF units and natural ventilation.
13. Smoke extract system assumed not required and excluded.
14. Assume basic electrical monitoring and minimal BMS only.
15. Assume local extract to WC's only.
16. Active IT equipment including servers and routers are excluded.
17. Any provision for back-up/standby power is excluded. Emergency lighting by 1.5 hour power pack.
18. Specialist lighting is excluded with the exception of the allowance included at Section 5.
19. Heating is by radiators to beach lodges. Underflooring heating excluded.
20. Central cooking and mechanical ventilation is excluded and assumed to be naturally ventilated.
21. Access control to external gate and beach lodge spa only.
22. Fire fighting systems i.e. sprinklers and gas suppression is excluded.
23. Rainwater harvesting system excluded.
24. Mechanical ventilation to Beach lodges excluded and assumed to be natural ventilation
25. Standard specification 21 person lift allowed. Bespoke lift car and finishes excluded.
26. Restaurant small power, wc's, ventilation system, heating and cooling and communication system are excluded and assumed by tenant.
27. Restaurant lighting assumed to be temporary/emergency lighting only. Fit-out by tenant.
28. Any other assumptions or exclusions as described within the cost plan.
29. We have assumed the existing infrastructure for the site is capable of serving the proposed development and that minimal "off site" infrastructure up-grades are required.
30. Diversion of services, within or outside the site, over and above the allowance made are excluded.
31. No requirement to divert or form temporary promenade.

**Date** 04-May-20

**Draft Order of Cost Estimate Ver 2**
**5. Cost Estimate Summary**

Ref.	ELEMENT	AREA (m2)	AMOUNT (£)	/m <sup>2</sup>
<b>1</b>	<b>Enabling and Demolition Works</b>	<b>1,150</b>	<b>200,000</b>	<b>174</b>
<b>2</b>	<b>Shell and Core Works</b>			
2.1	Foundations	1,150	139,000	121
2.2	Ground Floor Shell and Core	465	737,000	1,585
2.3	First Floor and Upper First Floor Shell and Core	585	1,097,000	1,875
2.4	Second Floor Shell and Core	48	128,000	2,667
2.5	Third Floor Shell and Core	52	159,000	3,058
<b>2.6</b>	<b>Sub-Total Shell and Core Works</b>	<b>1,150</b>	<b>2,260,000</b>	<b>1,965</b>
<b>3</b>	<b>Fit-Out Works</b>			
3.1	Communal/Core areas fit-out works	125	57,000	456
3.2	BCP fit-out works	67	51,000	761
3.3	Restaurant and Kiosk fit-out works	319	14,000	44
3.4	Beach Huts fit-out works	394	780,000	1,981
<b>3.5</b>	<b>Sub-Total Fit-Out Works</b>	<b>905</b>	<b>902,000</b>	<b>997</b>
<b>4</b>	<b>External Works</b>	<b>1,150</b>	<b>420,000</b>	<b>365</b>
<b>5</b>	<b>Furnishing, Furniture and Equipment (FF&amp;E)</b>	<b>1,150</b>	<b>40,000</b>	<b>35</b>
<b>SUB-TOTAL</b>		<b>1,150</b>	<b>3,820,000</b>	<b>3,322</b>
<b>6</b>	<b>Main Contractor's On-Costs</b>			
6.1	Main Contractor's Preliminaries	15.0%	570,000	496
6.2	Main Contractor's Overheads and Profit	5.0%	220,000	191
<b>SUB-TOTAL</b>		<b>1,150</b>	<b>4,610,000</b>	<b>4,009</b>
<b>7</b>	<b>Risk</b>			
7.1	Design development risks	7.50%	350,000	304
7.2	Construction risks	5.00%	230,000	200
<b>8</b>	<b>Inflation</b>			
8.1	Tender inflation	1.00%	50,000	43
8.2	Construction inflation	1.00%	50,000	43
<b>SUB-TOTAL</b>		<b>1,150</b>	<b>5,300,000</b>	<b>4,609</b>
9	Project/Design Team Fees		EXCLUDED	
10	Furnishing, Furniture and Equipment (FF&E)		EXCLUDED	
11	Operators Supplies and Equipment (OS&E)		EXCLUDED	
<b>ORDER OF CONSTRUCTION COST (excl. VAT)</b>		<b>1,150</b>	<b>5,300,000</b>	<b>4,609</b>

**Date** 04-May-20

**Draft Order of Cost Estimate Ver 2**
**6. Elemental Cost Estimate Summary**

Ref.	ELEMENT	%	AMOUNT (£)	/m <sup>2</sup>
<b>0</b>	<b>Enabling and Demolition Works</b>	<b>5%</b>	<b>200,000</b>	<b>174</b>
<b>1</b>	<b>Substructure Works</b>	<b>6%</b>	<b>240,000</b>	<b>209</b>
<b>2</b>	<b>Superstructure Works</b>			
2.1	Frame	7%	280,000	243
2.2	Upper Floors	5%	180,000	157
2.3	Roof	7%	250,000	217
2.4	Stairs and Ramps	2%	60,000	52
2.5	External Walls	18%	670,000	583
2.6	Windows and External Doors	7%	280,000	243
<b>2.7</b>	<b>Sub-Total Shell and Core Works</b>	<b>45%</b>	<b>1,720,000</b>	<b>1,496</b>
<b>3</b>	<b>Fit-Out Works</b>			
3.1	Internal Walls and Partitions	5%	190,000	165
3.2	Internal Doors	1%	40,000	35
3.3	Internal Finishes	6%	240,000	209
3.4	Internal Fixtures and Fittings	3%	100,000	87
<b>3.5</b>	<b>Sub-Total Fit-Out Works</b>	<b>15%</b>	<b>570,000</b>	<b>496</b>
<b>4</b>	<b>Mechanical &amp; Electrical Installations</b>			
4.1	Mechanical	9%	330,000	287
4.2	Electrical	8%	300,000	261
<b>4.3</b>	<b>Sub-Total MEP Works</b>	<b>16%</b>	<b>630,000</b>	<b>548</b>
<b>5</b>	<b>Sub-Total Building Works</b>	<b>83%</b>	<b>3,160,000</b>	<b>2,748</b>
<b>6</b>	<b>External Works</b>	<b>11%</b>	<b>420,000</b>	<b>365</b>
<b>7</b>	<b>Furnishing, Furniture and Equipment (FF&amp;E)</b>	<b>1%</b>	<b>40,000</b>	<b>35</b>
<b>SUB-TOTAL CONSTRUCTION COST</b>		<b>100%</b>	<b>3,820,000</b>	<b>3,322</b>

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
1.0	Enabling and Demolition Works						
0.0	Facilitating Works					200,000	
.01	Allowance for the demolition and disposal of the existing building and foundations	1	Item	200,000	200,000		Assumed no asbestos
				Carried to Summary		200,000	

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
<b>2.0 Shell and Core Works</b>							
<b>2.1 Foundations</b>							
<b>1.0 Substructure Works</b>						<b>138,600</b>	
.01	Allowance for building foundations - assumed piled with pile caps and tie beams	504	m <sup>2</sup>	275	138,600		CFA piles assumed 18m long
						<b>138,600</b>	
<b>2.2 Ground Floor Shell and Core</b>							
<b>1.0 Substructure Works</b>						<b>100,800</b>	
.02	Suspended slab including insulation, waterproofing, below ground drainage and lift p	504	m <sup>2</sup>	200	100,800		250mm thick
<b>2.0 Superstructure Works</b>						<b>425,800</b>	
<b>2.1 Frame</b>							
.03	Insitu concrete frame (1 hr fire protection)	504	m <sup>2</sup>	240	120,960		ground to 1st floor - GF GFA
<b>2.2 Upper Floors</b>							Incl in first floor
<b>2.3 Roof</b>							Incl in first floor
.04	Soffits of external first floor - assumed timber slats with insulation	104	m <sup>2</sup>	100	10,400		internal areas above
.05	Soffits of external first floor - assumed timber slats	169	m <sup>2</sup>	80	13,520		externa areas above
<b>2.4 Stairs and Ramps</b>							
.06	Fire escape staircase including handrails - 2 flights	1	Item	4,000	4,000		Ground to 1st floor
<b>2.5 External Walls</b>							
.07	Cladding system including insulation, metsec and internal plasterboard	263	m <sup>2</sup>	350	91,980		Simpler specification
.08	Curtain walling system	196	m <sup>2</sup>	500	98,050		Standard specification
<b>2.6 Windows and External Doors</b>							
.09	Glazed main entrance external doors - double leaf	1	nr	5,000	5,000		including automated opening
.10	Glazed external doors - double leaf	3	nr	3,000	9,000		Lift exit and restaurant
.11	Glazed single external doors	1	nr	2,000	2,000		Stairs
.12	Metal single external doors	8	nr	1,500	12,000		wc's, beach office, kitchen
.13	Metal one and a half leaf external doors	2	nr	1,750	3,500		deck chair storage and exit rear
.14	Metal double external doors	1	nr	2,000	2,000		bin store
.15	Kiosk Servery sliding window	1	nr	2,500	2,500		
.16	High-level double glazed window to rear of restaurant seating area	16	m <sup>2</sup>	500	8,000		fixed double glazed
.17	Bi-folding glazed external doors - four leaf	1	nr	8,000	8,000		
.18	Bi-folding glazed external windows - four leaf	6	nr	4,000	24,000		
<b>2.7 Internal Walls and Partitions</b>							
.19	Heavy duty internal partition walls comprising lightweight blockwork or metal stud with plasterboard	73	m <sup>2</sup>	150	10,950		lift and staircase
<b>2.8 Internal Doors</b>						<b>0</b>	Incl in fit-out
<b>3.0 Internal Finishes</b>						<b>0</b>	Incl in fit-out
<b>5.0 Mechanical &amp; Electrical Installations</b>						<b>210,578</b>	
<b>5.1 Sanitaryware</b>							Incl in BCP fit-out
<b>5.3 Disposal Installations</b>							
.20	Connection to existing underground mains drainage system	1	item	3,500	3,500		
.21	Allowance for above ground drainage to sanitaryware	17	nr	450	7,650		Excluding resuarant WC's
.22	Allowance for points drainage to plant room	1	item	750	750		
<b>5.4 Water installations</b>							
.23	Connection to existing incoming water main	1	item	3,500	3,500		
.24	Cold water storage tanks including primary pumps	1	item	10,000	10,000		
.25	Domestic cold water supply (DCWS) to domestic services	17	nr	400	6,800		Excluding resuarant WC's
.26	Domestic hot water supply to domestic services	9	nr	650	5,850		Excluding resuarant WC's

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
<b>5.5</b>	<b>Heat source</b>						
.27	Allowance for heat source (Air source Heat pump)	1	item	40,250	40,250		
<b>5.6</b>	<b>Space Heating and Air Conditioning</b>						Incl in Communal/Core areas fit-out works
<b>5.7</b>	<b>Ventilation Systems</b>						Incl in BCP fit-out
<b>5.8</b>	<b>Electrical installations</b>						
.28	Allowance for incoming electrical main and connection	1	item	10,000	10,000		
.29	Main distribution Panel and metering	1	item	15,000	15,000		
.30	Allowance for earthing and bonding system	465	m²	3	1,395		
<b>5.9</b>	<b>Lift installations</b>						
.31	Allowance for lift (21 person)	1	item	65,000	65,000		
<b>5.10</b>	<b>Fire and lightning protection</b>						Incl in shell & core
<b>5.11</b>	<b>Communication, Security and Control Systems</b>						#
.32	Allowance for incoming voice & data connection and racks	1	item	4,000	4,000		Excluding router and servers
.33	General fire & smoke detection	465	m²	30	13,950		
.34	Allowance for CCTV	2.0	nr	2,000	4,000		
.35	Allowance for Intruder Alarms	1.0	item	2,000	2,000		
.36	Allowance for access control to gate to back of building	1.0	nr	1,500	1,500		
.37	Allowance for electrical monitoring and minimal BMS to pumps etc.	465	m²	20	9,300		
<b>5.12</b>	<b>Builders Work in Connection</b>						
.38	Allowance for BWIC with services generally	3%		204,445	6,133		
Carried to Summary						<b>737,178</b>	
<b>2.3</b>	<b>First Floor and Upper First Floor Shell and Core</b>						
<b>1.0</b>	<b>Substructure Works</b>					<b>0</b>	Incl in foundations/ground floor
<b>2.0</b>	<b>Superstructure Works</b>					<b>1,030,268</b>	
<b>2.1</b>	<b>Frame</b>						
.39	Insitu concrete frame (1 hr fire protection)	771	m²	175	134,925		1st to upper and 2nd floors - 1st and upper floors GFA
<b>2.2</b>	<b>Upper Floors</b>						
.40	260mm thick Bison hollowcore PCC planks with structural topping	777	m²	150	116,550		1st floors including external terrace areas
.41	Upper floors to beach lodges		m²		-		Incl in fit-out
.42	Upper floor above laundry, accessible unit and overnight accommodation for MEP	0	m²	250	-		Excluded
<b>2.3</b>	<b>Roof</b>						
.43	Timber roof structure and plywood topping	454	m²	100	45,400		upper and 1st floor roof
.44	Insulated membrane roofing system	454	m²	120	54,480		
.45	Extra over for roof lights with integrated blind	15	nr	800	12,000		manual limited opening
.46	Solar shading to perimeter of beach lodges - assumed timber slats	90	m²	250	22,500		
.47	Soffit of roof canopies - assumed timber slats	45	m²	100	4,500		
.48	First floor terrace and walkway areas - insulated cold roof system	283.5	m²	150	42,525		assumed tiled finish
.49	Roof drainage	827.5	m²	15	12,413		
.50	Extra over allowance for PV panels		m²		-		Incl in electrical
<b>2.4</b>	<b>Stairs and Ramps</b>						
.51	Curved staircase including handrails	1	Item	10,000	10,000		From 1st to 2nd floor
.52	Fire escape staircase including handrails - 2 flights	0	Item	4,000	-		Excluded
.53	Paddle 'space saver' staircase to beach lodges		nr		-		Incl in fit-out
<b>2.5</b>	<b>External Walls</b>						
.54	Timber cladding system including insulation, metsec and internal plasterboard	401	m²	400	160,390		
.55	Curtain walling system with vertical timber shading	80	m²	600	47,775		

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
.56	Timber and glass railing to terraces	16	m	800	12,800		including curved areas
.57	Timber and glass railing to beach lodge terraces	62	m	600	37,200		incl assisted lodge
.58	Timber and glass railing to walkway	56.5	m	600	33,900		
.59	Beach lodge terraces dividers	126	m <sup>2</sup>	200	25,200		timber panels
.60	Timber curved panel feature to walkway	56.5	m	200	11,300		extra over railing
<b>2.6 Windows and External Doors</b>							
.61	Windows to upper floor of beach lodges	52	m <sup>2</sup>	500	26,000		fixed double glazed
.62	Bi-folding glazed external doors - four leaf	16	nr	8,000	128,000		beach lodges, VIP and accessible
.63	Timber clad single external doors to beach lodges	15	nr	2,000	30,000		
.64	Glazed external doors - double leaf	2	nr	3,000	6,000		to walkway and spa terrace
.65	Single external door to ramp link bridge	1	nr	2,500	2,500		access control incl in MEP
<b>2.7 Internal Walls and Partitions</b>							
.66	Heavy duty internal partition walls comprising lightweight blockwork or metal stud with plasterboard	359	m <sup>2</sup>	150	53,910		Beach lodge dividing walls, staircase and lift perimeter walls
<b>2.8 Internal Doors</b>						<b>2,500</b>	
.67	Timber clad single door to staircase	1	nr	2,500	2,500		
<b>3.0 Internal Finishes</b>						<b>0</b>	Incl in fit-out
<b>5.0 Mechanical &amp; Electrical Installations</b>						<b>64,375</b>	
<b>5.1 Sanitaryware</b>							Incl in beach lodge fit-out
<b>5.3 Disposal Installations</b>							
.68	Allowance for above ground drainage to sanitaryware	21	nr	450	9,450		
.69	Allowance for drainage points to terrace	18	nr	350	6,300		To beach huts and external terrace
<b>5.4 Water installations</b>							
.70	Domestic cold water supply (DCWS) to domestic services	21	nr	400	8,400		
.71	Domestic hot water supply to domestic services	4	nr	650	2,600		Excluding beach hut's which assume
<b>5.5 Heat source</b>							Incl above in shell & core ground floor
<b>5.6 Space Heating and Air Conditioning</b>							Incl in Beach lodge fit-out
<b>5.7 Ventilation Systems</b>							
.72	Assume building to be natural ventilation through opening windows & doors with transfer grills					Excluded	
.73	Allowance for local extract to WC's/showers etc.	4	nr	500	2,000		Excluding beach lodges
<b>5.8 Electrical installations</b>							Small power and lighting incl in fit-out
.74	Allowance for incoming electrical main and connection from adjacent substation		item			Included elsewhere	Incl above in shell & core ground floor
.75	LV distribution including distributions boards, LV Cabling, sub-metering.	1	item	2,500	2,500		
<b>5.9 Lift installations</b>							
.76	Allowance for platform lift		item			Included elsewhere	Incl above in shell & core ground floor
<b>5.10 Fire and lightning protection</b>							Incl in shell & core roof/third floor
<b>5.11 Communication, Security and Control Systems</b>							
.77	General fire & smoke detection	585	m <sup>2</sup>	30	17,550		
.78	Allowance for access control (assumed not required)					Excluded	
.79	Allowance for CCTV (minimal allowance only 1 per floor)	1.0	item	2,000	2,000		
.80	Allowance for electrical monitoring and minimal BMS to pumps etc.	585	m <sup>2</sup>	20	11,700		
<b>5.12 Builders Work in Connection</b>							
.81	Allowance for BWIC with services generally	3%		62,500	1,875		
<b>Carried to Summary</b>						<b>1,097,143</b>	
<b>2.4 Second Floor Shell and Core</b>							
<b>1.0 Substructure Works</b>						<b>0</b>	Incl in foundations/ground floor
<b>2.0 Superstructure Works</b>						<b>97,618</b>	

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
<b>2.1</b>	<b>Frame</b>						
.82	In situ concrete frame (1 hr fire protection)	54	m <sup>2</sup>	175	9,450		2nd to 3rd floor - 2nd floor GFA
<b>2.2</b>	<b>Upper Floors</b>						
.83	260mm thick Bison hollowcore PCC planks with structural topping	79	m <sup>2</sup>	150	11,850		2nd floor including roof slab
<b>2.3</b>	<b>Roof</b>						
.84	Flat roof areas - insulated membrane cold roof system	26	m <sup>2</sup>	120	3,120		
.85	Roof drainage	26	m <sup>2</sup>	15	390		
<b>2.4</b>	<b>Stairs and Ramps</b>						
.86	Staircase including handrails		Item	4,000	-		Incl at level 1
<b>2.5</b>	<b>External Walls</b>						
.87	Timber cladding system including insulation, metsec and internal plasterboard	77	m <sup>2</sup>	400	30,800		
.88	Extra over for lift shaft walls construction	38	m <sup>2</sup>	100	3,828		
.89	Curtain walling system with vertical timber shading	44	m <sup>2</sup>	600	26,460		
<b>2.6</b>	<b>Windows and External Doors</b>						
.90	Glazed single full height window	1	nr	1,000	1,000		
<b>2.7</b>	<b>Internal Walls and Partitions</b>						
.91	Internal balustrade to fitness suite void and curved staircase	13	m	800	10,720		partially curved
<b>2.8</b>	<b>Internal Doors</b>					0	none required
<b>3.0</b>	<b>Internal Finishes</b>					0	Incl in fit-out
<b>5.0</b>	<b>Mechanical &amp; Electrical Installations</b>					30,797	
<b>5.1</b>	<b>Sanitaryware</b>						Incl in Beach lodge fit-out
<b>5.3</b>	<b>Disposal Installations</b>						
.92	Connection to existing underground mains drainage system		item	1,500	Included elsewhere		Incl above in shell & core ground floor
.93	Allowance for above ground drainage to sanitaryware	2	nr	450	900		
.94	Allowance for rainwater drainage system	1	item	8,050	8,050		Excluding rainwater harvesting
.95	Allowance for drainage points to terrace	4	nr	400	1,600		
<b>5.4</b>	<b>Water installations</b>						Incl above in shell & core ground floor
.96	Domestic cold water supply (DCWS) to domestic services	2	nr	400	800		
.97	Domestic hot water supply to domestic services	1	nr	650	650		
<b>5.5</b>	<b>Heat source</b>						Incl above in shell & core ground floor
<b>5.6</b>	<b>Space Heating and Air Conditioning</b>						Incl in beach lodge fit-out
<b>5.7</b>	<b>Ventilation Systems</b>						
.98	Assume building to be natural ventilation through opening windows & doors with				Excluded		
.99	Allowance for local extract to WC's/showers etc.	1	nr	500	500		
<b>5.8</b>	<b>Electrical installations</b>						
.100	Allowance for PV Panels to roof	1	item	15,000	15,000		
<b>5.9</b>	<b>Lift installations</b>						
.101	Allowance for platform lift		item		Included elsewhere		Incl above in shell & core ground floor
<b>5.10</b>	<b>Fire and lightning protection</b>						
<b>5.11</b>	<b>Communication, Security and Control Systems</b>						Incl in shell 7 core roof/Third floor
.102	Allowance for telecoms/data connection		item	6,500	Included elsewhere		Incl above in shell & core ground floor
.103	General fire & smoke detection	48	m <sup>2</sup>	30	1,440		
.104	Allowance for CCTV (minimal allowance only 1 per floor)		item	2,000	Included elsewhere		Incl above in shell & core ground floor
.105	Allowance for Intruder Alarms		item	2,000	Included elsewhere		Incl above in shell & core ground floor
.106	Allowance for electrical monitoring and minimal BMS to pumps etc.	48	m <sup>2</sup>	20	960		
<b>5.12</b>	<b>Builders Work in Connection</b>						
.107	Allowance for BWIC with services generally	3%		29,900	897		
Carried to Summary						<u>128,415</u>	



7. Detailed Cost Estimate	Qty	Unit	Rate £	Amount £	Total £	Notes
<b>2.5 Third Floor Shell and Core</b>						
<b>1.0 Substructure Works</b>					0	Incl in foundations/ground floor
<b>2.0 Superstructure Works</b>					143,995	
<b>2.1 Frame</b>						
.108 Insitu concrete frame (1 hr fire protection)	57	m <sup>2</sup>	175	9,975		3rd floor to roof - 3rd floor GFA
<b>2.2 Upper Floors</b>						
.109 260mm thick Bison hollowcore PCC planks with structural topping	71	m <sup>2</sup>	150	10,650		3rd floor slab including terraces
<b>2.3 Roof</b>						
.110 Timber roof structure and plywood topping	51	m <sup>2</sup>	200	10,200		3rd floor roof
.111 260mm thick Bison hollowcore PCC planks with structural topping	9	m <sup>2</sup>	150	1,350		lift overrun roof
.112 Sedum green roofing system	51	m <sup>2</sup>	250	12,750		includes gutter area
.113 Third floor terrace areas - insulated cold roof system	14	m <sup>2</sup>	150	2,100		assumed tiled finish
.114 Roof areas - insulated membrane cold roof system	9	m <sup>2</sup>	120	1,080		lift overrun roof
.115 Roof drainage	74	m <sup>2</sup>	15	1,110		
<b>2.4 Stairs and Ramps</b>						none
<b>2.5 External Walls</b>						
.116 Timber cladding system including insulation, metsec and internal plasterboard	76	m <sup>2</sup>	400	30,400		includes lift overrun
.117 Extra over for lift shaft walls construction	64	m <sup>2</sup>	100	6,380		pre-cast panels or similar
.118 Curtain walling system with vertical timber shading	62	m <sup>2</sup>	600	37,200		
.119 Frameless glass railing	16	m	800	12,800		curved
<b>2.6 Windows and External Doors</b>						
.120 Glazed main entrance external doors - double leaf	1	nr	5,000	5,000		including automated opening
.121 Glazed external doors - double leaf	1	nr	3,000	3,000		
<b>2.7 Internal Walls and Partitions</b>					0	Incl in external walls
<b>2.8 Internal Doors</b>					0	none required
<b>3.0 Internal Finishes</b>					0	Incl in fit-out
<b>5.0 Mechanical &amp; Electrical Installations</b>					14,575	
<b>5.1 Sanitaryware</b>						
<b>5.3 Disposal Installations</b>						
.122 Allowance for drainage points to viewing area	4	nr	350	1,400		
<b>5.4 Water installations</b>						
<b>5.5 Heat source</b>						
.123 Allowance for heat source		m <sup>2</sup>	35	Included elsewhere		Incl above in shell & core ground floor
<b>5.6 Space Heating and Air Conditioning</b>						Incl in communal/Shell & core fit-out
<b>5.7 Ventilation Systems</b>						
.124 Assume building to be natural ventilation through opening windows & doors with				Excluded		
<b>5.8 Electrical installations</b>						
.125 Lighting to walkway	71	m <sup>2</sup>	50	3,550		
<b>5.9 Lift installations</b>						
.126 Allowance for platform lift		item		Included elsewhere		Incl above in shell & core ground floor
<b>5.10 Fire and lightning protection</b>						
.127 Allowance for lightning protection	1	item	4,600	4,600		
<b>5.11 Communication, Security and Control Systems</b>						
.128 General fire & smoke detection	52	m <sup>2</sup>	30	1,560		
.129 Allowance for access control (assumed not required)				Excluded		
.130 Allowance for CCTV	1.0	nr	2,000	2,000		
.131 Allowance for Intruder Alarms		item	2,000	Included elsewhere		Incl above in shell & core ground floor
.132 Allowance for electrical monitoring and minimal BMS to pumps etc.	52	m <sup>2</sup>	20	1,040		

**7. Detailed Cost Estimate**
**5.12 Builders Work in Connection**

.133 Allowance for BWIC with services generally

Qty	Unit	Rate £	Amount £	Total £	Notes
3%		14,150	425		
<b>Carried to Summary</b>				<b>158,570</b>	

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
<b>3.0 Fit-Out Works</b>							
<b>3.1 Communal/Core areas fit-out works</b>							
<b>2.0 Superstructure Works</b>						<b>2,376</b>	
<b>2.7 Internal Walls and Partitions</b>							
.01	Internal partition walls comprising lightweight blockwork or metal stud with plasterboard	20	m <sup>2</sup>	120	2,376		between corridor and kiosk
<b>2.8 Internal Doors</b>							incl in s&c
<b>3.0 Internal Finishes</b>						<b>21,578</b>	
.02	Allowance for internal wall finishes -						
	- Plaster and paint	285	m <sup>2</sup>	25	7,118		Viewing deck, GF Corridors and Stairs
	- Ceramic tiles to showers and wcs	0	m <sup>2</sup>	50	-		
	- Timber panelling	0	m <sup>2</sup>	70	-		
	- Painted/sealed	0	m <sup>2</sup>	10	-		
.03	Allowance for internal floor finishes including skirtings;						
	- Latex levelling floor screed	102	m <sup>2</sup>	20	2,040		
	- Porcelain tiles	46	m <sup>2</sup>	80	3,680		Viewing deck
	- Carpet	0	m <sup>2</sup>	50	-		
	- Non-slip vinyl	56	m <sup>2</sup>	65	3,640		GF Corridors and Stairs
	- Epoxy resin	0	m <sup>2</sup>	50	-		
.04	Allowance for internal ceiling finishes						
	- painted plasterboard	102	m <sup>2</sup>	50	5,100		Viewing deck, GF Corridors and Stairs
	- painted render	0	m <sup>2</sup>	60	-		
	- Painted/sealed	0	m <sup>2</sup>	10	-		
<b>4.0 Internal Fixtures and Fittings</b>						<b>625</b>	
.05	Allowance for internal statutory and directional signage	125	m <sup>2</sup>	5	625		
<b>5.0 Mechanical &amp; Electrical Installations</b>						<b>32,394</b>	
<b>5.1 Sanitaryware</b>							Not applicable
<b>5.3 Disposal Installations</b>							Not applicable
<b>5.4 Water installations</b>							Not applicable
<b>5.5 Heat source</b>							Not applicable
<b>5.6 Space Heating and Air Conditioning</b>							
	Ground floor						
.06	Allowance for central heating to Shell & core areas	1	item	5,000	5,000		
	First floor						
.07	Allowance for central heating to Shell & core areas	1	item	1,000	1,000		
	Second floor						
.08	Allowance for central heating through radiator's	1	item	1,000	1,000		
	Third floor						
.09	Allowance for local heating and cooling to viewing area(Split units/VRF)	1	item	2,500	2,500		
.10	Allowance for local heating and cooling to office(Split units/VRF)	1	item	3,500	3,500		
<b>5.7 Ventilation Systems</b>							Not applicable
<b>5.8 Electrical installations</b>							
	Ground floor						
.11	General Small Power c/w local containment to plant spaces	1	item	1,500	1,500		
.12	Lighting installations to plant spaces	1	item	1,500	1,500		
	First floor						
.13	General Small Power c/w local containment to Shell & core areas	1	item	2,500	2,500		
.14	Lighting installations to plant spaces, staircases etc.	1	item	2,500	2,500		
	Second floor						
.15	General Small Power c/w local containment	1	item	750	750		
.16	Lighting installations to plant spaces, circulation areas, WC's	1	item	1,000	1,000		
	Third floor						
.17	General Small Power c/w local containment	1	item	1,000	1,000		
.18	Lighting installations to Shell & core	1	item	1,000	1,000		
.19	Lighting to viewing area	52	m <sup>2</sup>	100	5,200		

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
5.9	Lift installations						Not applicable
5.10	Fire and lightning protection						Not applicable
5.11	Communication, Security and Control Systems						
	Ground floor						
.20	Disabled toilet and/shower alarm's	1.0	item	1,500	1,500		
5.12	Builders Work in Connection						
.21	Allowance for BWIC with services generally	3%		31,450	944		
	Carried to Summary					56,972	
3.2	BCP fit-out works						
2.0	Superstructure Works					18,364	
2.7	Internal Walls and Partitions						
.22	Internal partition walls comprising lightweight blockwork or metal stud with plasterboard	112	m <sup>2</sup>	120	13,464		external wc's
.23	IPS in WCs	7	Nr	700	4,900		# external wc's
2.8	Internal Doors						
.24	Internal single doors	0	Nr	1,500	-		excluded
3.0	Internal Finishes					15,297	
.25	Allowance for internal wall finishes -						
	- Plaster and paint	36	m <sup>2</sup>	25	908		Beach-front office
	- Ceramic tiles to showers and wcs	152	m <sup>2</sup>	50	7,590		corridor
	- Timber panelling	0	m <sup>2</sup>	70	-		
	- Painted/sealed	92	m <sup>2</sup>	10	924		bin and deckchair storage
.26	Allowance for internal floor finishes including skirtings;						
	- Latex levelling floor screed	67	m <sup>2</sup>	20	1,340		
	- Porcelain tiles	17	m <sup>2</sup>	80	1,360		external wc's
	- Carpet	0	m <sup>2</sup>	50	-		
	- Non-slip vinyl	7	m <sup>2</sup>	65	455		beach front office, wc's and corridor
	- Epoxy resin	20	m <sup>2</sup>	50	1,000		bin and deckchair storage
.27	Allowance for internal ceiling finishes						
	- painted plasterboard	7	m <sup>2</sup>	50	350		beach front office and corridor
	- painted render	20	m <sup>2</sup>	60	1,200		bin and deckchair storage
	- Painted/sealed	17	m <sup>2</sup>	10	170		external wc's
4.0	Internal Fixtures and Fittings					2,435	
.28	Allowance for internal statutory and directional signage	67	m <sup>2</sup>	5	335		
.29	Allowance for Beach Office shelving	1	Item	100	100		
.30	Allowance for Deckchair fixed storage units	1	Item	2,000	2,000		
5.0	Mechanical & Electrical Installations					14,781	
	Ground floor						
.31	Allowance for restaurant WC's including WHB's	0	nr	1,000	-		Excluded
.32	Allowance for external WC's including WHB	7	nr	1,000	7,000		
.33	Allowance for external shower	1	nr	1,500	1,500		
5.3	Disposal Installations						included in shell & core
5.4	Water installations						included in shell & core
5.5	Heat source						Not applicable
5.6	Space Heating and Air Conditioning						Not applicable
5.7	Ventilation Systems						
	Ground floor						
.34	Allowance for local extract to WC's/showers etc.	7	nr	500	3,500		
5.8	Electrical installations						
	Ground floor						
.35	Lighting installations	1	item	1,500	1,500		
.36	General Small Power c/w local containment	1	item	850	850		

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
5.9	Lift installations						Not applicable
5.10	Fire and lightning protection						Not applicable
5.11	Communication, Security and Control Systems						Not applicable
5.12	Builders Work in Connection						
	.37 Allowance for BWIC with services generally	3%		14.350	431		
		Carried to Summary				50,876	
3.3	<u>Restaurant and Kiosk fit-out works</u>						
2.0	Superstructure Works					0	
2.7	Internal Walls and Partitions						
2.8	Internal Doors						
3.0	Internal Finishes					6,380	
	.38 Allowance for internal wall finishes -						
	- Plaster and paint	0	m <sup>2</sup>	25	-		excluded
	- Ceramic tiles to showers and wcs	0	m <sup>2</sup>	50	-		excluded
	- Timber panelling	0	m <sup>2</sup>	70	-		excluded
	- Painted/sealed	0	m <sup>2</sup>	10	-		excluded
	.39 Allowance for internal floor finishes including skirtings;						
	- Latex levelling floor screed	319	m <sup>2</sup>	20	6,380		
	- Porcelain tiles	0	m <sup>2</sup>	80	-		excluded
	- Carpet	0	m <sup>2</sup>	50	-		excluded
	- Non-slip vinyl	0	m <sup>2</sup>	65	-		excluded
	- Epoxy resin	0	m <sup>2</sup>	50	-		excluded
	.40 Allowance for internal ceiling finishes						
	- painted plasterboard	0	m <sup>2</sup>	50	-		excluded
	- painted render	0	m <sup>2</sup>	60	-		excluded
	- Painted/sealed	0	m <sup>2</sup>	10	-		excluded
4.0	Internal Fixtures and Fittings					638	
	.41 Allowance for internal statutory signage	319	m <sup>2</sup>	2	638		
	.42 Walk in freezer						excluded inc in tenants works
	.43 Takeaway & kiosk equipment						excluded inc in tenants works
	.44 Restaurant kitchen & equipment						excluded inc in tenants works
	.45 Cleaning store equipment						excluded inc in tenants works
5.0	Mechanical & Electrical Installations					6,530	
5.1	Sanitaryware						
	.46 Allowance for cleaners sink in cleaners store	1	nr	0	-		Included in restaurant and kiosk fit-out
5.3	Disposal Installations						Not applicable
5.4	Water installations						Not applicable
5.5	Heat source						Not applicable
5.6	Space Heating and Air Conditioning						
	.47 Allowance for local heating and cooling to restaurant(Split units/VRF)						excluded inc in tenants works
5.7	Ventilation Systems						
	.48 Allowance for extract system to restaurant kitchen						excluded inc in tenants works
5.8	Electrical installations						
	.49 General Small Power c/w local containment						excluded inc in tenants works
	.50 Allowance for temporary/emergency lighting	317	m <sup>2</sup>	20	6,340		lighting in tenants works
5.9	Lift installations						Not applicable
5.10	Fire and lightning protection						Not applicable
5.11	Communication, Security and Control Systems						
	.51 Allowance for voice & data CT6 outlets and cabling(excluding any provision for						excluded inc in tenants works
	.52 General fire & smoke detection						Included elsewhere Included in shell & core
	.53 Allowance for access control (assumed not required)						excluded inc in tenants works

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
.54	Allowance for CCTV (minimal allowance only 1 per floor)				Included elsewhere		Included in shell & core
.55	Allowance for Intruder Alarms				Included elsewhere		Included in shell & core
<b>5.12 Builders Work in Connection</b>							
.56	Allowance for BWIC with services generally	3%		6,340	190		
<b>Carried to Summary</b>						<b>13,548</b>	
<b>3.4 Beach Huts fit-out works</b>							
<b>2.0 Superstructure Works</b>						<b>224,683</b>	
<b>2.2 Upper Floors</b>							
.57	260mm thick Bison hollowcore PCC planks with structural topping	162	m <sup>2</sup>	250	40,500		Upper floors
<b>2.4 Stairs and Ramps</b>							
.58	Paddle 'space saver' staircase to beach lodges	15	nr	3,500	52,500		
<b>2.7 Internal Walls and Partitions</b>							
.59	Internal partition walls comprising lightweight blockwork or metal stud with plasterboard	442	m <sup>2</sup>	120	53,058		
.60	Internal balustrade to lodges upper floor	68	m	350	23,625		
.61	Shower cubicles	16	Nr	1,000	16,000		lodges
<b>2.8 Internal Doors</b>							
.62	Internal timber veneered single doors	21	Nr	1,500	31,500		
.63	Internal timber veneered leaf and half doors	0	Nr	1,750	-		
.64	Allowance for access hatches to under eaves storage	15	Nr	500	7,500		
<b>3.0 Internal Finishes</b>						<b>192,338</b>	
.65	Allowance for internal wall finishes -						
	- Plaster and paint	719	m <sup>2</sup>	25	17,977		
	- Ceramic tiles to showers and wcs	407	m <sup>2</sup>	50	20,328		ensuites, wc's and kitchen splashbacks, changing room, lodges
	- Timber panelling	957	m <sup>2</sup>	70	66,978		
	- Painted/sealed	0	m <sup>2</sup>	10	-		
.66	Allowance for internal floor finishes including skirtings;						
	- Latex levelling floor screed	465	m <sup>2</sup>	20	9,304		not required to upper floors
	- Porcelain tiles	526	m <sup>2</sup>	80	42,045		all lodge areas
	- Carpet	9	m <sup>2</sup>	50	450		Overnight reception office
	- Non-slip vinyl	74	m <sup>2</sup>	65	4,820		Overnight cleaning/storage/Laundry, stairs and fitness suite
	- Epoxy resin	0	m <sup>2</sup>	50	-		
.67	Allowance for internal ceiling finishes						
	- painted plasterboard	609	m <sup>2</sup>	50	30,436		to all areas
	- painted render	0	m <sup>2</sup>	60	-		
	- Painted/sealed	0	m <sup>2</sup>	10	-		
<b>4.0 Internal Fixtures and Fittings</b>						<b>100,044</b>	
.68	Allowance for overnight cleaning/storage/laundry cabinets/shelving	1	Item	2,000	2,000		excludes washing machines etc.
.69	Allowance for Sauna fit-out	1	Item	10,000	10,000		
.70	Allowance for Hot tub	1	Item	5,000	5,000		
.71	Allowance for Lodge kitchens	16	nr	5,000	80,000		incl fridge, hob, extract, oven and dishwasher
.72	Allowance for internal statutory and directional signage	609	m <sup>2</sup>	5	3,044		
<b>5.0 Mechanical &amp; Electrical Installations</b>						<b>262,904</b>	
<b>5.1 Sanitaryware</b>							
	First floor & mezzanine						
.73	Beach lodge Sanitaryware including WC, WHB, Shower and kitchen sink	15	nr	2,700	40,500		
.75	Overnight cleaning/storage/laundry - allowance for cleaners sink	1	nr	380	380		
.76	Accessable beach lodge Disabled WC including WHB in disabled/Access shower room	1	nr	3,500	3,500		
.76	Allowance for shower area	1	nr	3,500	3,500		
<b>5.3 Disposal Installations</b>							

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
First floor & mezzanine							
.77	Allowance for internal drainage points to beach lodges	64	nr	350	22,400		
.78	Drainage to shower area, steam room, hot tub etc.	1	item		Included elsewhere		included in shell & core
Second floor							
.79	Drainage to fitness suite	1	item		Included elsewhere		included in shell & core
<b>5.4 Water installations</b>							
First floor & mezzanine							
.80	Domestic cold water supply (DCWS) to domestic services in beach lodges	64	nr	350	22,400		
.81	Domestic hot water supply to domestic services in beach lodges	48	nr	500	24,000		
.82	Domestic hot and cold water to shower area, steam room, hot tub etc.	1	item		Included elsewhere		included in shell & core
Second floor							
.83	Domestic hot and cold water to fitness suite	1	item		Included elsewhere		included in shell & core
<b>5.5 Heat source</b>							
First floor & mezzanine							
.84	Allowance for heat source to beach lodges (Assume heat interface units)	16	nr	2,300	36,800		
<b>5.6 Space Heating and Air Conditioning</b>							
First floor & mezzanine							
.85	Allowance for local heating through radiators	354	m²	40	14,156		
.86	Allowance for local heating and cooling to entrance reception office (Split units/VRF)	1	item	3,500	3,500		
Second floor							
.87	Allowance for local heating and cooling to fitness suite(Split units/VRF)	1	item	3,500	3,500		
<b>5.7 Ventilation Systems</b>							
First floor & mezzanine							
.87	Allowance for local extract to WC's/showers etc. to beach lodges	16	nr	500	8,000		Excluding beach lodges
.88	Allowance for local extract from shower area, steam room, hot tub etc	1	item	3,500	3,500		
.89	Allowance for MVHR including mechanical vent installations to beach lodges	16	nr	3,500	Excluded		see assumptions and exclusions
.90	Allowance for MVHR including mechanical vent to Shower area, steam room, hot tub	3	nr	3,500	Excluded		see assumptions and exclusions
Second floor							
.90	Allowance for local extract to fitness suite	1	nr	3,500	3,500		
.91	Allowance for MVHR including mechanical vent to fitness suite						see assumptions and exclusions
<b>5.8 Electrical installations</b>							
First floor & mezzanine							
.92	Lighting to Beach lodges including balcony lighting and scene setting	354	m²	135	47,777		Included in Beach lodge fit-out
.93	Lighting to shower room, accessible WC, steam room and hot tub	142	m²	75	10,634		Included in Beach lodge fit-out
Second floor							
.94	Lighting to fitness suite/ Spa	42	m²	100	4,200		Included in beach lodge fit-out
<b>5.9 Lift installations</b>							Not applicable
<b>5.10 Fire and lightning protection</b>							Not applicable
<b>5.11 Communication, Security and Control Systems</b>							
First floor & mezzanine							
.95	Disabled toilet and/shower alarm's to accessible beach lodge	1.0	item	1,500	1,500		
.96	Access control to Spa & shower room	1.0	nr	1,500	1,500		
<b>5.12 Builders Work in Connection</b>							
.97	Allowance for BWIC with services generally	3%		255,247	7,657		
Carried to Summary						779,969	

7. Detailed Cost Estimate		Qty	Unit	Rate £	Amount £	Total £	Notes
<b>4.0 External Works</b>							
<b>Ancillary Structures</b>							
.01	Link Bridge from third floor to car park - steel truss structure with timber cladding	70.0	m <sup>2</sup>	2,500	175,000		
.02	Glazed balustrade to link bridge	52.0	m	600	31,200		
.03	Link Bridge from 1st floor to ramp	8.0	m <sup>2</sup>	2,500	20,000		
.04	Glazed balustrade to link bridge	15.0	m	600	9,000		
<b>Hard Landscaping</b>							
.05	Allowance for removing and disposing of the existing paving wearing course and replacing with new due to impact of construction, contractors facilities etc.	700	m <sup>2</sup>	40	28,000		
.06	Allowance for new kerbs to edge of paving	100	m	50	5,000		
.07	Allowance for localised repairs and repointing of existing retaining wall	80	m	50	4,000		
.08	Allowance for external floor finishes;						
	- Raised areas including slab on grade	121	m <sup>2</sup>	150	18,150		main entrance and external wc's wall and floors
	- Extra over for outdoor showers - assumed anti-slip tiles	21	m <sup>2</sup>	60	1,260		
	- External restaurant seating area paving	135	m <sup>2</sup>	80	10,800		
	- Area to rear of building	120	m <sup>2</sup>	40	4,800		
.09	Allow for ramp construction	12	m <sup>2</sup>	400	4,800		
.10	Allow for external steps construction	4	m <sup>2</sup>	500	2,000		
.11	Balustrades to external restaurant terrace	23.0	m	600	13,800		
.12	Balustrades to raised areas	50.0	m	600	30,000		
.13	Allow to form a new below ground accessible chamber for the pump station	1	item	10,000	10,000		
<b>Soft Landscaping</b>							
.14	Allowance for bank regrading and soft landscaping works	250	m <sup>2</sup>	30	7,500		
.15	Cliff/bank stabilisation works					excluded	
<b>External services</b>							
.16	Allowance for external lighting to bridges, walkways and entrances etc.	1.0	item	6,500	6,500		
.17	Allowance for upgrade to existing electrical infrastructure	1.0	item	10,000	10,000		
.18	Allowance for upgrade to existing Comm's infrastructure	1.0	item	3,500	3,500		
.19	Allowance for upgrade to existing water infrastructure	1.0	item	5,000	5,000		
.20	Allowance for upgrade to existing gas infrastructure	1.0	item	-	-		No upgrade to gas services. Utilize ASHP
.21	Allowance for removal of existing below ground drainage pumping station and replace with new	1.0	item	15,000	15,000		
<b>Carried to Summary</b>						<b>415,310</b>	



**7. Detailed Cost Estimate**

	Qty	Unit	Rate £	Amount £	Total £	Notes
<b>5.0 Furnishing, Furniture and Equipment (FF&amp;E)</b>						
.01 Double bed including mattress	16.0	nr	1,500	24,000		excludes linen
.02 Foldable dining table	16.0	nr	600	9,600		not part of fold out bed solution
.03 Special light fixtures allowance i.e. lamps/pendants	16.0	nr	500	8,000		
.04 Sofa bed		nr		excluded		
.05 Chairs		nr		excluded		
.06 TV and associated cabinetry		nr		excluded		
.07 Freestanding cupboards		nr		excluded		
.08 Desk		nr		excluded		
.09 Coffee table		nr		excluded		
.10 Balcony/terrace furniture		nr		excluded		
.11 Artwork, sculptures, plants etc.		nr		excluded		
.12 Soft furnishings i.e. blinds, curtains, rugs, carpets etc.		nr		excluded		
<b>Carried to Summary</b>					<b>41,600</b>	

Southbourne Project Risk Register																				
Project No.	Bistro Feasibility Project		Date register last updated		06.05.20															
Project Title	BCP		Version Number		4															
Client	BCP		Current Risk Status of Project																	
Project Manager	Rebecca Whelan-Edmonds		compiled by		06.05.20															
Programme Manager	Andrew Emery		reviewed by		06.05.20															
IDENTIFICATION			CONCERN			CURRENT RISK ASSESSMENT				RISK MANAGEMENT			RESIDUAL RISK			RISK FEEDBACK			STATUS	
Risk No. (Identifier)	Description	Impact Description	Risk Source / Reference	Prob	Impact	Risk Rating	Notes	Risk Owner	Proposed Mitigation	Prob	Impact	Risk Rating	Did Risk Occur?	If Yes, What Was the Impact?	Lessons Learned for Future	Risk closed?	Date Risk Last Reviewed			
CONSTRUCTION / SITE / INFRASTRUCTURE																				
1	SITE - Unidentified obstructions and / or unprecedented levels of contamination.	Leads to additional costs / and delays due to additional ground work being required. Objections raised by Planners and / or EA		3	4	12		BCP	Thorough contamination and site surveys carried out at earliest opportunity. Contractor to support. Desktop and background searches carried out.	3	3	9								
2	SITE - Unidentified cliff stability issues come to light through disruption of ground during construction and / or unanticipated cliff preservation requirements from EA or Natural England.	Leads to project delays and increased costs.		4	5	20		BCP	Early engagement with cliff teams and external agencies both to assess current state and likely construction impact. Accept risk that unidentified issues remain possible.	3	4	12								
3	CONSTRUCTION - Contractor, key sub-contractor or supplier goes into administration.	Requirement to re-tender causing programme delays and possible financial losses.		1	4	4		BCP	Robust tender process followed	1	4	4								
LEGAL																				
4	LEGAL - Delays in provision of legal services	Delays to programme and additional costs should external resources/guidance be required.		2	2	4	Minimal legal input anticipated as site and owned by BCP Council	BCP	Early engagement with legal team where required to ascertain resource availability.	1	1	1								
5	LEGAL - Securing agreements/licenses with Wessex Water & SSE regarding the rehousing of the pumping station and Electrical Equipment.	Delays to programme and additional costs should negotiations be required.		4	3	12		BCP	Early engagement with the legal team, SSE and Wessex Water to ascertain the requirements needed.	4	2	8								
6	LEGAL - unidentified assessments or covenants	Delays to programme and additional costs should negotiations be required.		3	4	12	No known external land restrictions	BCP	Early engagement with Property Services.	3	2	6								
PERSONNEL																				
7	PERSONNEL - Change in / loss of key personnel	Change in requirements / steer / project parameters / loss of direction		4	2	8		BCP	Additional project resources now in place within DDS team	2	3	6								
8	PERSONNEL - Insufficient communication between construction / design / project teams.	Delays to programme caused by communication breakdowns.		3	3	9		BCP	Ensure there are regular updates and consistent project team meetings with all parties.	2	2	4								
9	PERSONNEL - Delay in approvals	Delays to programme.		3	3	9		BCP	Frequent updates and consistent project team meetings.	2	3	6								
STAKEHOLDERS / POLITICAL																				
10	STAKEHOLDERS - Loss of exec level / political support	Influence on politicians prompts major changes and / or early closure.		2	5	10		BCP	Maintain engagement through consultation and seaford strategy board	1	4	4								
11	STAKEHOLDERS - Possible negativity received from relocated hut owners	Leading to bad publicity and potential planning objections.		3	2	6		BCP	Ops and Beach Hut teams to carefully plan strategy involving Comms Team	2	1	2								
12	STAKEHOLDERS - Possible negativity received regarding tower element of the development from residents leaving behind the development	Leading to bad publicity and potential planning objections.		3	2	6		BCP	Work closely with the designer to fully design out any blockage of views to the residents behind the development. Engage and work closely with the seaford team	2	1	2								
13	STAKEHOLDERS - Works disruptive to local businesses and trade	1. Disruptive works will lead to the closure of the small shop on the same plot of the site. 2. Disruption to public access may result in negative PR and withdrawal of stakeholder support		3	3	9		BCP	Ensure that communication is kept fluent with seaford ops & commercial manager. Consult with Corp Comms to ensure signage mindful of the public and local businesses.	2	2	4								
DESIGN																				
14	DESIGN - fails to meet quality/cost and operational expectations	Design proposals may not be practical		2	5	10		BCP	Ensure that design is as detailed as possible and that expectations are managed.	2	4	8								
15	DESIGN - onerous client design changes	Additional design development required leads to programme delays and additional costs.		4	3	12		BCP	Maintain good relationship with structural engineers and architect to ensure quick responses and solutions. Incorporate change budget into contingency.	4	2	8								
16	DESIGN - errors in establishing the order for undertaking technical design	Delays resulting from failure to consider correct construction steps - e.g. smoke detectors and sprinklers not planned prior to ceiling void design		2	4	8		Lead Designer	Ensure that construction team and technical specialists are kept up to date with plans.	2	3	6								
PLANNING																				
17	PLANNING - Delay in securing planning consent.	Delay to project and additional costs		1	4	4		BCP	Early engagement with planners.	1	4	4								
18	PLANNING - Delay in securing EA approval for the overnight lodges	Delay to project and additional costs. Possible refusal or conditions that cannot be met		5	4	20		BCP	Early engagement with the EA, taking into consideration lessons learnt from Manor Steps and the requirements needed to meet the EA conditions.	3	4	12								
19	PLANNING - Onerous planning conditions	Delay to project and additional costs. Possible conditions that cannot be met.		4	3	12		BCP	Conditions unlikely to be onerous, having already engaged a view from Planners. Utilise key planning documents and info from original build. Conditions discharged	2	2	4								
PROCUREMENT																				
20	PROCUREMENT - Tender to Open Market	Unexpected delays to the procurement process, basic requirements not met.		1	4	4		BCP	Work closely with the procurement team to ensure all the necessary resources are followed	1	3	3								
21	PROCUREMENT - Preferred Bidder withdrawal	Delay to programme and additional costs		1	4	4		BCP	Work closely with the procurement team to ensure all the necessary resources are followed	1	3	3								
FINANCIAL																				
22	FINANCIAL - Budget costs underestimated	Project requires further funding / approvals. Delay to programme. Revision to specifications		5	4	20		BCP	15% cost contingency included.	3	4	12								
PROGRAMME																				
23	PROGRAMME - Programme is unachievable	Works overrun and impact on revenue and reputation		5	5	25		BCP	Additional resources, manpower, provisions and contacts allocated wherever possible to move things forward. Out of hours working where possible. Phased opening as required to mitigate operational restrictions.	4	2	8								
24	PROGRAMME - Concurrent projects or events impact upon project programme	Delays to programme.		2	4	8		BCP	Early engagement with other project teams and Events Team	1	3	3								
ENVIRONMENTAL																				
25	ENVIRONMENTAL - inclement weather conditions	Delays to programme.		3	4	12		BCP	Additional resources allocated and increase in working hours.	2	4	8								
OPERATIONAL																				
26	OPERATIONAL - Loss of income during construction	Full or partial closure of cafe leads to loss of income that impacts upon final year's trading figures and project's financial targets		4	3	12		BCP	Possible hire of temporary catering offer. Short term losses accepted in exchange for long term gains.	4	1	4								
WIDER ECONOMIC IMPACTS																				
27	Wider Economic Impacts - on income projection, tender prices, rates of inflation, construction and supply chain disruption.	Covid lockdown leads to delays to tendering and programme		4	4	16		BCP	Early engagement with supply chain and review post lockdown.	3	3	9								
x	If you need to add more risks, insert rows above this line and copy down formulae.					RREPI						RREPI								

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**CABINET**

Report subject	<b>Convert Bournemouth Learning Centre building into a school</b>
Meeting date	24 June 2020
Status	Public Report (Appendix A is exempt)
Executive summary	<p>The number of children and young people assessed as requiring a place at a specialist education provision in the BCP area has increased in recent years. Local provision to meet these needs is of high quality, but capacity has not been expanded sufficiently to meet this additional demand. As a result, increased use has had to be made of local Independent and Non-Maintained special schools which are comparatively expensive and often located outside of the BCP area. The result of this has been significant pressure on the school Transport budget.</p> <p>In partnership with the BCP community of schools, a range of proposals have been developed to increase capacity and create new provision to meet the needs of these pupils. These will both deliver savings and ensure appropriate provision is available to meet needs closer to where children and young people live. Proposed projects were considered and agreed by Cabinet on the 22/4/20. The Children's Capital Strategy was agreed by Cabinet 27/5/20, it identified additional projects / pressures not included in the draft Strategy but which may also require funding in the future; this included converting the Bournemouth Learning Centre (BLC) building into a school [and engaging an external provider to operate the school]. This paper requests that funds are released to meet the cost of converting the BLC into a school. Resources are available to support this investment from existing DfE ring-fenced grant allocations for this purpose.</p>
Recommendations	<p><b>It is RECOMMENDED that Cabinet:</b></p> <p><b>(a) Approves the proposal to convert the Bournemouth Learning Centre building into a school in order to create additional capacity to</b></p>

	<p>meet the assessed educational needs of children and young people in BCP</p> <p>(b) Approves the allocation of £0.5m Basic Need Grant funding to support the delivery of this proposal</p> <p>(c) Delegates authority to the Corporate Property Officer (in consultation with the Corporate Director, Chief Finance Officer and Monitoring Officer), to take the necessary steps to recover possession of the BLC from third parties currently occupying part of the Bournemouth Learning Centre</p> <p>(d) Recommend to Full Council the disposal of the Bournemouth Learning Centre [through a lease to an external provider] at an undervalue of up to £700k, subject to the education provider's significant change process and site acquisition being agreed, and delegate authority to the Corporate Property Officer to agree the terms and enter into the lease, subject to education provider's significant change process being agreed</p>
Reason for recommendations	To enable the creation of additional capacity to meet the assessed educational needs of children and young people and reduce pressure on the High Needs Budget.
Portfolio Holder(s):	Councillor Sandra Moore, Portfolio Holder for Children and Families
Corporate Director	Judith Ramsden; Corporate Director Children's Services
Report Author	Neil Goddard; Service Director, Quality and Commissioning.
Wards	All
Classification	For Decision and Recommendation

## Background

1. The Council receives revenue funding through the Dedicated Schools Grant (DSG) to meet the costs of delivering education to all pupils within the BCP area. The DSG is made up of four blocks, the Schools Block (SB), Early Years Block (EYB), High

Needs Block (HNB) and Central Service Block (CSB). The HNB is used to fund provision for children and young people who are assessed as having additional needs or requiring a specialist school placement. In recent years the HNB has faced significant budget pressures leading to an accrued and increasing overspend.

2. This is a national issue, with many Councils around the country struggling to contain spend on the HNB within available resources. There are many reasons for this, including demographic changes, the increasing costs of meeting higher level needs and statutory changes which included an increase to age at which HNB funding can be accessed.
3. For the 2020/21 financial year, the Department for Education (DfE) have increased the funding that is allocated through the HNB. However, this has not been sufficient to meet the additional costs and so further action is required to rebalance the budget and address the accrued overspend.
4. In partnership with the community of Council schools and other stakeholders a HNB Recovery Plan has been developed with the aim of increasing inclusion and reducing the costs of meeting needs. A key feature of this are proposals to increase capacity and create new provision that can meet needs locally.
5. Detailed sufficiency analysis of specialist school places for children and young people with an Education, Health and Care Plan (EHCP) maintained by the Council, including a review of the Local Offer, shows that the need for places continues to increase. Local special schools are already at capacity, and as a result more children and young people are being placed in Independent and Non-Maintained Special Schools (INMSS) placements. The need to make greater use of INMSS has increased the cost of meeting needs and so contributed to the pressure on the High Needs Budget (HNB).
6. This analysis has shown that the most prevalent primary needs across Primary and Secondary age pupils are in the areas of Autistic Spectrum Condition (ASC), Learning Disabilities (LD), Social, Emotional and Mental Health (SEMH) and Speech, Language and Communication Needs. Forecasts suggest that these will continue to increase and will remain the most prevalent needs for some time. Of those currently placed in INMSS at Primary, Secondary and Post 16 the highest number have needs related to ASC.
7. The analysis included a review of the views of children and young people with SEND and their families. We know from regular consultation, engagement and feedback that education provision (quality and sufficiency) is very important to children and young people with SEND and their families. For example, through a Parents and Carers survey undertaken by the Council in Summer 2019 the feedback received said there was a need for more local specialist provision.
8. Based on this analysis, and following detailed work with local schools, a set of proposals were developed to increase capacity in the local system. This will be achieved by creating new 'satellite' provision that is located in mainstream schools but operated by a local external provider (with experience of special school provision), expanding existing specialist provision and creating resource bases in mainstream schools to provide for pupils with additional needs. Conversion of the

Bournemouth Learning Centre building into a school was identified as an option in the Children's Capital Strategy (agreed by Cabinet 27/5/20) as an additional project which may also require funding in the future. Further work has now been undertaken to evaluate the business case for the project, the result of which is a recommendation that the building be converted into a school to be run as satellite provision by a local external provider and capital be allocated to support the delivery of this proposal.

9. Feasibility for the SEND Capital Programme was agreed though consideration of the 22 April 2020 Cabinet report, this will be used to support the detailed development of this scheme. This expenditure will be incurred at risk pending the external provider undertaking further public consultation and Secretary of State approvals for the satellite provision in order for the project to proceed. This risk is assessed to be low given the business case already developed to inform this Cabinet report and the Council's experience of successfully producing cases for the opening of such provision (if the external provider is an academy the Council can support them in making a case to the Secretary of State (DfE) / Regional Schools Commissioner (RSC) (as the case may be)), and the Council has been working with the RSC and DfE on the Council's SEND sufficiency. The Council is permitted to use the SEND grant for feasibility; the monies will not need to be repaid if this project does not proceed.
10. The Council's Financial Regulations require all capital projects in excess of £500k (but less than £1m) to be approved by Cabinet. As this project is estimated to cost £500k the decision is being recommended to Cabinet.
11. There is a need to invest capital resource to creating appropriate facilities to allow pupils' needs to be met effectively. The Council receives Basic Needs capital allocations which are used to ensure there are sufficient places locally for all children, including those in specialist settings. These resources are limited, and the proposal has been assessed on a Value for Money basis to ensure any investment delivers the maximum return in reducing costs.
12. The scale of the pressure on the HNB means that the delivery of the additional capacity must be expedited to ensure places are available from September 2020 wherever possible. It is proposed that the new provision at the BLC site will open from early 2021 onwards, although this remains contingent on other aspects of the project progressing, including recovery of vacant possession of the Bournemouth Learning Centre in line with the current project timetable.

### **Converting the BLC building into a school**

13. The BLC was originally built as a school before being used as an adult training facility with ancillary office space. It is also located next to other education provision and a local park. It therefore lends itself well to being converted back to a school. The building is in good condition having been extended in 2005. The site is already classed as D1 and there will not be any significant external works carried out as part of the project, therefore a change of use application is not required.
14. Ward Members of the ward in which BLC is located and the neighbouring ward (given the BLC's proximity to the ward boundary) are being consulted; this

consultation started on the 18 May 2020. Two meetings have now been held to consider the issues. The questions and issues identified are being brought forward into the development of the public consultation which will take place later in the year.

15. Overall there will be less traffic resulting from the change back to a school, given the large number of staff currently based at the BLC. However, there will be 'pinch points' related to the school day, this will be addressed through work with the provider, seeking to minimise any impact locally.
16. There are a limited number of suitable sites for creating additional special school places and these tend to be for smaller number of places, the BLC offers the opportunity to create a large number of places. It is estimated that the BLC could provide 40 – 50 special school places depending on the needs of the pupils. This would result in an annual cost avoidance to the HNB of £1.26 –£1.57m (this is based on the typical cost of a local special school places v the typical cost of an independent placement).
17. In addition to sufficiency needs, there are a number of factors which support ceasing to use the BLC as office space:
  - The creation of the Council and the agreement of the council wide transformation programme creates new opportunities for more efficient use of office space.
  - The reorganisation of the Inclusion and Family Service aims to have more staff in the in local community, and therefore not need to be based at the BLC.
18. Staff have their base of work at the BLC in the ancillary office space. Plans are in place to consult with staff whose base of work is the BLC, to enable flexible working for BCP staff in line with the transformation programme and plans to 'Recover and Reset to Our New Normal' as the lockdown restrictions slowly ease.
19. Four partners also currently use space at the BLC, resulting in £30k annual income. Discussions have started with partners and potential locations in other Council buildings will be identified with a view to maintain joined up working and a continued income stream. Steps to recover possession, if taken before a decision on the providers significant change process and site acquisition, are at the Council's risk ahead of such approvals being obtained. Further information regarding recovering possession is set out in Appendix A.
20. It is proposed that the works to the BLC are carried out by the external provider, with a successful track record of delivering such works. Grant funding will be allocated to the provider for this purpose.
21. The provision will be run by an external provider with a strong track record of delivery and Ofsted outstanding provision, and experience of successfully running large scale procurement and capital projects. The provision will be run as a satellite i.e. it will not require the establishment of a new school. A lease will need to be agreed between the Council and the provider, subject to the provider's significant change process being agreed (see para 24).
22. In developing the business case for converting the BLC into specialist education provision, it has been agreed internally that specialist education provision is the best



use for the property and that no other service unit within the Council has a use for the property. As prescribed by the DfE a peppercorn rent will be charged, forgoing the potential annual market rent. The hypothetical rental value for the property in the open market is in the order of £65,000pa. This would mean that the Council would be forgoing £1,625,000 of income over 25 years (if the lease was for 25 years). This rental income produces a capital value of £700,000 (the undervalue figure stated in the recommendation). The market value for the property is estimated at £1.25m. However, given the current circumstances of Covid and the degree of uncertainty, these figures are not assured.

23. Due to the legal duties placed on the Council, provision at the BLC could result in potential cost avoidance of £1.26 –£1.57m to the HNB; the estimated cost of building a new provision of this size could cost in the region of £2.5m (based on a square meter rate excluding the cost of acquiring a site) and could take many years before it is operational. This demonstrates that the Council is achieving best value for the site.
24. For a provider to create a satellite provision at the BLC a 'significant change process' must be undertaken. If the provider is a maintained school, it will be the responsibility of the Council to consult with the those specified by the DfE in line with the statutory guidance document 'Making significant changes ('prescribed alterations') to maintained schools' October 2018. However if the provider is an academy there is a requirement for the academy trust to go through the significant change process and consult with those specified by the DfE in line with guidance given in the document 'Making significant changes to an open academy and closure by mutual agreement' November 2019. This applies even where a local authority has instigated a proposed change. The Council would support an external provider if an academy, by providing information to be included in the application for change.

### **Summary of legal implications**

25. Generally, the Council has a duty to ensure a sufficiency of places in its area under section 14 of the Education Act 1996. The Council must fulfil that duty with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.
26. Pursuant to Part 3 of the Children and Families Act 2014, the Council also has a duty to identify children who have special educational needs and must (together with its partner commissioning bodies) make arrangements for the education, health and care provision for any children and young people in the Council's area who have special educational needs and/or who have a disability.
27. Any decision taken must be based on a proper and considered review of the consultation responses obtained.
28. In exercising any power or duty, the Council must act for proper purposes, in good faith and must exercise its powers properly. It must also act for proper motives, take

into account all relevant considerations, act rationally and balance any risk against the potential reward.

29. The external provider must also undertake the steps as set out in the DfE guidance entitled “Making significant changes to an open academy and closure by mutual agreement dated November 2019”. This will entail consultation, submission of a business case for approval and separate consent to acquire the additional satellite site.
30. The Council is empowered to provide the proposed grant funding pursuant to section 1 of the Localism Act 2011 and more specifically pursuant to s111 of the Local Government Act 1972 as ancillary to the exercise of its duties set out in the Education Act 1996 and the Children and Families Act 2014 (as outlined above).
31. The Council should ensure that any grant funding is subject to a grant funding agreement on which legal advice is provided before any monies are made available to the provider. Confirmation that the expenditure of the grant funding complies with the State aid rules should be requested prior to draw down of the funding; this confirmation can be included in the terms of the grant funding agreement. It is usually satisfied by the Academy ensuring that it undertakes a proper and transparent tender for the works and associated expenditure.
32. It is likely that, notwithstanding the obligations of a grant funding agreement, if the works are not progressed as expected by the contractor/(s), the risk of delay and overspend will fall to the Council since the duty to ensure sufficiency of places cannot be discharged by requesting the works be arranged and undertaken by the responsible Academy Trust. In that event, the Council’s legal remedy would be to claw back the grant funding and seek to use the money elsewhere to deliver the places. [Details of the de facto mitigation of the operational risk inherent in the proposed delivery model for the works are set out in the Background section of this report.]
33. There is also a risk that some of the monies will be spent prior to any approval and it is likely that the provider will require the Council to fund that expenditure at risk.
34. The nature of the legal documentation in relation to the property between the Council and the provider will depend on the timing of the works and who bears responsibility for delivery of the works. This may therefore require the grant of an Agreement for Lease and a lease on substantively model terms as prescribed by the DfE.
35. The Council’s Property Services and Legal Services teams will be needed to support the process of obtaining vacant possession and the relocation of the current occupiers.
36. The Council’s HR Service will need to support the consultation process and advice in respect of the proposals to relocate staff from the Bournemouth Learning Centre.

## **Summary of financial implications**

37. It is estimated that the BLC could provide 40-50 special school places, resulting in an annual cost avoidance to the High Needs Block of the ringfenced Dedicated Schools Grant of £1.26m - £1.57m. This is based on the typical cost of local special school place versus the typical cost of an independent placement.
38. There will be general fund implications in the form of lost rental income at the BLC. Four partners currently use space at the BLC resulting in a total income of £30k. Potential locations in other council buildings will be identified with a view to maintain joined up working and a continued income stream from the rental agreements but there may be implications for this office rent.

## **Summary of environmental impact**

4. Through ensuring additional appropriate provision is available to meet needs closer to where children and young people live there will be a reduction in the distances travelled to get to school and an increase in the numbers being educated within their own communities.

## **Summary of equality implications**

5. An equality impact assessment screening has been undertaken. The proposed project will enable appropriate provision is available to meet the needs of children and young people with special educational needs and/or disabilities. Equality impacts will be assessed as the decision is implemented; this will include:
  - During the development of the business case to the decision maker for the school significant change process (this will either be carried out by the LA if the provider is a maintained school or by an Academy Trust if the provider is an academy). The business case will include public consultation on the change.
  - As proposals are developed for the relocation of staff who currently have their base of work at the BLC. This will include careful consideration to any employees with particular requirements under the Equality Act 2010 and the completion of an Equality Impact Needs Assessment.
  - As specifications for works to the BLC are developed.
  - The provider will have responsibilities to assess needs and consider reasonable adjustments when the provision is being planned/is running.

## **Summary of risk assessment**

6. An assessment of risks and identification of mitigations has been carried out for the development of this proposal. The primary risks to the progression of the project are:
  - There is a risk that the decision maker for the significant change process does not agree the business case for a satellite at the BLC site, this is mitigated through the work done to assess the business case to bring forward this proposal to Cabinet.

The LA also has experience of successfully producing cases for the opening of such provision. If the external provider is an academy the LA can support them in making a case to the RSC, and the LA has been working with the RSC and DfE on BCP's SEND sufficiency.

- The impact of Covid is risk for any project and day to day delivery. For this project the risk will be mitigated through the LA will appointing an external education provider with a proven track record of successfully delivering large capital works projects. In addition, a 15% contingency has been included in the budget for the project.

## **Background papers**

Cabinet report: Capital Investment to Increase Special Educational Needs Capacity  
Cabinet report: Children's Services Capital Strategy

## **Appendices**

**Appendix A CONFIDENTIAL – Please note should Cabinet wish to discuss the contents of Appendix A the meeting will need to go into Confidential (Exempt) session.**

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## CABINET



Report subject	<b>Housing Scheme at Templeman House, Leedham Road, Bournemouth</b>
Meeting date	24 June 2020
Status	Public
Executive summary	<p>The BCP owned site contains a care home of 41 bedrooms, which was managed by Care South, who have surrendered the lease and vacated the property. The property is currently secured pending redevelopment.</p> <p>The current proposal presents a new build Council Housing scheme of 27 x one and two bed apartments and associated parking to be provided on the site. These homes will help towards imminent new Local Plan housing targets and will also contribute significantly to unmet housing need by delivering Council homes at social rents.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Approve the proposed £6.467m housing scheme for progression to Cabinet for subsequent approval request:               <ol style="list-style-type: none"> <li>a. Approval to tender, commencement and completion of build subject to the conditions set out in the Financial Strategy <b>and authorises the Corporate Director for Environment and Community to approve necessary appropriations and contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer.</b></li> <li>b. Approve the financial strategy for the scheme as set out in paragraphs 30 to 45 with specific approval for:                   <ol style="list-style-type: none"> <li>i) The appropriation of land from the General Fund to the Housing Revenue Account (HRA) to enable the development of the Council housing valued at £900k.</li> <li>ii) £1.330m of prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) social rented homes.</li> </ol> </li> </ol> </li> </ol>



	<p>iii) The capping of rental income to Social Rent levels.</p> <p>c. Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.</p> <p>d. Authorise the Corporate Property Officer in consultation with the Monitoring Officer to agree the detailed contract provisions.</p>
Reason for recommendations	To enable the proposed Council Housing scheme to progress with the agreed funding arrangements through to planning, construction and subsequent completion in order to deliver the wide range of benefits to the Council and local communities.
Portfolio Holder	Cllr Kieron Wilson, Portfolio Holder for Housing
Corporate Director	Kate Ryan, Corporate Director of Environment and Community
Contributors	Lorraine Mealings, Director of Housing Jon Thornton, Housing Development Manager
Wards	Redhill and Northbourne
Classification	For Decision

## Background

### Housing Market Context

1. Levels of unmet housing demand in Bournemouth, Christchurch and Poole (BCP) are very high, with housing demand exceeding supply. Providing more housing is a key priority of the council.
2. The government has set out a new methodology for calculating Local Plan housing targets and as a result the BCP Council area will need to increase its housing delivery significantly to approximately 2,600 new homes to be built every year. This will need a step change from current delivery levels and is one of the key housing challenges locally, as well as nationally.
3. There is a need for additional homes across all tenures and in particular, the demand for Council Housing at sub-market rates is very high. There are 3,827 households on the Housing Register for Bournemouth within the Bournemouth, Poole and Christchurch area waiting for housing in the form of either Council Housing or Housing Association properties.

## **Council's direct delivery of new homes**

4. BCP Council now has a well-established Housing Development Team who are well placed to help deliver the future pipeline of in-house residential new-build developments.
5. Templeman House is a potential development scheme for Council Housing within the conurbation that could be developed directly by the Council for Social rent, for those in housing need on the Housing Register.

## **Site background information**

6. The site is owned by BCP within the General Fund and contains a care home of 41 bedrooms. This was managed by Care South, who vacated the building on 25/3/2019 after exercising a break clause in the lease. The property is currently secured pending redevelopment.
7. The care home was built in the 1960's. It is a 3-storey building of unframed masonry construction with a pitched and tiled roof to the main block. The kitchens, lounges, boiler room and stores are single storey with flat or pitched roofs and are finished in felt. The existing care home includes an electricity sub-station within the structure.
8. Care South have been operating Templeman House below acceptable margins, with a circa 50% void rate. The building would require an extensive refurbishment, including electricity infrastructure, windows, lift, heating etc as well as the property being below required modern standards for its use as a Care home – for example the rooms do not have en-suite facilities. Investigations into creating en-suite rooms was carried out, but this would have resulted in losing too many rooms overall. The layout of the existing care home did also not suit the operator for staffing, as it required a greater number of staff. Existing residents moved to other Care South homes and other homes outside the area (where closer to family). Care South are still operating in the area, such as at Castle Dene, where the lease has recently been extended.
9. The Care Home was boarded up and demolition permission was granted by BCP planning (17<sup>th</sup> July 2019). The application was submitted by BCP Estates considering the impending redevelopment and if required, allow for demolition to avoid any anti-social behaviour or squatting issues (If they occur).
10. The site is very highly constrained by trees which are subject to a blanket Tree Protection Order (TPO), as well as an electrical substation and associated high voltage and low voltage cables running through the site.
11. Adult and Social Care Services are currently carrying out a review of accommodation requirements across the BCP geographical area. Should this identify the need for additional extra care development then BCP owns two other vacant sites within approximately 1 mile of the Templeman site. These sites fall within the 400m Heath Mitigation zone and so cannot be developed for family or other general needs housing but, subject to planning could be developed to

provide one or more new care homes to modern standards. The Templeman site falls outside of the 400m Heathland Mitigation zone and so a residential scheme should be permitted subject to planning.

### **Proposed scheme**

12. The proposed development will provide a total of 27 apartments. Subject to consents the proposed commencement date is November 2020 with the scheme ideally due to be completed in March 2022.

13. It is recommended that the site is developed directly by the Council to provide a residential scheme comprising the following: -

- Social Rent (27 homes)

Plans for the proposed scheme are included in Appendix 5.

14. This tenure mix has been developed after consideration of numerous factors including the need for financial viability and return, housing demands, site specifics and the need to ensure a sustainable community. The Council Housing team and the Housing Options team have been closely involved in the development of this scheme to help ensure that it adequately meets housing needs and is designed in such a way to be sustainable and to enable good quality housing management.

15. As noted earlier, the need for Council housing, including social rented housing, is high.

16. The scheme is designed in one block, principally following the same footprint of the existing Care Home. The proposed block has access and stair cores to each end of the building. The building will provide self-contained homes with a mix of one bed and two bed apartments.

17. The scheme would provide 27 parking spaces in line with the existing parking policy.

### **Environmental build standards**

18. The development will provide a highly energy efficient scheme which will help address the Climate and Ecological Emergency.

19. We intend to build the scheme to Passiv Haus standard, if site constraints do not allow full accreditation, Passiv Principles will be followed. The proposed scheme will use ground source heat pumps to provide heating to all apartments to improve energy efficiency. The scheme aims to have Photovoltaic panels on the roof to provide power to the hot water system and communal lighting. The building will be fully Building Regulation compliant whereby energy usage and insulation standards are higher than the historical Code for Sustainable Homes Level 3.

## **Summary of key benefits**

20. The following summarises the key benefits of the proposed scheme:-

- Maximise the Council's land assets to bring about financial gains, as well as delivering the Council's housing aspirations.
- Provide much needed additional homes to meet unmet housing demands and housing needs within the BCP area.
- Provision of 27 self-contained homes to help address the challenging Local Plan housing targets and help meet local housing demands.
- Provides 27 new Council homes at low social rent levels to meet housing need and make sure they remain very affordable for tenants.
- It provides 100% of the total homes on the proposed site as affordable which is significantly higher than the 40% required within the Affordable Housing Planning Policy.
- Utilisation of £1.607m Right to Buy receipts to help fund the scheme. If these are not spent within 3 years of receipt, they cannot be used locally and need to be returned to central government.
- Use of £430k Section 106 monies to help fund much needed Council housing provision on the site.
- The scheme will bring improvements to the area with the provision of good quality and well managed homes.
- It will deliver high levels of sustainability in terms of design to address the Climate and Ecological Emergency and should bring low energy bills for tenants.
- It will generate employment during the construction phase to help grow the local economy.

## **Development Feasibility Work already undertaken**

21. Initial investigations looked at remodelling the existing structure to convert it to self-contained apartments. This was discounted for the following reasons:

- a. The existing layout would allow for 19 apartments, the majority being 1-beds. A new build solution would offer more homes and an increase in 2-bed homes.
- b. A proportion of the existing built form is single storey, which is not the best use of the land.
- c. The cost of remodelling and refurbishing the existing property to current Building Regulation standards would be almost as costly as new build without the benefits.
- d. Refurbishment is subject to VAT (unlike new build which is zero rated), all VAT incurred will be fully reclaimable by the authority.
- e. The layout of the homes from a conversion scheme would be compromised by the layout of the existing masonry structure.

22. In 2019, feasibility commenced following confirmation from Estates that the site would soon become available. Preliminary work has included the following appointments:

- a. Architects and Principle Designer up to and including planning submission £16.2k
- b. Valuation £1.5k
- c. Ground investigation £3.2k
- d. Tree and bat survey £1.2k
- e. Topographical survey £1.2k
- f. Ecological report £0.5k
- g. Employers Agent £10k up to and including commencement of build works on site (and an additional £10k for the construction phase)
- h. Pre-application planning submission and Design review Panel £2k
- i. Boarding up of the building and new boundary fencing £17k

The above appointed consultants and surveys are required to develop a scheme design to planning submission stage. Total committed work up to planning is approximately £59k; total spend to date is £24.4k.

23. We submitted a planning pre-application for 27 apartments on the site. Key planning comments from the pre-application submission include:

- a. 3-4 storey block of residential is accepted
- b. End elevation stair cores require pitched roofs and meaningful fenestration
- c. Entrances to be more defined
- d. Elevations to be simplified such as one brick colour
- e. Add planters between parking and building/windows
- f. Patios to be added to ground floor homes
- g. The tree constraints plan to be extended to the trees to the South West of the site
- h. Existing footpath within the site is to be widened to 3.0m to allow pedestrian and cycle traffic through the site
- i. Bin store and doorway to be enlarged, bin collection point to be added

The above comments have been incorporated into the updates plans included within Appendix 5.

24. The public consultation was held on 17<sup>th</sup> January 2020. The main comments from the consultation were as follows:

- a. Overwhelming concern over the proposed footpath/cycle link from Leedam Road to Hill View Road. We have removed the link.

- b. Overlooking from balconies on the North East Elevation into gardens of bungalows on Western Avenue. We have removed the Balconies to this elevation and introduced obscure panels to balconies on adjacent elevations.
- c. Insufficient parking on site for the proposed homes. We have increased parking up to 27 spaces (in excess of planning requirements).
- d. Increase in illegal activity (drug dealing in the area).
- e. Lack of maintenance of trees/hedges to alley adjacent to site. As the trees are covered by TPO, a planning application is required to undertake maintenance work. It is anticipated that these works will be undertaken once an Arboriculturalist is employed to undertake an inspection and schedule of works is compiled, prior to a planning submission.
- f. Lack of maintenance to boundary fencing to particular properties on Western Avenue. The entire boundary fence to the North East of the site has now been replaced.

25. Planning permission was submitted on 10<sup>th</sup> March 2020.

### **Financial overview**

- 26. Appendix One, sets out the proposed financial profile of the scheme for the Housing Revenue Account (HRA).
- 27. The total scheme costs are estimated to be £6.467m profiled over the next 2-year period as the construction phase moves ahead.
- 28. Around 80% of this total scheme cost will be funded through capital receipts, HRA reserves and s106 contributions; whilst £1.330m of Prudential borrowing is required within the HRA.
- 29. Appendix Two shows the long-term cashflow for the scheme. Appendix Three sets out the financial appraisal assumptions.

### **Financial Strategy**

- 30. The tenure mix of the properties (and associated rental stream) provides a balance in terms of financial returns required by the Council and ensuring low rents. This has been considered in the context of the whole HRA development pipeline identified to date.
- 31. Estimated long term cash flows presented in Appendix Two indicates the positive contribution in terms of cashflow to the HRA from the first year after completion (Year 3), once constructed and fully occupied. The forecast demonstrates that Prudential Borrowing will be repaid over 25 years, subject to a small deficit of £9k at the end of the 25 year period. From Year 26 cashflows are expected to return to positive annual contributions of around £80k.

### **Land appropriation**

32. The land on which the homes will be developed needs to be appropriated (transferred) to the HRA from the General Fund because of the legislation around where affordable housing needs to be accounted for within the Council. The RICS Valuer from Property Services has valued the parcel of land containing the affordable homes at £900k which is proposed to form the appropriation value paid from the HRA to the General Fund.
33. The land value for the appropriation of the HRA element of the site is set at market value, £900k and works by reducing the historical General Fund debt position and increasing the historical HRA debt position. This reduction enables the General Fund to then take on an additional £900k of debt without changing its base budgeted position. Summary of financial implications across both the General Fund and HRA is provided in table below:

	HRA	General Fund
<b>Capital Implications</b>		
Capital Financing Requirement before transfer (as at 1 April 2019)	139,687,000	271,140,000
Market Value of Land funded transferred	900,000	(900,000)
<b>Adjusted Capital Financing Requirement after transfer</b>	<b>140,587,000</b>	<b>270,240,000</b>
<b>Revenue Implications</b>		
Minimum Revenue Provision (HRA nil)	0	(36,000)
Interest on borrowing (Item 8)	9,000	(9,000)
<b>Net revenue impact</b>	<b>9,000</b>	<b>(45,000)</b>

34. The funding for this HRA scheme of £6.2m is already allocated within the Bournemouth Neighbourhood 2020/21-2021/22 HRA Major Project Capital Programme as part of the recognised Housing Development programme which was approved by the BCP Cabinet (agenda Item 8, Appendix F) and Council in February 2020. There is sufficient budget to cover the £267k within the same programme from 'New build and Acquisition TBC'.

### **Grants and 3<sup>rd</sup> party funding**

35. A total of £430k Section 106 monies will be used to part fund the 27 social rented homes. Due diligence will be undertaken to establish that this sum has actually been received and is available to be used in support of this scheme.
36. Contact with Homes England has been made regarding bidding for Grant at a level of £79k per home, which would total £2.133m. The relatively high grant levels help to support the social rent levels proposed. If this funding is achieved, it would be in place of Right to Buy receipts (as they cannot be used together) and a saving could be made on HRA Reserves in the region of £526k, which

could then be put towards other development schemes. The Appendix attached are based on use of Right to buy receipts and a maximum amount of HRA reserves.

### **Capital funding**

37. Due diligence has been undertaken around the Right to Buy funding stream to ensure that this is achievable. £1.607m of Right to Buy funds will be used to part fund the 27 social rented homes scheme.
38. £3.1m of HRA capital reserves have yet to be allocated to the scheme but are shown within the overall housing development programme.

### **Taxation**

39. A tax evaluation has not been undertaken as this is a newbuild housing scheme and will be zero rated.
40. Stamp Duty Land Tax (SDLT) has also been considered but discounted as a land transfer between the General Fund and HRA will not constitute a chargeable consideration for SDLT purposes.
41. VAT – Both the HRA and General Fund are part of the Council, the land transfer between the two ‘funds’ is treated as a non-business transaction.

Any VAT incurred on construction cost will be fully reclaimable as the spend will relate to the statutory function of the Council.

### **State Aid**

42. State Aid has been considered and assessed as a low risk, as we are not passing on funding to a third party. If Homes England Grant is utilised, a further check for State Aid conformity will be undertaken.

### **Prudential Borrowing**

43. The Council is able to borrow under the Prudential Code as long as it is affordable and can be repaid over the life of the asset. The proposed scheme is predicated on £1.33m of prudential borrowing repaid over 25 years at an annual cost (including interest) of £79k.
44. Appendix Two demonstrates a positive contribution to the HRA up to and including year 18. Year 19 to year 25 show a small deficit, which is cleared by Year 26 as the loan is repaid. This is after provision has been made for both capital and interest repayments as well as management, maintenance and major repair costs, and an adjustment to the rental income to cover void costs. Any potential capital growth has been ignored for the purposes of this modelling. The financial modelling assumes the use of flexible short-term funding (at an interest rate of 3.5%) during the construction period before entering into a long-term arrangement (at an interest rate of 3.5%). The 3.5% interest rate reflects the relatively low risk associated with delivery of this scheme, as is in accordance with the Council’s Invest to Save Framework.



45. Furthermore, any funding will only be drawn down when required and not in advance of need.

### **Value for Money**

46. The total construction costs are higher than the Gross Development Value (GDV) which is estimated at £4.57m – the total estimated value of the completed homes. Relatively high build values allow for the enhanced sustainable performance of the development (Ground source heat pumps and Passiv Haus principles) which is a local priority.
47. Despite this, the financial appraisals set out in Appendix One, Two and Three show that the scheme is still very viable in the short, medium and long term for the Council. The high proportion of affordable homes on the site influences the GDV and the construction costs are based on a relatively high build value of £2390m<sup>2</sup> which we would expect not to exceed. The cost per m<sup>2</sup> has been estimated by the appointed Employers Agent/Quantity Surveyor due to the complexity of the site and the high build standard of Passiv Haus. At this level, the scheme remains viable in terms of costs but this includes a 7.5% contingency budget and conditions have been set to revisit the scheme through Cabinet/Council should costs further exceed this as set out below.

### **Approval Conditions**

48. The proposals to date are indicative prior to submitting a planning application. It is therefore inevitable that the final details in terms of unit numbers, total cost etc. will vary from the estimates presented here. Whilst the proposals presented here are based on the professional judgements of the Housing Development Team, our contracted professionals such as architects, planning colleagues, the planning process and tendering process will establish the final costs and design.
49. The scheme design is likely to develop during the planning application stage. It is unlikely that the scheme will increase in the number of apartments, so the financial modelling is based on the maximum number of homes to be built. Should the number of homes reduce, the borrowing and other funding will reduce accordingly. For example, with Right to Buy Receipts (RTBr): the use of this funding is limited to a maximum of 30% of total scheme cost (for Social Rented homes), so if the number of homes decreases, the build cost reduces and so the amount of RTBr that can be used also reduces.
50. Should the build cost increase across the scheme, the RTBr can be increased accordingly, and to pay the balance, the Prudential Borrowing would need to be increased to maintain a near steady state for the long-term cash flow.
51. Should costs reduce, for example if the number of apartments is reduced, typically the funding will reduce proportionately.
52. It is therefore suggested that approval is sought here subject to some conditions as follows whereby deviation from these will require further Cabinet or Council approval: -

- a. **Changes to approved budget** - Any changes to the scheme budget resulting in a reduction to costs or additional costs greater than £1m will require the scheme to be reapproved by *Council*.
- b. **Changes to approved budget** - Any changes to the scheme budget resulting in a reduction to costs or additional costs of greater than £500k will require the scheme to be reapproved by *Cabinet*.
- c. Any changes to the scheme causing the positive cumulative cashflow to be achieved later than currently modelled (Year 1) shall require approval by Council.
- d. **Changes to funding strategy** - Any changes to the current approved funding strategy that result in a greater utilisation of combined BCP resource (e.g. earmarked capital reserves, capital receipts, prudential borrowing) than as outlined in this paper will be reported to Cabinet or Council, depending on value of change.

## **Consultation**

- 53. Internal consultation within BCP Council teams has commenced, with further consultation required prior to Cabinet and Council. This has included colleagues from Estates, Planning, Highways and Finance. Further detailed consultation will include Finance and Legal.
- 54. Consultation undertaken by the Housing Development Team within other housing teams has similarly been undertaken with input gained from the Housing Landlord, Enabling and Housing Options teams.
- 55. On the 17<sup>th</sup> September, the scheme was discussed by the area's Design Review Panel, which is a team of independent development professionals who provide design advice for new schemes. The Panel is set up by (and shadowed by) BCP planning urban design team.
- 56. Ward Councillors are aware of the site and its closure as a care home. They are also aware that we are proposing a new build Council housing scheme.
- 57. Public consultation took place on 17<sup>th</sup> January 2020. Revised plans were emailed out to residents and Ward Councillors on 4<sup>th</sup> March 2020.

## **Alternative Options**

- 58. The following options have been considered but discounted: -

### ***Option 1 : Market disposal of site***

- 59. One option would be to dispose of the site for development. The valuation made by BCP Estates colleagues for the site is £900k and would be a potential capital receipt to the Council's General Fund. If planning permission was gained on this site prior to disposal then the value could be higher. This option however would not deliver the wider corporate aims around housing need and homelessness.

60. Whilst the site would need to comply with the affordable housing planning policy requiring up to 40% affordable housing subject to viability, there would be no certainty about the scale of affordable housing that would subsequently be agreed by the developer.
61. The disposal of this site would take 12-18 months for tender and sale to be completed.
62. Having already worked the scheme up prior to seeking planning, a decision to dispose of the land will incur abortive costs for the Council although some of the costs would be partially recouped through the sale price. Costs incurred and committed so far total approximately £24.4k including professional costs and site surveys. This has been funded through the HRA Housing development budget.
63. Members are reminded that the BCP Budget 2020/21 report (as approved by Council in February 2020) acknowledged potential availability of capital receipt from disposal of Templeman House land with respect to funding its Transformation Agenda.

***Option 2 : Retain as a care home***

64. Discussions were previously undertaken with the Head of Joint Commissioning & Partnerships, who has confirmed the position with Care South as noted earlier in this report. It is noted that the existing property is not suitable for a care home. This decision could be revisited but would significantly stall site progress

***Option 3 : Refurbishment/conversion of the existing care home***

As noted in paragraphs 6-8 (earlier in this report) the option to convert the existing property to self-contained apartments has been discounted. A further option of converting the property to temporary accommodation has also been investigated. This option included providing temporary accommodation for single people or families as a temporary solution prior to alternative hostel provision becoming available in the conurbation. This would require a change of use planning application which would take several months, with the majority of the property remaining void after conversion works are undertaken. In addition, temporary homeless schemes need to be carefully configured to help achieve a sustainable housing environment which would be difficult to achieve in a cost effective way within the existing building. The high estimated cost of required works has been established and evaluated by Strategic Housing Options team, eliminating this as an option.

***Option 4 : Alternative tenure provision (to Affordable Rent)***

65. If the 27 Social rented homes were alternatively delivered based on higher Affordable rent levels, this would reduce the amount of HRA Reserves used in the current scheme, from £3.1m down to £1.8m. A mix of affordable rented and social rented homes is not recommended because there would be no logical basis for distinguishing homes as one or the other and would create an inequitable charging policy between neighbouring tenants.

## **Summary of financial implications**

66. Provided within the body of the report.

## **Summary of legal implications**

67. The site is currently held in the General Fund (pursuant to the Council's power to acquire and hold land set out in Section 120 of the Local Government Act 1972 ("**LGA1972**")) and will therefore need to be appropriated into the Housing Revenue Account (HRA) to enable the development.
68. As the land is no longer required as a care home it is surplus to requirements and Section 122 of the LGA 1972 means that it can be put to another use provided that the Council have a power to acquire land for the same purpose.
69. Sections 9 and 19 of the Housing Act 1985, Part II, provide the power for the Council to acquire and therefore to appropriate land for the purpose of providing affordable housing and a corresponding power to build and provide affordable housing accounted for within the Housing Revenue Account (HRA).
70. Section 1 of the Local Government Act 2003 gives the Council power to borrow for any purpose relevant to its functions.
71. An electricity sub-station, associated access rights and electricity cables fall within and run through the site. It is understood that the lease will need to be surrendered or varied so that the substation, access route and cables can be relocated.
72. The site is subject to a Tree Preservation Order (TPO). The development will need to accommodate the trees covered by the TPO.
73. A planning application was submitted on 10<sup>th</sup> March 2020 and the Council is currently awaiting grant of planning permission.
74. The Council will need to comply with all relevant procurement requirements, including the Public Contracts Regulations 2015 (if applicable) in undertaking the proposals contained within this Report and further legal advice should be sought in this regard.
75. Any grant funding terms will need to be reviewed. Further legal advice should be sought to confirm the proposed use of the funding will be compliant with State aid rules.

## **Summary of human resources implications**

76. The existing Housing Development Team will oversee the delivery of this scheme alongside the other new build schemes in the pipeline. The construction works will be tendered and other professionals have also been procured e.g. architects to bring this scheme forward.

## Summary of environmental impact

77. Whilst the site is increased in housing density, it is providing much more energy efficient dwellings, with greater thermal insulation and more efficient heating systems.

78. As set out in the report, the scheme will have a ground source heat pump, photovoltaics panels and be built to Passivhaus principles.

79. A copy of the Environment Impact Assessment is included in Appendix Six.

## Summary of public health implications

80. The housing scheme will create a sustainable good quality housing development and bring many benefits to the residents and the wider community. The proposed scheme gives careful consideration to the wider issues such as trees/amenity space to help create an attractive area which improves the well being of the community.

## Summary of equality implications

81. The housing scheme will provide accommodation for those who are on the Housing Register and in housing need. As such, many households will have protected characteristics and have vulnerabilities. The existing Allocation Policy for the Bournemouth area will help manage allocations to the scheme for those most in need.

82. A copy of the EINA is included in Appendix Four.

## Summary of risk assessment

83. The following key risks have been identified alongside mitigating actions :

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Rising construction costs render the project unaffordable	Low	Good project management will enable the close monitoring of progress and any issues that may arise to be dealt with promptly. Build cost budget set at £2,390m2 is an inclusive Design & Build cost provided by our Employers Agent and includes 5% contingency for the build and a further £131k contingency is included in our financial appraisals.
Scheme not gaining a satisfactory planning consent	Low	Housing Development Team have completed pre-application discussions with the Planning Team and shared the designs with the Design Review Panel; we have amended the designs in line with most of the comments.

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Fall in housing need for accommodation tenure provided caused by changes to the housing market or economy	Low	Monitor through construction period requirement for each tenure with the Strategic Housing Options team. Should a particular need reduce (such as shared ownership), the Housing Development Team can appraise and suggest changes to tenure to suit need and financial viability as required.
Insufficient funding available, such as failure to secure funding from s106 Contributions or RTB receipts	Low	Monitor and review spend of such funding on other schemes within the development programme. Should insufficient funding be available, schemes will be prioritised and potentially some schemes put on hold until sufficient funding is available. Alternative tenure such as Shared Ownership would attract different funding, such as grant from Homes England, which could be used to ensure the scheme is brought forward,
Increased fire risk during construction phase	Low	Timber frame will not be permitted. External cladding of the building is to be majority brick. Design and construction will be closely monitored by Housing Development Team, Employers Agent and the Surveying Team.

84. Property development activity involves inherent risks but a cautious approach has been adopted here to minimise these risks as much as possible. Financial contingencies have been included and significant consultation has been undertaken to date to help ensure a sustainable scheme.

### Background papers

85. Refreshed Bournemouth Housing Strategy 2017 - 2020 -

<https://www.bournemouth.gov.uk/Housing/help-with-housing/Documents/bournemouth-refreshed-housing-strategy-2017-2020.pdf>

86. Housing Strategy Refresh 2018-2020 Borough of Poole

<https://www.poole.gov.uk/council-and-democracy/strategies-plans-and-policies/housing-strategy-refresh-2018-2020/>

## **Appendices**

**Appendix One : Income and Expenditure Summary General Fund and HRA**

**Appendix Two : Financial Appraisal Long-term Cash flow**

**Appendix Three : Summary of Funding Assumptions**

**Appendix Four : Equality Impact Needs Assessment (EINA)**

**Appendix Five : Development proposal plans**

- 28077-PD099 Site Location Plan
- 28077-PD102M Proposed site plan
- 28077-PD103F Ground and first floor plan
- 28077-PD104F Second floor plan
- 28077-PD105D Elevation
- 28077-PD107A Existing and Proposed site section – Sheet One
- 28077-PD108A Existing and Proposed site section – Sheet Two
- 3D visuals of Templeman House Artist's impression of the new Templeman House from the entrance to the site.
- 3D visuals of Templeman House Artist's impression of the new Templeman House from green amenity on the southern part of the site.

**Appendix Six : Health and Safety Assessment Tool (HASAT)**

**Appendix Seven : Environmental Impact Assessment**

**Appendix Eight : Project Plan**

**Appendix 1 - Templeman House Development:  
HRA Income and Expenditure**

		Housing Revenue Account
		27
		25
		<b>Social Rented £000s</b>
<b>Scheme Costs</b>		
Works	inc demo, contingency 5%	5,232
Fees & Other Costs	inc contingency 2.5%	300
Interest (during Build Phase)		35
Land Acquisition costs		900
<b>Total Scheme Cost</b>		<b>6,467</b>
<b>Scheme Funding</b>		
Homes England Grant - TBC Affordable Housing Grant		
Homes England Grant - Accelerated Construction		
Affordable Housing s106 Contributions		430
Sales - Shared Ownership		
Housing Revenue Account		
- Capital Funding - 1 for 1 Right to Buy Receipts		1,607
- Capital Funding - Reserve allocation		3,100
Prudential Borrowing - additional borrowing		1,330
<b>Total Scheme Funding</b>		<b>6,467</b>
<b>Net Cost</b>		<b>0</b>

*Homes  
Prudential Borrowing Period*



## Appendix 2 - Templeman House Development: Financial Appraisal Long-term Cash flow

Long-Term Cashflow	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Gross Residential Rent	3.5% inc YRS 1-3, 2.5% inc Yrs 4-25	(121,113)	(125,352)	(129,739)	(132,983)	(136,307)	(139,715)	(143,208)	(146,788)	(150,458)	(154,219)	(158,075)	(162,027)	(166,077)	(170,229)
Voids	2% of Gross residential rent	2,422	2,507	2,595	2,660	2,726	2,794	2,864	2,936	3,009	3,084	3,161	3,241	3,322	3,405
Gross Rent after allowance for Voids		(118,691)	(122,845)	(127,144)	(130,323)	(133,581)	(136,921)	(140,344)	(143,852)	(147,449)	(151,135)	(154,913)	(158,786)	(162,756)	(166,825)
RSL Management	2.5% CPI	17,334	17,767	18,212	18,667	19,133	19,612	20,102	20,605	21,120	21,648	22,189	22,744	23,312	23,895
Maintenance	2.5% CPI	16,065	16,467	16,878	17,300	17,733	18,176	18,630	19,096	19,574	20,063	20,565	21,079	21,606	22,146
Major Repairs	2.5% CPI	0	0	0	0	0	0	0	0	0	52,276	53,583	54,922	56,296	57,703
Annual operational spend		33,399	34,234	35,090	35,967	36,866	37,788	38,733	39,701	40,693	93,987	96,336	98,745	101,213	103,744
Net Income before debt repayment		(85,292)	(88,611)	(92,055)	(94,356)	(96,715)	(99,133)	(101,611)	(104,151)	(106,755)	(57,148)	(58,577)	(60,041)	(61,542)	(63,081)
Repayment of Borrowing (interest)		45,282	44,087	42,850	41,570	40,245	38,874	37,454	35,985	34,465	32,891	31,262	29,576	27,832	26,026
Repayment of Borrowing (principal)		34,145	35,340	36,577	37,857	39,182	40,554	41,973	43,442	44,963	46,537	48,165	49,851	51,596	53,402
Cash outflow / (inflow)		(5,864)	(9,184)	(12,627)	(14,929)	(17,287)	(19,705)	(22,184)	(24,724)	(27,328)	22,279	20,851	19,386	17,885	16,347
Cumulative cash outflow / (inflow)		(5,864)	(15,048)	(27,675)	(42,604)	(59,891)	(79,597)	(101,780)	(126,504)	(153,832)	(131,553)	(110,702)	(91,316)	(73,430)	(57,084)

## Appendix 2 - Templeman House Development: Financial Appraisal Long-term Cash flow

Long-Term Cashflow	15	16	17	18	19	20	21	22	23	24	25	Total
Gross Residential Rent	(174,485)	(178,847)	(183,318)	(187,901)	(192,599)	(197,414)	(202,349)	(207,408)	(212,593)	(217,908)	(223,355)	
Voids	3,490	3,577	3,666	3,758	3,852	3,948	4,047	4,148	4,252	4,358	4,467	
<b>Gross Rent after allowance for Voids</b>	<b>(170,995)</b>	<b>(175,270)</b>	<b>(179,652)</b>	<b>(184,143)</b>	<b>(188,747)</b>	<b>(193,465)</b>	<b>(198,302)</b>	<b>(203,260)</b>	<b>(208,341)</b>	<b>(213,550)</b>	<b>(218,888)</b>	<b>(4,130,177)</b>
RSL Management	24,492	25,105	25,732	26,376	27,035	27,711	28,404	29,114	29,842	30,588	31,352	
Maintenance	22,699	23,267	23,849	24,445	25,056	25,682	26,324	26,982	27,657	28,348	29,057	
Major Repairs	59,145	60,624	62,140	63,693	65,286	66,918	68,591	70,305	72,063	73,865	75,711	
<b>Annual operational spend</b>	<b>106,337</b>	<b>108,996</b>	<b>111,721</b>	<b>114,514</b>	<b>117,377</b>	<b>120,311</b>	<b>123,319</b>	<b>126,402</b>	<b>129,562</b>	<b>132,801</b>	<b>136,121</b>	<b>2,153,956</b>
Net Income before debt repayment	(64,658)	(66,274)	(67,931)	(69,629)	(71,370)	(73,154)	(74,983)	(76,858)	(78,779)	(80,749)	(82,767)	
Repayment of Borrowing (interest)	24,157	22,222	20,220	18,148	16,003	13,783	11,486	9,108	6,646	4,099	1,463	655,732
Repayment of Borrowing (principal)	55,271	57,205	59,207	61,280	63,424	65,644	67,942	70,320	72,781	75,328	77,965	1,329,954
Cash outflow / (inflow)	14,770	13,153	11,496	9,798	8,057	6,273	4,444	2,570	648	(1,321)	(3,340)	9,465
Cumulative cash outflow / (inflow)	(42,314)	(29,161)	(17,665)	(7,867)	191	6,464	10,908	13,478	14,126	12,805	9,465	

### Appendix 3 - Templeman House Development: Summary of Funding Assumptions

#### Accommodation Schedule - Unit sizes comply or exceed Nationally Described Space Standards.

Ground Floor			First Floor			Second Floor			Third Floor		
Number of units	Unit size m2	Unit type	Number of units	Unit size m2	Unit type	Number of units	Unit size m2	Unit type	Number of units	Unit size m2	Unit type
4	51	1b2p	4	51	1b2p	4	51	1b2p	4	51	1b2p
2	70	2b4p	3	70	2b4p	3	70	2b4p	3	70	2b4p
6			7			7			7		

#### Rent Levels    *This scheme will be charged at Social Rent level:*

	LHA level for info	Affordable Rent for info	<b>Social Rent</b>
1-bed	£123.58pw	£123.58pw	<b>£79.84pw</b>
2-bed	£157.61pw	£156.38pw	<b>£91.61pw</b>

#### **Market rent equivalent including service charge and parking spaces**

1-bed	£155.23pw
2-bed	£195.48pw

#### **Affordable Rent**

**Service Charges**    £3pw additional to Social rent

**Build costs**    £2265m2 inc 5% contingency and demolition + Substation relocation + fencing + GSHP = £2390.65m2

**Contingency**    2.5% additional build contingency (£131k)

**Void and bad debts**    2%

**Management**    £642 unit/pa Based on historic variable costs per unit

**Maintenance**    £595 unit/pa Based on historic variable costs per unit

**Major Repairs**    0.8% of build cost deferred to Yr10 As agreed with Principal Surveying Manager

**Loan interest rate %**    3.5% Short term; 3.5% Long term

**Loan term and type**    25 year annuity

### Appendix 3 - Templeman House Development: Summary of Funding Assumptions

On costs/Fees element	Amount
Acoustic Engineer	
Arbo report	£ 1,340
Architects fee (up to planning)	£ 19,575
Asbestos, needles, clear	n/a
Bat survey	£ 500
CIL and Heathland mitigation	£ 7,534
Daylighting assessment	£ 2,950
Demolition inc notices	inc in build
Design review panel, pre-app, Consultation	£ 2,500
Development Team	£ 62,100
Ecological survey and BMP	£ 1,000
Elec Disconnection	£ 5,000
Employers Agent fee	£ 27,000
Fire consultant	
Gas disconnection	£ 5,000
Ground investigation	£ 4,500
Heritage consultant	
Highways consultant	£ 650
Landscape consultant	inc in build
Legal sales fee	n/a
M+E Engineer	inc in build
Marketing	n/a
Principle Designer	£ 2,450
Planning application fee	£ 12,474
Structural Engineer and Drainage	£ 5,000
Topographical	£ 1,200
Tree protection and plan	inc in build
Utilities and sustainability assessment	£ 4,312
Valuation	£ 1,250
Water disconnection	£ 3,000
<b>Total</b>	<b>£ 169,335</b>

Note: On costs/fees are split by number of units to each financial appraisal

## Equality Impact Needs Assessment

The Diversity Promise - *Better for all*

1. Title of Policy/Service/Project	Development at Templeman House, Leedham Road, Bournemouth, BH10 6HP
2. Service Unit	Housing (Development)
3. Lead Responsible Officer and Job Title	Jonathan Thornton, Housing Development Manager
4. Members of the Assessment Team:	Mark Sheppard, Project Officer
5. Date assessment started:	14 <sup>th</sup> August 2019
6. Date assessment completed:	14 <sup>th</sup> August 2019

### About the Project:

7. What type of project is this?	New build housing project
8. What are the aims/objectives of the policy/service/project? (please include here all expected outcomes)	<p>To provide additional sustainable affordable housing. The completed project will provide much needed additional social rented housing within the conurbation.</p> <p>The project will provide an increase in job opportunities within the construction sector during the construction phase.</p> <p>The scheme will generate a long-term surplus to the Housing Revenue Account and debt transfer from the General Fund (or a capital receipt) for the land.</p>

9. Are there any associated services, policies or procedures? No
<p>10. List the main people, or groups of people, that this policy/service/project is designed to benefit and any other stakeholders involved?</p> <p>This project will benefit families which are either homeless or they may live in unsuitable or over occupied housing.</p>
<p>11. Will this policy/service/impact on any other organisation, statutory, voluntary or community and their clients/service users?</p> <p>No.</p>

### Consultation, Monitoring and Research

Where there is still insufficient information to properly assess the policy, appropriate and proportionate measures will be needed to fill the data gaps. Examples include one-off studies or surveys, or holding informal consultation exercises to supplement the available statistical and qualitative data.

If there is insufficient time before the implementation of the policy to inform the EINA, specific action points will be need to be clearly set out in the action plan. Steps must include monitoring arrangements which measure the actual impact and a date for a policy review.

#### Consultation:

<p>12. What involvement/consultation has been done in relation to this (or a similar) policy/service/project and what are the results?</p> <p>Consultation with the Housing Portfolio Holder on the strategic approach to new council owned affordable housing has been held; Ward Councillor and Portfolio Holder consultation on this individual scheme will follow; and relevant council staff and local residents will be briefed at a future Public Consultation.</p>
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13. If you have not carried out any consultation, or if you need to carry out further consultation, who will you be consulting with and by what methods?

As above - a public consultation and direct consultation with Councillors has been held by the development team and design team. This was held at the Templeman House and suitably publicised.

#### Monitoring and Research:

14. What data, research and other evidence or information is available which is relevant to this EINA?

The unit type and mix has been informed from housing register statistics including the number of applicants on the housing register and the average waiting time. The completed units will be let and managed on the same basis as our existing housing stock and all EINA's and other policies which apply to our existing stock will apply to these new units.

15. Is there any service user/employee monitoring data available and relevant to this policy/service/project? What does it show in relation to equality groups?

Annual CORE data and resident surveys.

Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated and monitored by Housing Solutions, who undertake property allocations for the Council to ensure that the properties are let to those in housing need.

16. If there is a lack of information, what further information do you need to carry out the assessment and how are you going to gather this?

N/A

## Assessing the Impact

	Actual or potential positive benefit	Actual or potential negative outcome
<b>17. Age</b>	Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated by Housing Solutions, who undertake property allocations for the Council to ensure that the properties are let to those in housing need.	The properties are designed for families, couples and single people. There will be no loss of existing provision for other client groups as a result of this project.
<b>18. Disability</b>	Properties will be constructed to Building Control Approved Document Part M (access to and use of buildings).	No issues regarding disability have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>19. Gender</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding gender have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>20. Gender reassignment</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding gender reassignment have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>21. Pregnancy and Maternity</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding pregnancy and maternity have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>22. Marriage and Civil Partnership</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding marriage and civil partnership have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>23. Race</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding race have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>24. Religion or Belief</b>	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding religion or belief have been identified but this factor will be considered and monitored along with any service user identified needs.



	Actual or potential positive benefit	Actual or potential negative outcome
<b>25. Sexual Orientation</b>	Properties will be eligible for all eligible applicants on the housing register	No issues regarding sexual orientation have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>26. Any other factor/ groups e.g. socio- economic status/carers etc</b>	Properties will be eligible for all eligible applicants on the housing register.	No other issues have been identified but these factors will be considered / monitored along with any service users identified needs.
<b>27. Human Rights</b>	Will facilitate Article 11 of the International Covenant on Economic, Social and Cultural Rights - the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing.	No human rights issues have been identified but these factors will be considered / monitored along with any service users identified needs.

**Stop - Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.**

28. If impacts have been identified include in the action plan what will be done to reduce these impacts, this could include a range of options from making adjustments to the policy to stopping and removing the policy altogether. If no change is to be made, explain your decision:

The Social rented properties will be eligible for all eligible applicants on the housing register.

## Action Plan

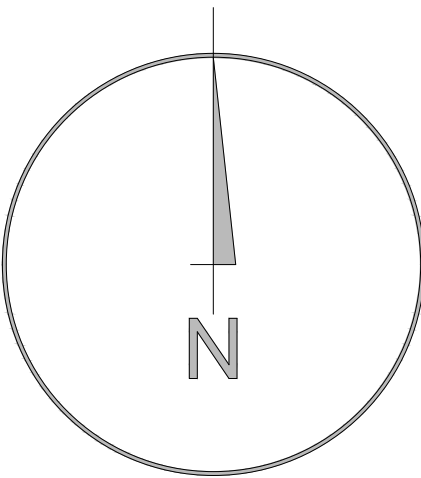
Include:

- What has/will be done to reduce the negative impacts on groups as identified above.
- Detail of positive impacts and outcomes
- The arrangements for monitoring the actual impact of the policy/service/project

29. Issue identified	Action required to reduce impact	Timescale	Responsible officer	Which Business Plan does this action link to e.g. Service Equality Action Plan/Team Plan
The properties are designed for families, couples, single people – a mix of 1 and 2 bed flats.	<p>Limited amount of larger family accommodation on this site. This can be offset by the delivery of housing on other sites across the Conurbation.</p> <p>One and two bed flats can be more suitable for those occupying larger properties than they need. Subsequent downsizing will free up larger family homes.</p> <p>The identification of housing need for specific client groups within the Neighbourhood will be monitored as part of the ongoing Housing Strategy process.</p>	Ongoing	Affordable Housing & Resettlement Manager	Housing Strategy



Location Plan  
1:625 @ A1  
1:1250 @ A3



Existing Block Plan 1:500 @ A1 | 1:1000 @ A3



Proposed Block Plan 1:500 @ A1 | 1:1000 @ A3



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os promap licence no. 100020449.

health & safety:  
exceptional risks involving specific methods of construction or exceptional maintenance issues can be found within the designers risk assessment.

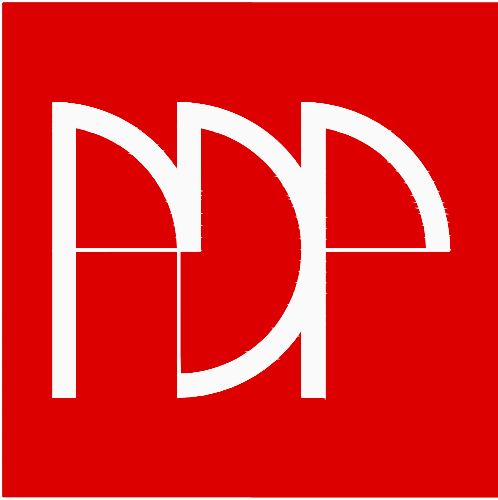
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revision	notes	date	drawn	checked
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client Bournemouth, Christchurch and Poole Council



PLANNING



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project Templeman House

detail Site Location Plan

drawn	checked
ER	HM

date	status
May'19	PLANNING

a1 scale	a3 scale	rev
1:625	1:1250	28077-PD099





Schedule of Accommodation:

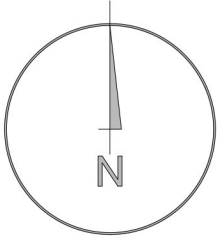
**Ground Floor**  
4no. 1B2P Flats 51sqm  
2no. 2B4P Flats 70sqm  
1no. Internal cycle store  
1no. Internal plant room

**First Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Second Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Third Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Total Units:** 27 dwellings  
  
27x Car parking spaces  
1no. External Refuse Store



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scale width 50 mm @ a1 - 25 mm @ a3

revision	notes	date	drawn	checked
A	Revised following comments from client	27-03-19	HM	
B	Revised to suit floor layouts	28-03-19	HM	
C	Sub-station Added	08/05/19	PC	HM
D	Revised following pre-application comments	15/08/19	PC	HM
E	Revised following client comments	22-08-19	HM	
F	Revised following design panel comments	10-10-19	HM	
G	Revised following planners comments	17-10-19	HM	
H	Cycle path amended	13,11,19	IR	HM
J	Various Amendments	06/12/19	PC	HM
K	Additional parking and Removal back balconies public consultation notes	12/02/20	ER	
L	Existing hedge added	27.02.20	IR	HM
M	Exsiting tree and proposed trees added	27.02.20	IR	HM

client

Bournemouth, Christchurch and Poole Council

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project

Templeman House

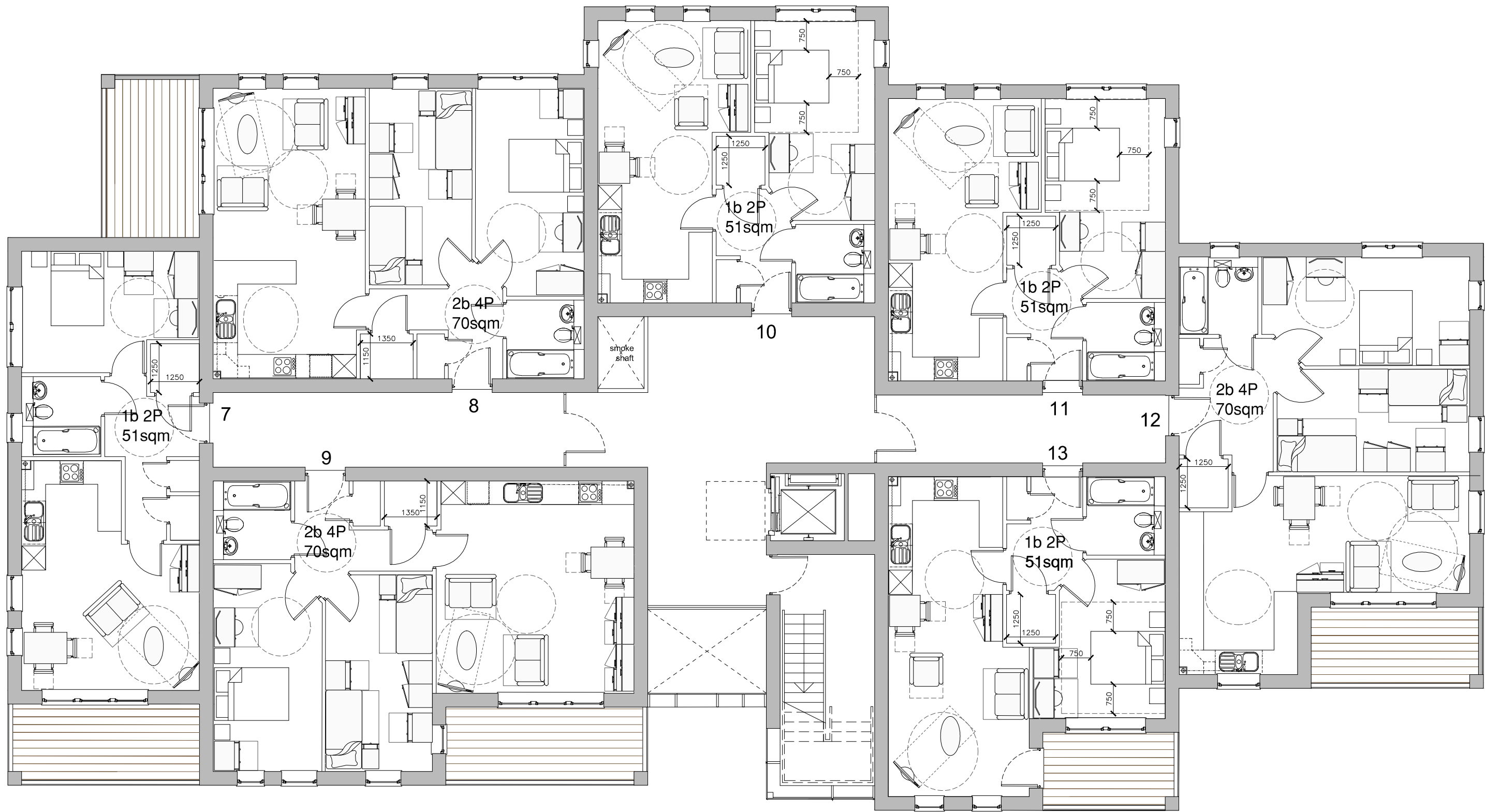
detail	
Site Layout Flats	
drawn	checked
PC	HM
date	status
March'19	PLANNING
a1 scale	a3 scale
1:250	1:500

28077-PD102

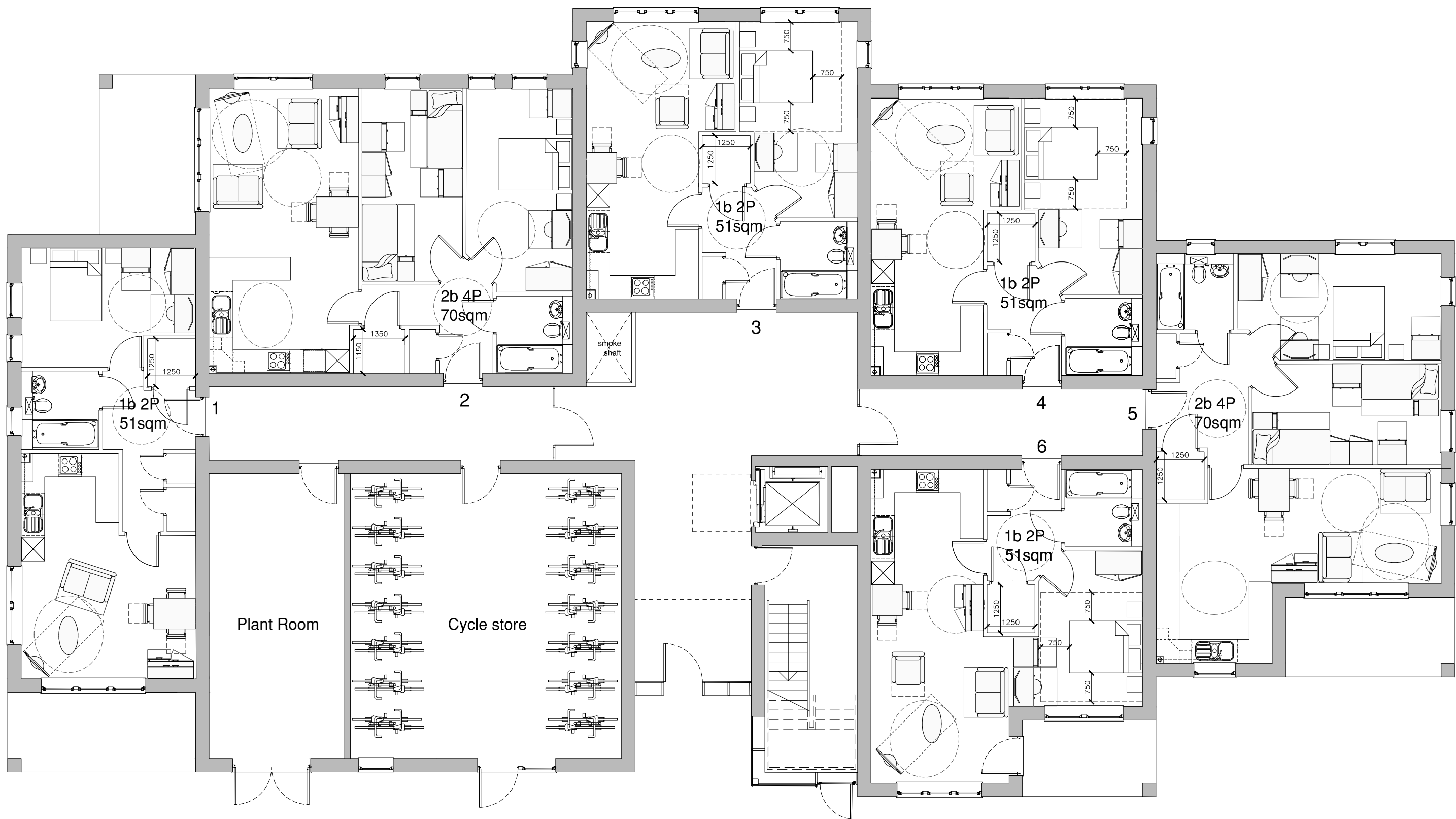
rev

M





First Floor Plan



Ground Floor Plan

**Schedule of Accommodation:**

**Ground Floor**  
4no. 1B2P Flats 51sqm  
2no. 2B4P Flats 70sqm  
1no. Internal cycle store  
1no. Internal plant room

**First Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Second Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Third Floor**  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

**Total Units: 27 dwellings**

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health & safety:  
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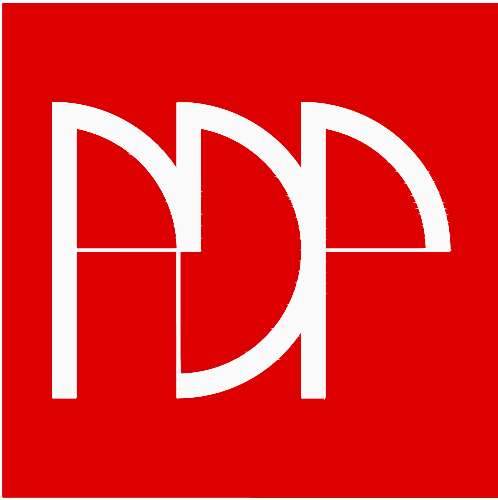
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A	Revised to suit client comments	16-04-19	IR	HM	
B	Revised following pre-application comments	14-08-19	HM		
C	Revised following client comments	22-08-19	HM		
D	Various Amendments	06/12/19	PC	HM	
E	Removal of overlooking balconies and windows, added privacy screens	12/02/20	ER		
F	Cupboards added	27.02.20	IR	HM	

client

Bournemouth, Christchurch and Poole Council



PLANNING



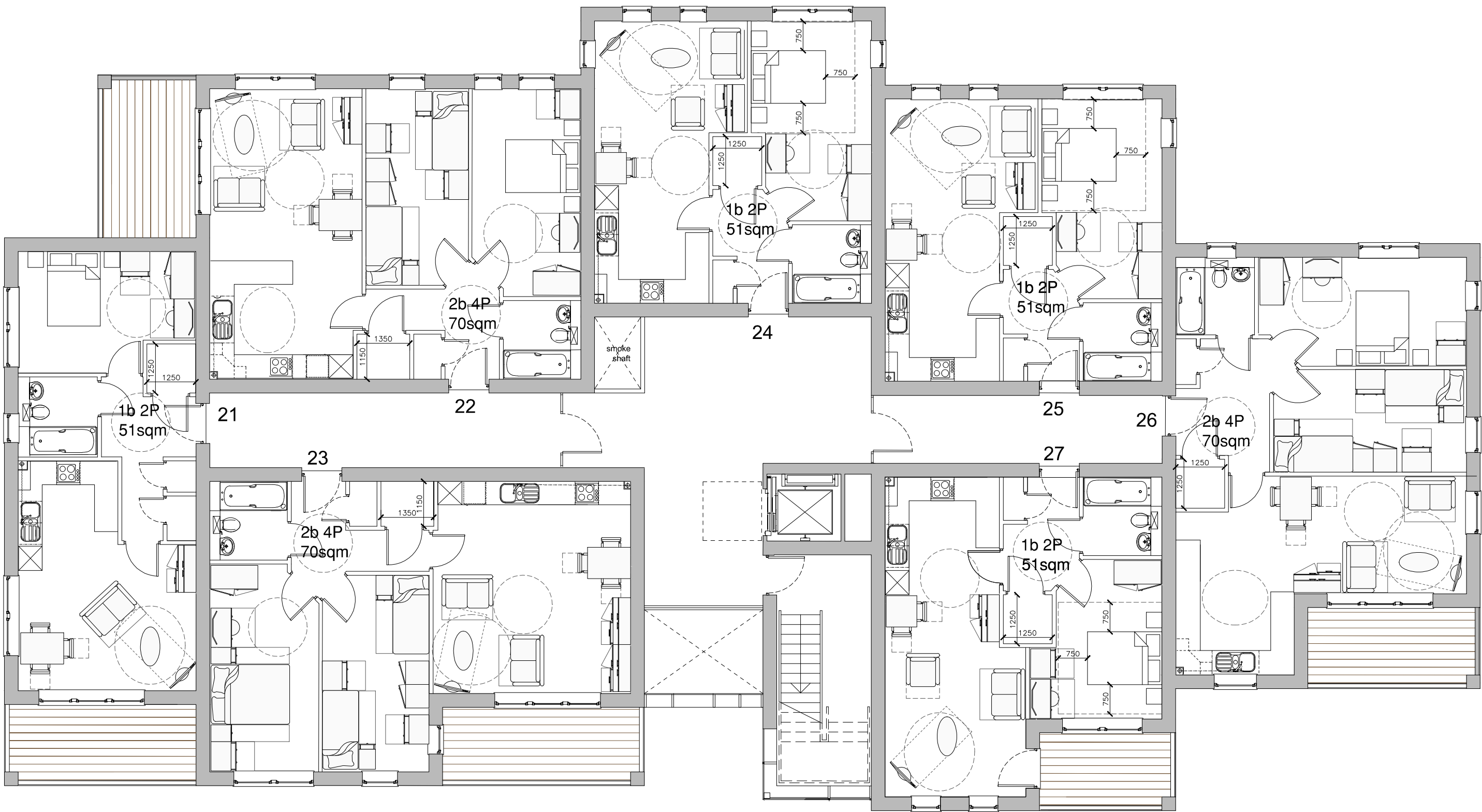
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interior design consultants

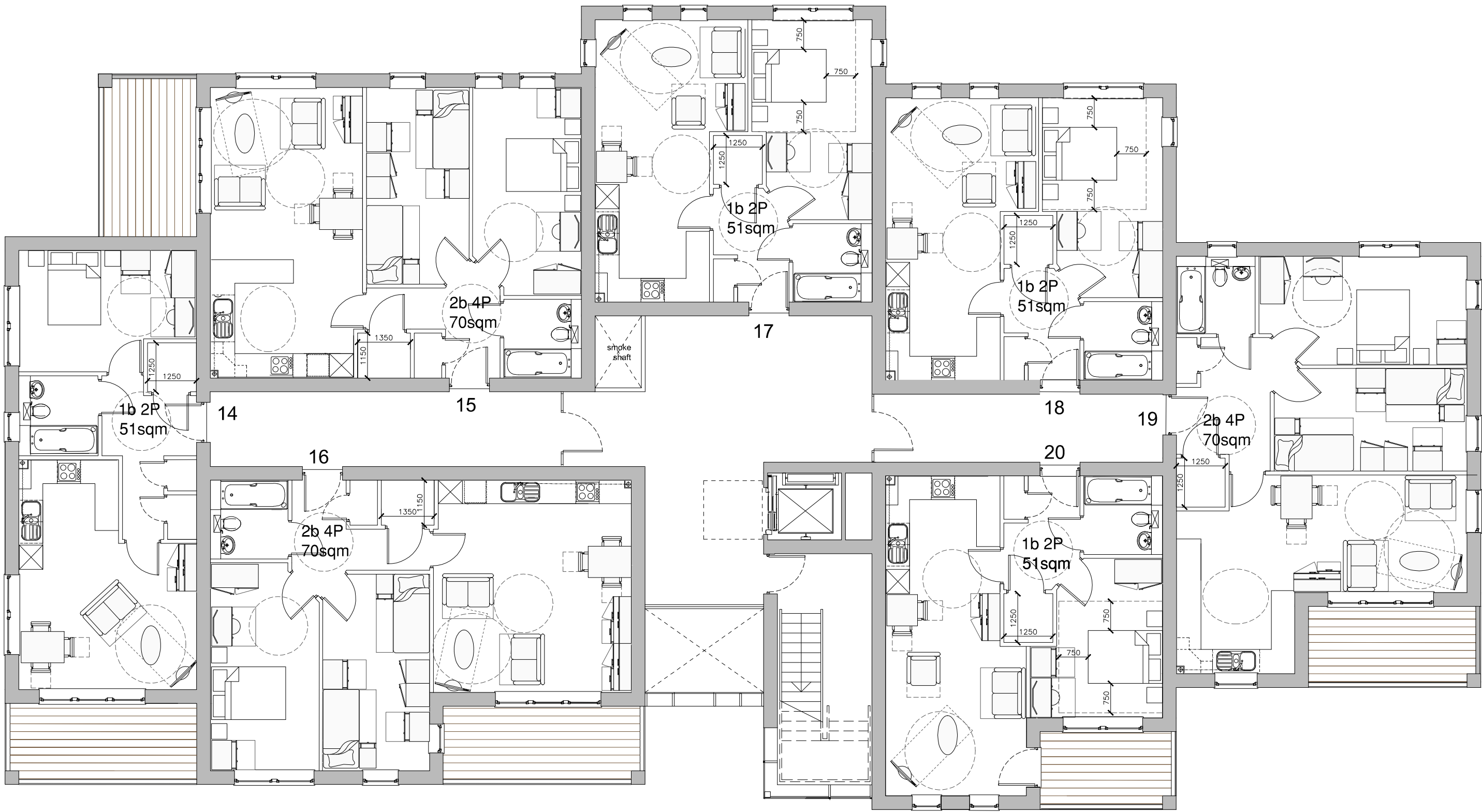
2 beechworth road havant  
hampshire po9 1ax  
tel 023 9248 1100  
fax 023 9247 5050  
email pdp@pdp-architects.co.uk

www.pdp-architects.co.uk

project	Templeman House			
detail	Ground Floor Plan & First Floor Plan			
drawn	PC	checked	HM	
date	March'19	status	PLANNING	
a1 scale	a3 scale			rev
1:100	1:200		28077-PD103	F



Third Floor Plan



Second Floor Plan

Schedule of Accommodation:

Ground Floor  
4no. 1B2P Flats 51sqm  
2no. 2B4P Flats 70sqm  
1no. Internal cycle store  
1no. Internal plant room

First Floor  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

Second Floor  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

Third Floor  
4no. 1B2P Flats 51sqm  
3no. 2B4P Flats 70sqm

Total Units: 27 dwellings

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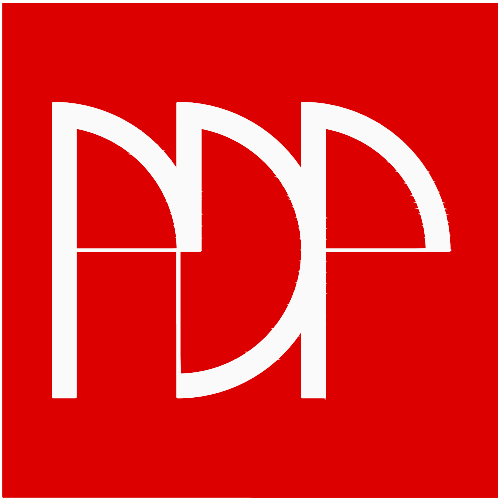
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revision	notes	date	drawn	checked
A	Revised to suit client comments	16-04-19	IR	HM
B	Revised following pre-application comments	14-08-19	HM	
C	Revised following client comments	22-08-19	HM	
D	Various Amendments	06/12/19	PC	HM
E	Revised windows. Removed rear balconies Added privacy screens	12/02/20	ER	
F	Cupboards added	27.02.20	IR	HM

client Bournemouth, Christchurch and Poole Council



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project Templeman House

detail Second Floor Plan Flats

drawn PC checked HM

date March'19 status PLANNING

a1 scale 1:100 a3 scale 1:200 28077-PD104 rev F





South-West Elevation

Materials Key	
1	Buff Brick
2	Timber Effect Cladding
3	Brown Standing Seam Zinc
4	Grey UPVC
5	Grey Aluminium
6	Frosted Glass (Privacy Screen)
7	Frosted Glass (Window)



North-East Elevation



North-West Elevation



South-East Elevation

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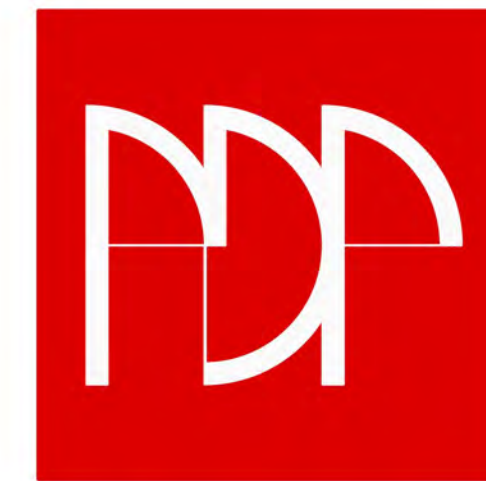
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revision	notes	date	drawn/checked
A	Additional elevations drawn up	17-04-19	IR HM
B	Revised following pre-application comments	13-08-19	HM
C	Revised following client comments	22-08-19	HM
D	Revised to match plans following public consultation comments	12/02/20	ER

client

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BCP Council

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project	Templeman House		
detail	Proposed Elevations		
drawn	PC	checked	HM
date	March'19	status	PLANNING
a1 scale	1:100	a3 scale	1:200
			28077-PD105
			D



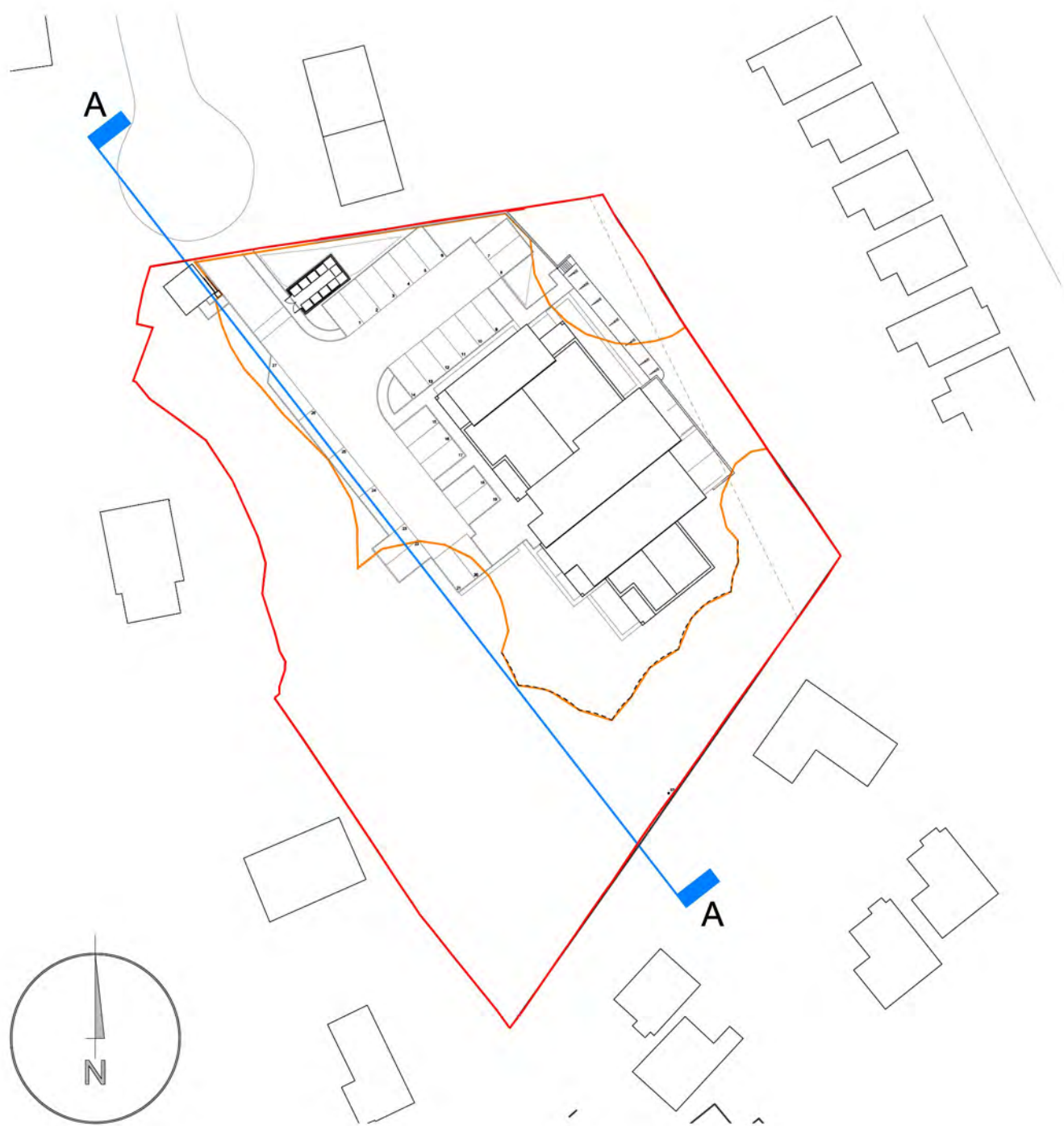


Existing Site Section A - A



Proposed Site Section A - A

South-West Elevation



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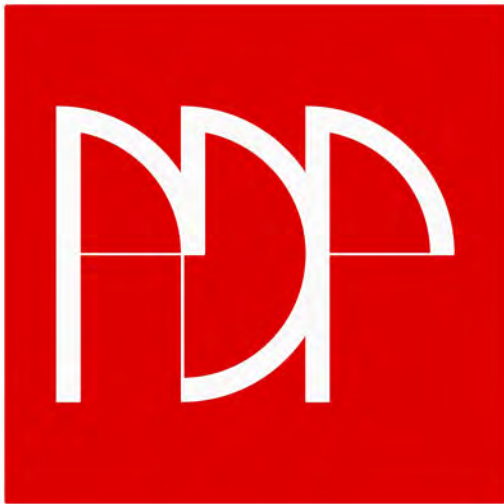
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revision	notes	date	drawn	checked
A	Facade amended following public consultation comments	12/02/20	ER	

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project Templeman House

detail Existing and Proposed  
Site Sections - Sheet One

drawn	HM	checked	
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date	Sept 19	status	Planning
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a1 scale	1:50	a3 scale	1:100	rev	28077-PD107	A
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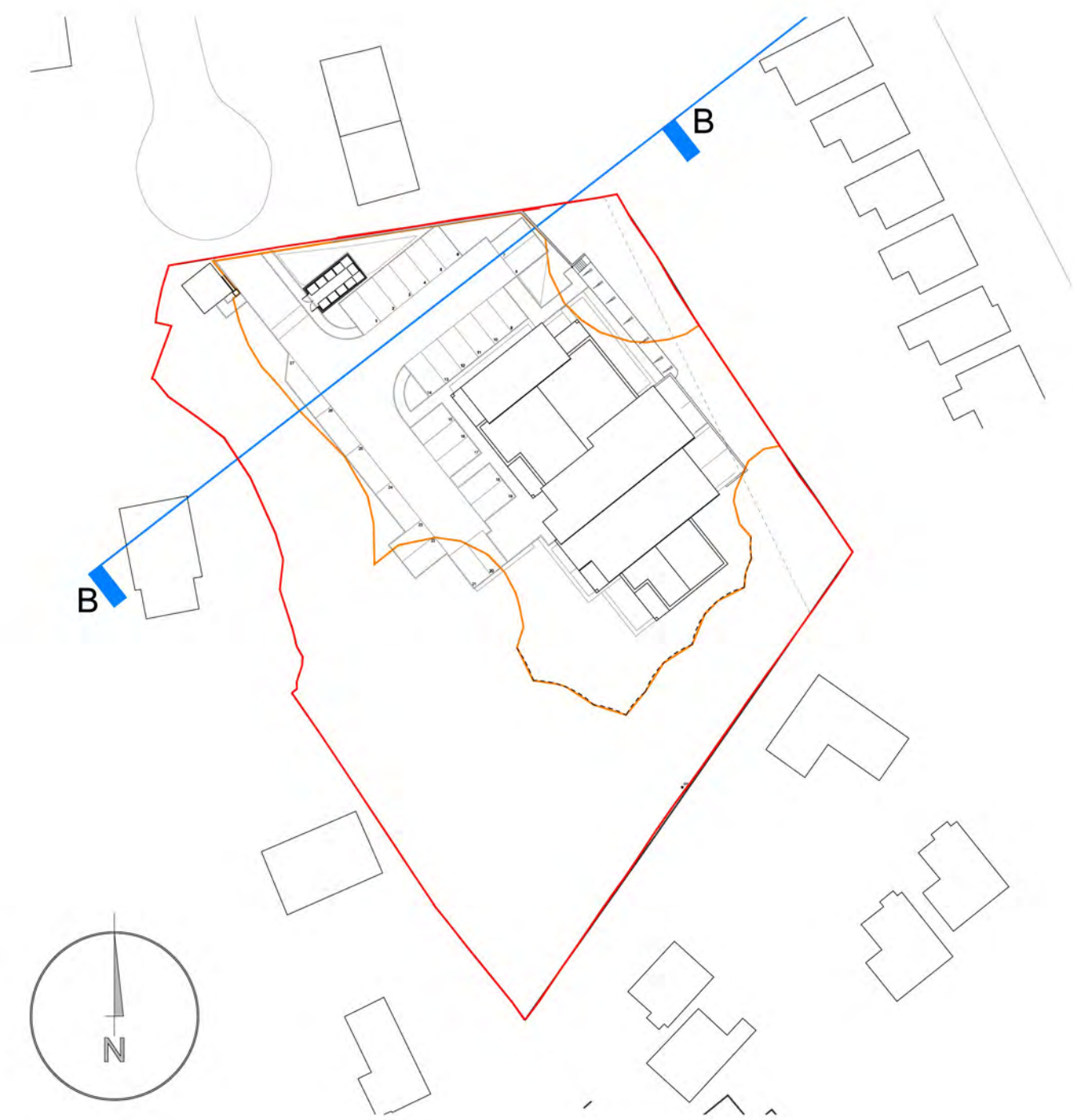




Existing Site Section B - B



Proposed Site Section B - B



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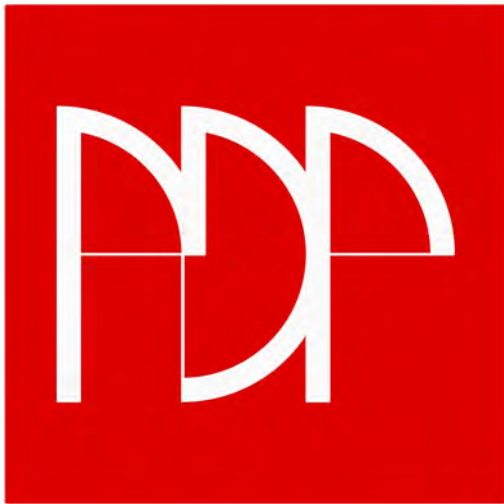
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revision	notes	date	drawn	checked
A	Facade amended following public consultation comments	12/02/20	ER	

client Bournemouth, Christchurch and Poole Council



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project Templeman House

detail Existing and Proposed  
Site Sections - Sheet Two

drawn HM checked

date Sept 19 status Planning

a1 scale a3 scale a3 scale rev

1:50 1:100 28077-PD108 A



# 3D Visuals of Templeman House



Artist's impression of the new Templeman House from the entrance to the site.





Artist's impression of the new Templeman House from the green amenity on the southern part of the site.





## Health & Safety Assessment Tool

### Completed by

Name	Jonathan Thornton
Business Unit	Housing Development
Date	14 August 2019

Please save this document to your computer and complete by entering your responses in the boxes provided. Information about the HASAT is available on BIZ within the Corporate H&S pages. When complete please email to [health.safety@bcpcouncil.gov.uk](mailto:health.safety@bcpcouncil.gov.uk)

1	<u>Name of Project</u>
Templeman House, Leedam Road, Bournemouth, BH10 6HP	

2	<u>Project Number</u>

6	<u>Is this project notifiable under the CDM Regulations 2015</u>
YES	

7	<u>Aspects of the project</u> Please see the HASAT guidance template on the 2nd tab of this document.			
	<u>ITEM</u>	<u>YES</u>	<u>NO</u>	<u>COMMENTS</u>
1	Risk Assessment	YES		The tender will contain a designers risk assessment highlighting any project specific risks to the contractors tendering for the work. A Construction Phase Health and Safety Plan including risk assessments and method statements will be submitted before the commencement of the construction phase.
2	Contractors	YES		Evidence of competence of the Principal Contractor should be provided including any sub contractors.
3	Manual Handling	YES		As part of their CDM duty the Designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Before construction works commence the Principal Contractor will be obliged to submit an examples of manual handling risk assessments.
4	Fire Safety Impacts	YES		As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Fire service will be a consultee to the planning process. Fire Risk Assessment to be completed at practical completion.

5	Working at Heights	YES	As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Before construction works commence the the Contractor will be obliged to submit a Construction Phase Health and Safety Plan which will include a risk assessments and method statements to address this hazard.
6	Accident recording	YES	Before construction works commence the the Principal Contractor will subit their arragements for incident reporting.
7	CDM Notification to the HSE	YES	The Principal Contractor will notify the HSE of the project and forward evidence.
8	Requirement of continued monitoring	YES	Before construction works commence the the Contractor will be obliged to submit their arrangements for continued health monitoring.
9	Need for specialist equipment / tools	YES	As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Please forward a list of any specialist equipment or tools needed for the construction including risk assessments and maintenace records.
10	Exposure to hazardous substances	YES	The Designer will where practicable design the project in a manner that reduces the exposure to substances where practicable. Before construction works commence the Principal Contractor will be obliged to submit examples of COSHH assessments for substances that will be used in the construction.

8 Please provide a list of all persons, who have been consulted regarding H&S for this project  
Employers Agent - Frazer Garner Associates. Architect & Principle Designer - PDP Architects. Principal Contractor - TBC. Building Control - LABC

CORPORATE HEALTH & SAFETY SECTION	
Is a 'Advanced Health & Safety Assessment' required.	
Comments from H&S Advisor	
No comments required	
<b><u>SIGN OFF BY CORPORATE HEALTH &amp; SAFETY</u></b>	
ASSESSED BY ADVISOR	
DATE	



## Environment Impact Checklist for all Cabinet Reports

Issue: **Templeman House, Leedham Road, Residential Redevelopment**  
 Meeting Date: **21<sup>st</sup> August 2019, revised 28<sup>th</sup> February 2020.**  
 Accountable Manager: **Lorraine Mealings, Director Housing**  
 Impact Assessor: **Jonathan Thornton ☎ 01202 458347 ✉ jonathan.thornton@bcpconcil.gov.uk**

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
<b>Natural resources</b> impact on use of natural resources - for example energy, water, raw materials	?	The redevelopment of this site and buildings will have a negative effect on the use of natural resources. However, as part of the demolition process, the masonry and concrete will be crushed on site and be re-used as a haul road across the site to provide access and or piling mat.
<b>Quality of environment</b> contribution to safe and supportive environments for living, recreation and working	+	A new, high quality building on this site could make a positive contribution to the quality of the environment. The development of new homes on the site will improve natural surveillance of the area, contributing to a safer environment. A great number of trees are retained in the current scheme proposals, including a buffer of trees/landscaped areas between the proposed buildings and the existing retained homes around the site to provide a great environment. Outside space is limited in the proposed development, balconies are provided where possible; ground floor flats will have direct access to open space and private patios. The site is well located and walkable to local shops and facilities at Gillam Road and Hill View Road, with a regular bus service to Kinson and Central Bournemouth and Poole.

<p><b>Bio-diversity</b> protects and improves wildlife and habitats</p>	<p>?</p>	<p>The site is currently vacant, following the previous leaseholder surrendering the lease. To ensure safety of wildlife, Ecology surveys, bat surveys and tree surveys have been undertaken to guide the design of the proposed buildings to avoid removal of trees wherever possible.</p>
<p><b>Waste and pollution</b> effects on air, land and water from waste and emissions</p>	<p>-</p>	<p>This redevelopment will result in intensified use of the site (from 41 bedrooms to 27 apartments for up to 74 persons), resulting in additional waste and emissions. However, the new buildings will be built to high energy efficiency standards of Passiv Haus. A Ground source heat pump based heating system is proposed to reduce energy usage.</p>
<p><b>Council Priority and Objectives for Improving our Environment:</b></p> <ul style="list-style-type: none"> <li>• Reduce traffic congestion</li> <li>• Improve streetscene</li> <li>• Improve recycling &amp; energy management</li> <li>• Respond to climate change</li> <li>• Improve quality of existing space</li> </ul>	<p>?</p>	<p>There will be a greater number of vehicular movements to and from the site compared to its previous use due to the increased densification. There will also be cycle storage in the ground floor areas, as well as cycle hoops adjacent to the blocks main entrances. The Street scene will be greatly improved by the redevelopment of a derelict site. As mentioned above, existing building materials have been recycled where possible. In-use of the proposed development will include space for recycling as well as waste. The roof will be used to host Photovoltaic panels to generate electricity for the heating system and communal lighting.</p>

RAG rating	G
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## CABINET



Report subject	<b>Housing Scheme at Moorside Road, Bournemouth</b>
Meeting date	24 June 2020
Status	Public
Executive summary	<p>The land at Moorside Road is owned by BCP Council and held for housing purposes and laid out and maintained as open space. The playground was closed as part of the Playground Strategy which was adopted by Bournemouth Borough Council in 2009.</p> <p>The current proposal presents a Council Housing new build scheme of 14 four-bedroom homes and associated parking. These homes will help towards Local Plan housing targets and will contribute significantly to unmet housing need. Planning permission for the scheme was granted in April 2018 subject to the stopping up of footpath U45. Following the Public Inquiry which was held on 10<sup>th</sup> March 2020, the Planning Inspectors decision dated 19<sup>th</sup> March 2020 confirmed the Stopping Up Order for public footpath U45.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Approve the proposed £4.452m housing scheme for progression to Cabinet and Council for subsequent approval request:               <ol style="list-style-type: none"> <li>a. Approval to commence and completion of build subject to the conditions set out in the Financial Strategy <b>and authorises the Corporate Director for Environment and Community to approve necessary contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer.</b></li> <li>b. Approve the financial strategy for the scheme as set out in paragraphs 23 to 33 of the report with specific approval for                   <ol style="list-style-type: none"> <li>i) £2,322,300 of prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) Affordable rented homes.</li> </ol> </li> </ol> </li> </ol>

	c. Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.
Reason for recommendations	To enable the proposed housing scheme to progress with the agreed funding arrangements to construction and subsequent completion in order to deliver the wide range of benefits to the Council and local communities.
Portfolio Holder	Cllr Kieron Wilson, Portfolio Holder for Housing
Corporate Director	Kate Ryan, Corporate Director of Environment and Community
Contributors	Lorraine Mealings, Director of Housing Jon Thornton, Housing Development Manager
Wards	Kinson South
Classification	For Decision

## Background

### Housing Market Context

1. Levels of unmet housing demand in Bournemouth, Christchurch and Poole (BCP) are very high, with housing demand exceeding supply. Providing more housing is a key priority of the council.
2. The government has set out a new methodology for calculating Local Plan housing targets and as a result the BCP Council area will need to increase its housing delivery significantly to approximately 2,500 new homes to be built every year. This will need a step change from current delivery levels and is one of the key housing challenges locally, as well as nationally.
3. There is a need for additional homes across all tenures and in particular, the demand for 'affordable housing' at sub-market rates is very high. There are c6,000 households on the Housing Register for the Bournemouth, Christchurch and Poole waiting for 'affordable housing' in the form of either Council Housing or Housing Association properties.
4. As at March 2020 the total number of applicants on the Bournemouth housing register was 3,827 and 283 applicants require a 4-bedroom home. The average waiting time for applicants in the gold band that require a 4-bedroom home is significant at approximately 8 years. These fourteen 4-bedroom 6-person homes will provide 84 bed spaces which will be invaluable additional supply as part of the overall Council Housing stock for those needing larger homes.

### **Council's direct delivery of new homes**

1. BCP Council now has a well-established Housing Development Team who are well placed to help deliver the future pipeline of in-house residential new-build developments.
2. Moorside Road is a potential development scheme for affordable housing within the conurbation that could be developed by the Council for affordable rent, for those in housing need.
3. This new build scheme follows many which have successfully been delivered over previous years and there is a pipeline of additional sites going forwards to help address our housing needs locally.

### **Site background information**

4. The land between Tedder Road and Moorside Road is owned by BCP Council within the HRA. The playground at Moorside Road was closed as part of the Playground Strategy adopted by Bournemouth Borough Council in 2009.
5. The new properties will be delivered within the HRA and therefore be let to those on the Housing Register.
6. A planning application was submitted on 28th November 2016. The proposed development scheme included the retention of one Public Right of Way (shown red in the Public Rights of Way Plan in Appendix 5). In March 2017 an application by a member of the public was made to claim three further footpaths as Public Rights of Way on the site. In January 2018 the Planning Inspector approved two of these to the Definitive Map, making them new public rights of way through the site (shown as pink and yellow on the Public Rights of Way plan in Appendix 5).
7. Planning permission was granted on 16<sup>th</sup> April 2018; the proposal was to divert footpath U45 (shown in pink on the Public Right of Way plan) to enable development to proceed. The diversion was objected to and consequently to enable the development to proceed, the decision was made to stop-up the new public right of way; with alternative routes available. The stopping-up was objected to so a public enquiry was held on 10<sup>th</sup> March 2020. The Inspectors decision approving the stopping up was received on the 19<sup>th</sup> March 2020.
8. The site is steeply sloping and (as is a lot of West Howe) is based on sand which presents construction challenges. The site also has slow worms which will need translocating to Millhams Mead. Due to these particular site constraints, the build

rate is higher than other developments, but can be offset by the land being nil value (as already within the HRA).

### **Proposed scheme**

9. The proposed development will provide 14 x four-bedroom houses. Subject to consents the proposed commencement date is June 2020 with the scheme ideally due to be completed in August 2021.
10. It is recommended that the site is developed directly by the Council to provide a residential scheme comprising of the following:

- Affordable Rent (14 homes)

Plans for the proposed scheme are included in Appendix 5.

11. This tenure mix has been developed after consideration of numerous factors including the need for financial viability and return, housing demands, site specifics and the need to ensure a sustainable community. The Council Housing team and the Housing Options team have been closely involved in the development of this scheme to help ensure that it adequately meets housing needs and is designed in such a way to be sustainable and to enable good quality housing management.
12. As noted earlier, the need for affordable rented housing below market rates is high. The rents are below the Local Housing Allowance cap and will therefore be affordable for those who maybe benefit reliant.
13. The scheme would provide 34 parking spaces in line with the existing parking policy.

### **Environmental build standards**

14. The scheme will be fully Building Regulation compliant whereby energy usage and insulation standards are higher than the historical Code for Sustainable Homes Level 3. Properties that reduce energy usage through build design or upgraded features such as window and doors are looked on favourably. The party walls between houses will be of a construction that exceeds the minimum standards in order to improve the sound insulation between the dwellings. The sizes of the windows balance the need for increased levels of thermal efficiency for the building and to promote good daylighting to improve quality of life and reduce energy consumption. The new homes will include Photovoltaic panels on the roof which absorb sunlight as a source of energy to generate electricity. Triple glazing will be installed which will improve thermal comfort levels, acoustic performance and noise reduction and reduce the risk of condensation.

15. The Housing team are currently developing a Sustainability Strategy in terms of new build which will consider all options going forwards from the construction type through to individual property components.
16. As well as addressing the climate and ecological emergency, sustainable housing presents very real benefits for tenants in terms of a home that is warm and comfortable as well addressing fuel poverty by providing the potential for reduced fuel bills.

### **Summary of key benefits**

17. The following summarises the key benefits of the proposed scheme:
  - Maximise the Council's land assets as well as delivering the Council's housing aspirations.
  - Provide much needed additional homes to meet unmet housing demands and housing needs within the BCP area.
  - Provide sustainable new homes to address the Climate and Ecological Emergency.
  - Help to address fuel poverty of future tenants by providing the potential for reduced fuel bills.
  - Provide 14 four-bedroom new affordable homes for affordable rent to meet housing need and help address the challenging Local Plan housing targets.
  - The scheme will address the needs of those requiring large homes on the Housing Register who would ordinarily need to wait for approximately 8 years for a property of this size to become available.
  - Utilisation of £1,330m Right to Buy receipts to help fund the scheme. If these are not spent within 3 years of receipt, they cannot be used locally and need to be returned to central government.
  - Use of £300k section 106 monies and £500k Bournemouth Neighbourhood Housing Revenue Account (BNHRA) Reserves to help fund much needed affordable housing provision on the site.
  - The scheme will bring improvements to the area with the provision of quality and well managed homes.
  - The development will generate employment during the construction phase to help grow the local economy.

### **Development Feasibility Work already undertaken**

18. Since 2014, consultants and surveys have been appointed to develop a scheme design to planning submission stage. The financial commitment to date (including design, surveys and planning) is £84,402 and the financial spend to date (including design, surveys and planning) is £51,073. This historic spend has been funded through the HRA Housing Development Budget.
19. Full planning permission was granted on 16<sup>th</sup> April 2018.



## **Financial overview**

20. The total scheme cost totals over £1M so requires Cabinet and Council approval.
21. Appendix One, sets out the proposed financial profile of the scheme for the Housing Revenue Account (HRA).
22. The total scheme costs are estimated to be £4,452,300 profiled over a 23-month period as the construction phase moves ahead. Scheme costs include estimated construction costs of £4,198,320 (based on build rate of £2,550 / m2 provided by Frazer Garner Associates Ltd) and which include 5% contingency budget. Other Fees and Other Costs of £254,000 have also been provided for within total scheme costs at £4,452,300.
23. Around half of this total scheme cost will be funded through capital receipts and s106 contributions; whilst £2,322,300 of Prudential borrowing is required within the HRA.
24. Appendix Two shows the long-term cashflow for the scheme (for both Affordable Rent and Social Rent options). Appendix Three sets out the financial appraisal assumptions.

## **Financial Strategy**

25. The tenure mix of the properties (and associated rental stream) provides a balance in terms of financial returns required by the Council and ensuring low rents. This has been considered in the context of the whole HRA development pipeline identified to date.
26. Estimated long term cash flows presented in Appendix Two indicates the positive contribution in terms of cashflow to the HRA in year 1. A cumulative positive position for the whole scheme will be achieved in year 1 and this will be one of the key financial benefits assumed from this project.
27. The financial appraisal is based on updated assumptions shown in Appendix 3.
28. A total of £300k section 106 monies and £500k BNHRA Reserves will be used to part fund the 14 affordable rented homes.

## **Capital funding**

29. £1,330,000 of Right to Buy funds will be used to part fund the 14 affordable rented homes.
30. If any future residents in the proposed properties exercise the Right to Buy or Right to Acquire during the 25-year loan period, any receipts generated should be retained to repay the loan to offset any loss created by the reduced rental income.

## **Taxation**

31. A tax evaluation has not been undertaken as this is a newbuild housing scheme and will be zero rated.

## **State Aid**

32. State Aid has been considered and assessed as a low risk, as we are not passing on funding to a third party. There is no external funding from Homes England on this scheme.

## **Prudential Borrowing**

33. The Council is able to borrow under the Prudential Code as long as it is affordable and can be repaid over the life of the asset. The proposed scheme is predicated on £2,322,300 of prudential borrowing.
34. Appendix Two demonstrates a positive contribution to the HRA. This is after provision has been made for both capital and interest repayments as well as management, maintenance and major repair costs, and an adjustment to the rental income to cover void costs. Any potential capital growth has been ignored for the purposes of this modelling. The financial modelling assumes the use of flexible short-term funding (at an interest rate of 3.5%) during the construction period before entering into a long-term arrangement (at an interest rate of 3.5%). The 3.5% interest rate has been used as a matter of prudence for the financial modelling. Ultimately the decision to borrow will be a treasury management decision based on the overall financial position of the Council.
35. Furthermore, any funding will only be drawn down when required and not in advance of need.

## **Value for Money**

36. The total construction costs are estimated at £4,198,320 (and total scheme costs at £4,452,300). The Gross Development Value (GDV) is estimated at £4,210,000; the total estimated value of the completed homes.
37. The construction cost for this scheme is higher than average due to the ground conditions (slope), ecology requirements and the topography of the site. This presents challenges in terms of construction.
38. The financial appraisals set out in Appendix One, Two and Three show that the scheme is viable in the short, medium and long term for the Council. The construction costs are based on a build rate of £2,550/m<sup>2</sup> which has been provided by Frazer Garner Associates Ltd. The total construction costs include a 5% contingency budget.

## **Consultation**

- 39. Pre-application advice was sought through the Local Planning Authority.
- 40. The Housing Development Team undertook consultation with housing teams and input was sought from the Housing Landlord, Enabling and Strategic Housing Options teams.
- 41. Consultation with the Housing Portfolio Holder and Ward Councillors has been undertaken and Ward Councillors have been updated with scheme progress.
- 42. Public Consultation was carried out in February 2016.

### **Alternative Options**

- 43. The following options have been considered and discounted:

#### ***Option 1: Market disposal of site***

- 44. One option would be to dispose of the site for development. The expected financial benefit would be approximately £1.2m. This option would not deliver the wider corporate aims around housing need and homelessness.
- 45. The disposal of this site could take in excess of 12 months to complete.
- 46. A decision to dispose of the land will incur abortive costs for the Council although some of the costs would be partially recouped through the sale price. Costs incurred and committed so far total approximately £51k including professional costs and site surveys which has been funded through the HRA Housing development budget.

#### ***Option 2: Alternative tenure provision (to Social Rent)***

- 47. If the 14 affordable rented homes were delivered on social rent levels, this would add significant financial challenges to the delivery of the site. With 14 social rented homes, the scheme would require an additional £1M subsidy in total (which equates to an additional £71k per home) which would need to be funded from s106 receipts (or HRA newbuild reserves). The increase in funding of £1M equates to subsidy required to fund between 20 and 30 Affordable rented homes in the remaining development programme.
- 48. To help mitigate the impact of affordable rent levels on tenants' ability to pay, rents will be capped at Local Housing Allowance rates rather than the higher 80% of average private market rent levels.
- 49. It is worth noting that almost all the existing Council housing across both the Bournemouth and Poole neighbourhoods are on social rent levels. In addition, a balanced approach is being proposed, with some other sites coming forward as social rent where the financial appraisal can better support the lower social rent income levels. A mixed approach allows a balance between maximising the

number of new Council Housing developments which can be funded, alongside making sure the new homes are affordable for those on the Housing Register.

### **Summary of financial implications**

50. Provided within the body of the report.

### **Summary of legal implications**

51. Section 9 of the Housing Act 1985 gives the Council as local housing authority the power to provide housing accommodation by erecting houses on land acquired for housing purposes. This power therefore enables the building and provision of affordable housing under the scheme, accounted for within the Housing Revenue Account (HRA).
52. As stated, the two subsisting public footpaths will be integrated into the scheme, as will a foul sewer indicated on the drainage search carried out as part of preparatory investigations.
53. Houses sold under the right to buy provisions of the Housing Acts 1980 and 1985 may have rights over the site which will need to be taken into account and similar considerations arise in respect of the Environment Agency, which is cited in the utilities report as an affected provider. We understand that both of these issues have been taken into account in the proposed scheme design and cost.
54. The Council also has the power to borrow under section 1 of the Local Government Act 2003 for the purposes set out within this Report.
55. The Council will need to comply with all relevant procurement requirements in undertaking the proposals contained within this Report and the Council will undertake the work in accordance with ongoing legal advice.

### **Summary of human resources implications**

56. The existing Housing Development Team will oversee the delivery of this scheme alongside the other new build schemes in the pipeline. The construction works will be carried out by the Construction Works Team and other professionals have been procured e.g. architects and employers agent to bring this scheme forward.

### **Summary of environmental impact**

57. The development of new homes on the site will improve natural surveillance of the local area, contributing to a safer environment. The site is within a sustainable location and the high-quality building on this site could make a positive contribution to the quality of the environment.
58. The scheme will be fully Building Regulation compliant whereby energy usage and insulation standards are higher than the historical Code for Sustainable Homes Level 3. Photovoltaic panels will be installed on the houses.

59. A copy of the Environment Impact Assessment is included in Appendix Six.

**Summary of public health implications**

60. The housing scheme will create a sustainable good quality housing development and bring many benefits to the residents and the wider community. The proposed scheme considers surrounding issues such as trees and provides private amenity space to help create an attractive area which improves the local community.

**Summary of equality implications**

61. The housing scheme will provide accommodation for those who are on the Housing Register and in housing need. As such, many households will have protected characteristics and have vulnerabilities. The Allocation Policy will help manage lets to the scheme for those most in need.

62. A copy of the EINA is included in Appendix Four.

## Summary of risk assessment

63. The following key risks have been identified alongside mitigating actions:

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Rising construction costs render the project unaffordable	Low	Good project management will enable the close monitoring of progress and any issues that may arise to be dealt with promptly. The build cost budget is an inclusive Design & Build cost provided by The Construction Works Team and a 5% contingency for the build is included.
Scheme not gaining a satisfactory planning consent	N/A	Full planning permission was granted in April 2018.
Delays to scheme start on site due to ecological species relocation period and planning expiry	High	Seeking approval now from Cabinet/Council whilst Local Enquiry continues to allow species relocation immediately afterwards. Planning permission expiry April 2021.
Fall in housing need for accommodation tenure provided caused by changes to the housing market or economy	Low	Monitor through construction period the requirement for affordable rent with the Strategic Housing Options team. If required, the Housing Development Team can appraise and suggest changes to tenure to suit need and financial viability as required.
Insufficient funding available, such as failure to secure funding from s106 Contributions or RTB receipts	Low	Monitor and review spend of such funding on other schemes within the development programme. Should insufficient funding be available, schemes will be prioritised and potentially some schemes put on hold until sufficient funding is available. Alternative tenures such as Shared Ownership may attract different funding, such as grant from Homes England, which could be used to ensure the scheme is brought forward.
Increased fire risk during construction phase	Low	Design and construction will be closely monitored by Housing Development Team, Employers Agent and the Construction Works team.

64. Property development activity involves inherent risks but a cautious approach has been adopted here to minimise these risks as much as possible. Financial



contingencies have been included and significant consultation has been undertaken to date to help ensure a sustainable scheme.

## **Background papers**

65. Refreshed Bournemouth Housing Strategy 2017 - 2020 -

<https://www.bournemouth.gov.uk/Housing/help-with-housing/Documents/bournemouth-refreshed-housing-strategy-2017-2020.pdf>

66. Housing Strategy Refresh 2018-2020 Borough of Poole

<https://www.poole.gov.uk/council-and-democracy/strategies-plans-and-policies/housing-strategy-refresh-2018-2020/>

## **Appendices**

### **Appendix One: Income and Expenditure Summary HRA**

### **Appendix Two: Financial Appraisal Long-term Cash flow (for Affordable and Social Rent options)**

### **Appendix Three: Summary of Funding Assumptions**

### **Appendix Four: Equality Impact Needs Assessment (EINA)**

### **Appendix Five: Development proposal plans**

- Location Plan and Street elevation: 2672-P-11 H
- Site layout :2672-P-13-U
- Floor Plans Plot 1-7: 2672-P-15 D
- Floor Plans Plot 8-14: 2672-P-16 D
- Elevations: 2672-P-17-E
- Drainage Layout: 2672-P-14 J
- Moorside Road Public Right of Way Plan

### **Appendix Six: Health and Safety Assessment Tool (HASAT)**

### **Appendix Seven: Environmental Impact Assessment**

### **Appendix Eight: Project Plan**

Appendix 1 - Moorside Road Development: Income and Expenditure		HRA
	<i>Homes</i>	
	<i>Block Number</i>	
	<i>Prudential Borrowing Period</i>	
		<b>Housing Revenue Account</b>
		14
		1
		25
		<b>Affordable Rented £000s</b>
<b>Scheme Costs</b>		
Works		4,198
Fees & Other Costs		198
Interest (during Build Phase)		56
Land Acquisition costs		0
<b>Total Scheme Cost</b>		<b>4,452</b>
<b>Scheme Funding</b>		
Affordable Housing s106 Contributions		300
Housing Revenue Account		
- Capital Funding - 1 for 1 Right to Buy Receipts		1,330
- Capital Funding - Reserve allocation		500
Prudential Borrowing - additional borrowing		2,322
<b>Total Scheme Funding</b>		<b>4,452</b>
<b>Net Cost</b>		<b>0</b>

Long-Term Cashflow Social Rent		Year	1	2	3	4	5	6	7	8	9	10
Gross Residential Rent	3.5% inc YRS 1-4, 2.5% inc Yrs 5-25	(106,806)	(110,544)	(114,413)	(118,418)	(121,378)	(124,413)	(127,523)	(130,711)	(133,979)	(137,328)	
Voids	2% of Gross residential rent	2,136	2,211	2,288	2,368	2,428	2,488	2,550	2,614	2,680	2,747	
<b>Gross Rent after allowance for Voids</b>		<b>(104,670)</b>	<b>(108,333)</b>	<b>(112,125)</b>	<b>(116,049)</b>	<b>(118,951)</b>	<b>(121,924)</b>	<b>(124,972)</b>	<b>(128,097)</b>	<b>(131,299)</b>	<b>(134,582)</b>	
RSL Management	2.5% CPI	13,020	13,346	13,679	14,021	14,372	14,731	15,099	15,477	15,864	16,260	
Maintenance	2.5% CPI	13,090	13,417	13,753	14,096	14,449	14,810	15,180	15,560	15,949	16,348	
Major Repairs	2.5% CPI	0	0	0	0	0	0	0	0	0	41,945	
<b>Annual operational spend</b>		<b>26,110</b>	<b>26,763</b>	<b>27,432</b>	<b>28,118</b>	<b>28,821</b>	<b>29,541</b>	<b>30,280</b>	<b>31,037</b>	<b>31,812</b>	<b>74,553</b>	
<b>Net Income before debt repayment</b>		<b>(78,560)</b>	<b>(81,571)</b>	<b>(84,693)</b>	<b>(87,932)</b>	<b>(90,130)</b>	<b>(92,383)</b>	<b>(94,693)</b>	<b>(97,060)</b>	<b>(99,487)</b>	<b>(60,029)</b>	
Repayment of Borrowing (interest)		44,216	43,049	41,841	40,591	39,297	37,958	36,572	35,138	33,653	32,116	
Repayment of Borrowing (principal)		33,341	34,508	35,716	36,966	38,260	39,599	40,985	42,419	43,904	45,441	
Cash outflow / (inflow)		(1,003)	(4,014)	(7,136)	(10,375)	(12,573)	(14,826)	(17,136)	(19,503)	(21,930)	17,528	
Cumulative cash outflow / (inflow)		(1,003)	(5,016)	(12,153)	(22,527)	(35,100)	(49,927)	(67,063)	(86,566)	(108,496)	(90,967)	

App 2 LTCF (Updated for Finance) v1

11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Total
(140,761)	(144,280)	(147,888)	(151,585)	(155,374)	(159,259)	(163,240)	(167,321)	(171,504)	(175,792)	(180,187)	(184,691)	(189,309)	(194,041)	(198,892)	
2,815	2,886	2,958	3,032	3,107	3,185	3,265	3,346	3,430	3,516	3,604	3,694	3,786	3,881	3,978	
<b>(137,946)</b>	<b>(141,395)</b>	<b>(144,930)</b>	<b>(148,553)</b>	<b>(152,267)</b>	<b>(156,073)</b>	<b>(159,975)</b>	<b>(163,975)</b>	<b>(168,074)</b>	<b>(172,276)</b>	<b>(176,583)</b>	<b>(180,997)</b>	<b>(185,522)</b>	<b>(190,160)</b>	<b>(194,914)</b>	<b>(3,674,644)</b>
16,667	17,083	17,510	17,948	18,397	18,857	19,328	19,811	20,307	20,814	21,335	21,868	22,415	22,975	23,550	
16,756	17,175	17,605	18,045	18,496	18,958	19,432	19,918	20,416	20,926	21,449	21,986	22,535	23,099	23,676	
42,994	44,068	45,170	46,299	47,457	48,643	49,859	51,106	52,384	53,693	55,035	56,411	57,822	59,267	60,749	
<b>76,417</b>	<b>78,327</b>	<b>80,285</b>	<b>82,292</b>	<b>84,350</b>	<b>86,458</b>	<b>88,619</b>	<b>90,835</b>	<b>93,107</b>	<b>95,434</b>	<b>97,819</b>	<b>100,265</b>	<b>102,772</b>	<b>105,341</b>	<b>107,975</b>	<b>1,704,761</b>
(61,529)	(63,068)	(64,645)	(66,261)	(67,917)	(69,615)	(71,356)	(73,139)	(74,967)	(76,842)	(78,764)	(80,733)	(82,750)	(84,819)	(86,940)	
30,526	28,880	27,176	25,413	23,588	21,699	19,744	17,720	15,626	13,458	11,215	8,893	6,490	4,002	1,428	<b>640,289</b>
47,031	48,677	50,381	52,144	53,969	55,858	57,813	59,837	61,931	64,099	66,342	68,664	71,067	73,555	76,129	<b>1,298,636</b>
16,028	14,489	12,912	11,296	9,640	7,942	6,201	4,418	2,590	715	(1,207)	(3,176)	(5,193)	(7,262)	(9,383)	<b>(30,958)</b>
(74,940)	(60,451)	(47,539)	(36,243)	(26,603)	(18,661)	(12,460)	(8,042)	(5,453)	(4,738)	(5,945)	(9,120)	(14,313)	(21,576)	(30,958)	

### Appendix 3 - Moorside Road Development: Summary of Funding Assumptions

Accommodation Schedule - Unit sizes comply or exceed Nationally Described Space Standards.

Ground Floor				
Number of units	Unit size m2	Unit type		
14	112	4B6P		
14				

Rent Levels

Affordable Rent is based on 80% of market rent, capped at Local Housing Allowance rates; including service charge

4-bed LHA level £253.15 pw at April 2019 80% of Market rent range £225.37, £229.97, £234.57, £239.17

**Market rent equivalent including service charge and parking spaces**

4-bed £1,225 - £1,300 pcm or £282.69 - £300.00pw

**Service Charges** Nil

**Build costs** £2,550m2

**Contingency** 5% build contingency

**Void and bad debts** 2%

**Management** £930 unit/pa Based on historic variable costs per unit

**Maintenance** £935 unit/pa Based on historic variable costs per unit

**Major Repairs** 0.8% of build cost deferred to Yr10 As agreed with Principal Surveying Manager

**Loan interest rate %** 3.5% Short term; 3.5% Long term

**Loan term and type** 25 year annuity

### Appendix 3 - Moorside Road Development: Summary of Funding Assumptions

On costs/Fees element			Amount
HLS Staff Costs	Per Unit	5,000	70,000
Architect	Lump Sum	17,000	17,000
Employers Agent	Lump Sum	8,000	8,000
Principle designer	Per Unit	250	3500
Site Investigation	Lump Sum	8,500	8,500
Planning fees	Per Unit	385	5,390
Valuation fee	Lump Sum	1750	1750
topo	Lump Sum	1,000	1,000
arbo	Lump Sum	1000	1000
s106 contribs	Lump Sum	6,000	6,000
Legal	Lump Sum	3,000	3,000
Ecology	Lump Sum	2,000	2,000
Foundation design	Lump Sum	4,000	4,000
Surface water strategy	Lump Sum	5,500	5,500
Reptile mitigation strategy	Lump Sum	35,000	35,000
Play area contribution	Lump Sum	23,100	23,100
On cost contingency	Lump Sum	3500	3500
<b>Total</b>			<b>198,240</b>

Note: On costs/fees are split by number of units to each financial appraisal



# Equality Impact Needs Assessment

The Diversity Promise - *Better for all*



1. Title of Policy/Service/Project	Development at Moorside Road, Bournemouth, BH11
2. Service Unit	Housing (Development)
3. Lead Responsible Officer and Job Title	Jonathan Thornton, Housing Development Manager
4. Members of the Assessment Team:	Lindsay Shearer, Project Manager
5. Date assessment started:	12 <sup>th</sup> December 2019
6. Date assessment completed:	12 <sup>th</sup> December 2019

## About the Project:

7. What type of project is this?	New build housing project
8. What are the aims/objectives of the policy/service/project? (please include here all expected outcomes)	<p>To provide additional sustainable affordable housing. The completed project will provide much needed additional affordable rented housing within the conurbation.</p> <p>The project will provide an increase in job opportunities within the construction sector during the construction phase.</p> <p>The scheme will generate a long-term surplus to the Housing Revenue Account.</p>
9. Are there any associated services, policies or procedures?	No

10. List the main people, or groups of people, that this policy/service/project is designed to benefit and any other stakeholders involved?

This project will benefit families which are either homeless or may live in unsuitable or over occupied housing.

11. Will this policy/service/impact on any other organisation, statutory, voluntary or community and their clients/service users?

No.

### Consultation, Monitoring and Research

Where there is still insufficient information to properly assess the policy, appropriate and proportionate measures will be needed to fill the data gaps. Examples include one-off studies or surveys, or holding informal consultation exercises to supplement the available statistical and qualitative data.

If there is insufficient time before the implementation of the policy to inform the EINA, specific action points will be need to be clearly set out in the action plan. Steps must include monitoring arrangements which measure the actual impact and a date for a policy review.

#### Consultation:

12. What involvement/consultation has been done in relation to this (or a similar) policy/service/project and what are the results?

Consultation with the Housing Portfolio Holder and Ward Councillors has been undertaken; Ward Councillors have been regularly updated with scheme progress (both pre and post planning). The scheme has been discussed with relevant council staff and public consultation was undertaken prior to submitting the planning application.

13. If you have not carried out any consultation, or if you need to carry out further consultation, who will you be consulting with and by what methods?

No further consultation is to be held. Local residents will be contacted regarding the construction phase, including timescales and contact details of the contractor.

#### Monitoring and Research:

14. What data, research and other evidence or information is available which is relevant to this EINA?

The unit type and mix has been informed from housing register statistics including the number of applicants on the housing register and the average waiting time. The completed units will be let and managed on the same basis as our existing housing stock and all EINA's and other policies which apply to our existing stock will apply to these new units.

15. Is there any service user/employee monitoring data available and relevant to this policy/service/project? What does it show in relation to equality groups?

Annual CORE data and resident surveys.

Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated and monitored by Housing Solutions, who undertake property allocations for the Council to ensure that the properties are let to those in housing need.

16. If there is a lack of information, what further information do you need to carry out the assessment and how are you going to gather this?

N/A

## Assessing the Impact

	Actual or potential positive benefit	Actual or potential negative outcome
17. Age	Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated by Housing Solutions, who undertake property allocations for the Council to ensure that the properties are let to those in housing need.	The properties are designed for families. There will be no loss of existing provision for other client groups as a result of this project.
18. Disability	Properties will be constructed to Building Control Approved Document Part M (access to and use of buildings).	No issues regarding disability have been identified but this factor will be considered and monitored along with any service user identified needs.
19. Gender	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding gender have been identified but this factor will be considered and monitored along with any service user identified needs.
20. Gender reassignment	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding gender reassignment have been identified but this factor will be considered and monitored along with any service user identified needs.
21. Pregnancy and Maternity	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding pregnancy and maternity have been identified but this factor will be considered and monitored along with any service user identified needs.
22. Marriage and Civil Partnership	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding marriage and civil partnership have been identified but this factor will be considered and monitored along with any service user identified needs.
23. Race	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding race have been identified but this factor will be considered and monitored along with any service user identified needs.
24. Religion or Belief	Properties will be eligible for all eligible applicants on the housing register.	No issues regarding religion or belief have been identified but this factor will be considered and monitored along with any service user identified needs.

	Actual or potential positive benefit	Actual or potential negative outcome
<b>25. Sexual Orientation</b>	Properties will be eligible for all eligible applicants on the housing register	No issues regarding sexual orientation have been identified but this factor will be considered and monitored along with any service user identified needs.
<b>26. Any other factor/ groups e.g. socio- economic status/carers etc</b>	Properties will be eligible for all eligible applicants on the housing register.	No other issues have been identified but these factors will be considered / monitored along with any service users identified needs.
<b>27. Human Rights</b>	Will facilitate Article 11 of the International Covenant on Economic, Social and Cultural Rights - the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing.	No human rights issues have been identified but these factors will be considered / monitored along with any service users identified needs.

**Stop - Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.**

28. If impacts have been identified include in the action plan what will be done to reduce these impacts, this could include a range of options from making adjustments to the policy to stopping and removing the policy altogether. If no change is to be made, explain your decision:

The Affordable rented properties will be eligible for all eligible applicants on the housing register.

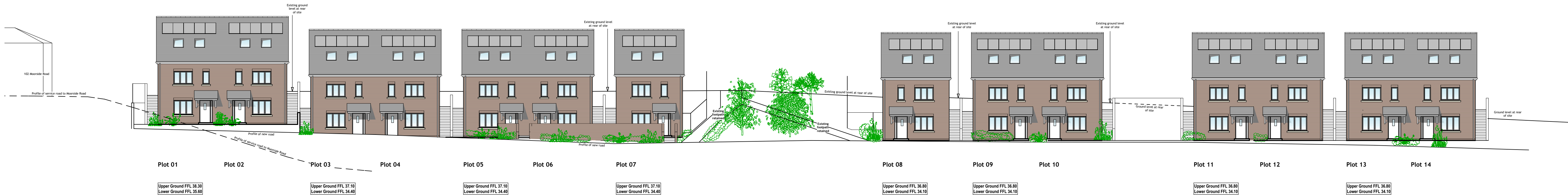
## Action Plan

Include:

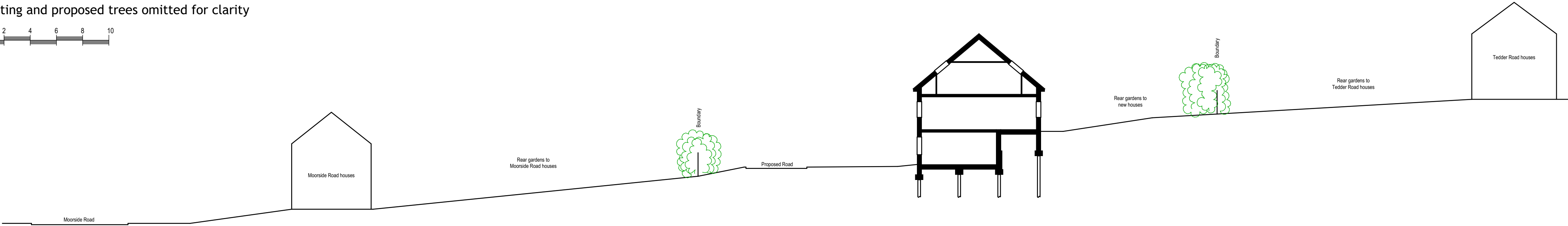
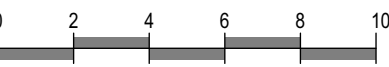
- What has/will be done to reduce the negative impacts on groups as identified above.
- Detail of positive impacts and outcomes
- The arrangements for monitoring the actual impact of the policy/service/project

29. Issue identified	Action required to reduce impact	Timescale	Responsible officer	Which Business Plan does this action link to e.g. Service Equality Action Plan/Team Plan
The properties are designed for families: 4-bedroom houses.	<p>Fourteen 4-bedroom homes will be provided on this site.</p> <p>Four-bedroom houses will subsequently free up smaller family homes.</p> <p>The identification of housing need for specific client groups within the Neighbourhood will be monitored as part of the ongoing Housing Strategy process.</p>	Ongoing	Affordable Housing & Resettlement Manager	Housing Strategy





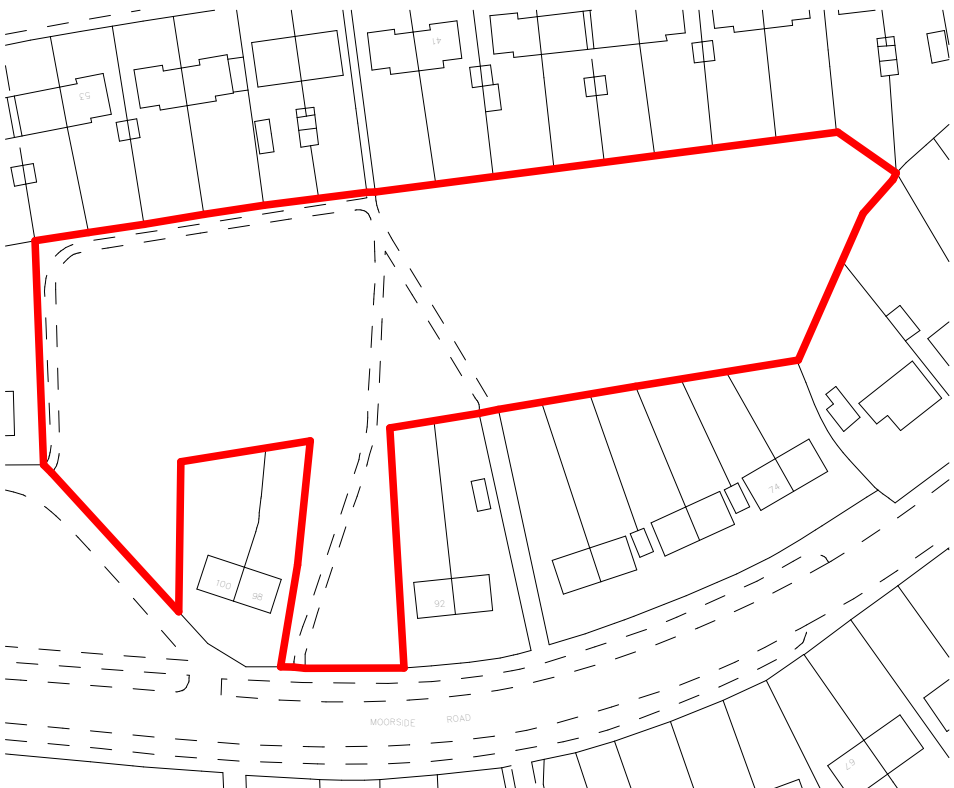
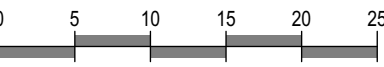
Street Elevation  
Scale 1 : 200  
Existing and proposed trees omitted for clarity



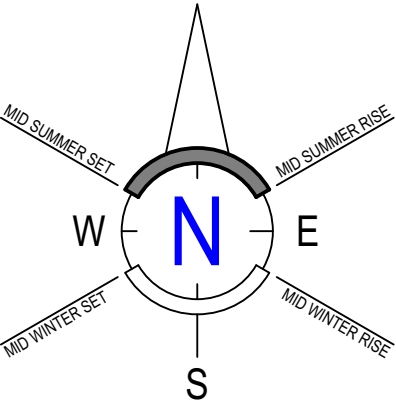
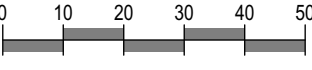
Typical Site Section  
Scale 1 : 200



Site Plan  
Scale 1 : 500



Location Plan  
Scale 1 : 1250



## Revisions

Rev	Date	Description	Drawn
A	17-08-15	Brick cills amended to stone cills Plots 7 and 8 boundaries amended Front door style amended	wp
B	24-05-16	Typical site section added Site Plan updated	wp
C	31-10-16	Roof pitches and building materials amended	wp
D	08-11-16	Site plan updated	wp
E	09-11-16	Site plan updated	wp
F	15-12-16	Site plan updated to latest Tree Report	wp
G	10-04-17	Site Plan and Street Elevation updated	wp
H	10-07-17	Site Plan and Street Elevation updated to include integral bin stores	wp

## Notes

Ordnance Survey Plan  
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project

**Moorside Road**  
Bournemouth  
Dorset

title

**Location Plan  
and Street  
Elevation**

client

Bournemouth Borough Council

**TRINITY**  
architecture

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date

11/08/2015

drawn

wp

scale @ A1

1:1250, 1:500, 1:200

checked

Jrc

project ref.

2672-P-11 H

revision

status

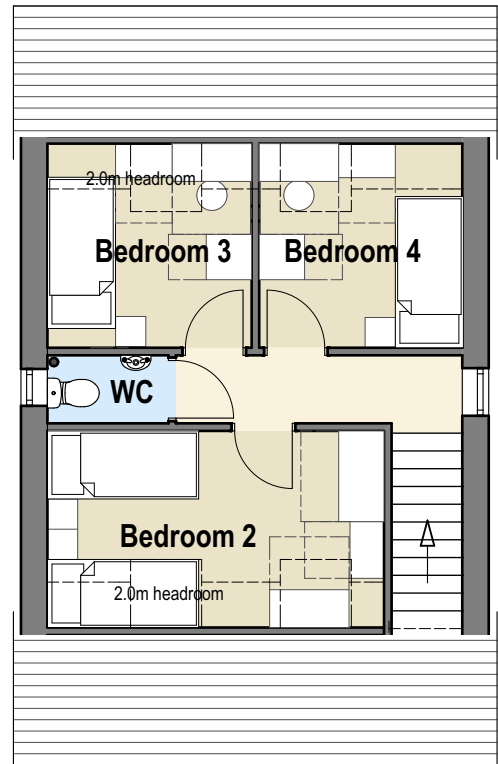
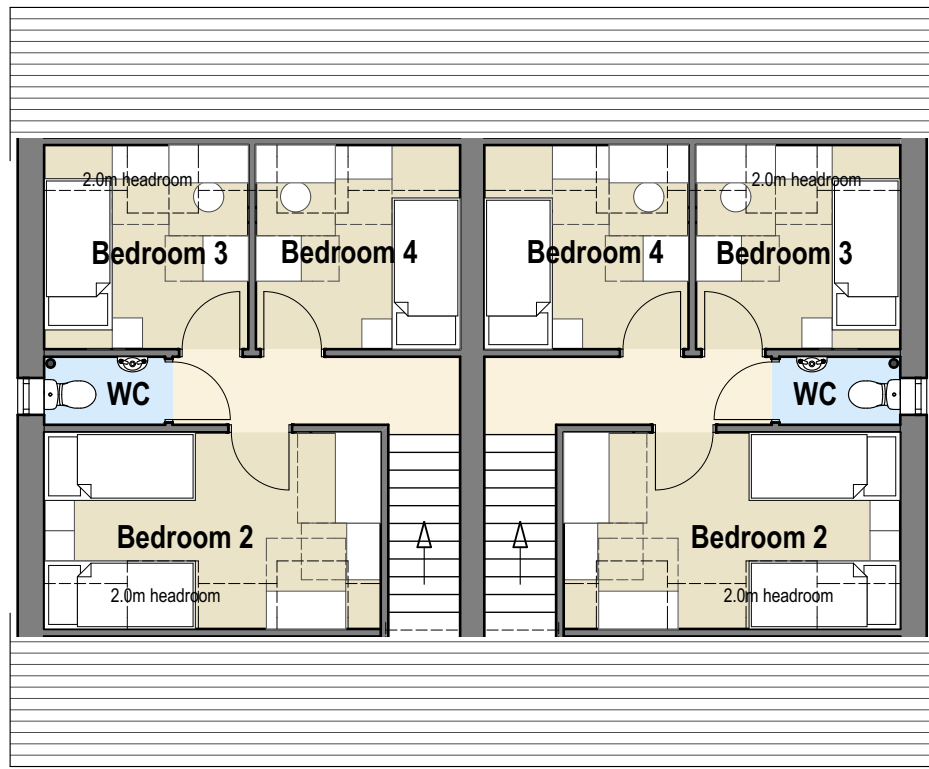
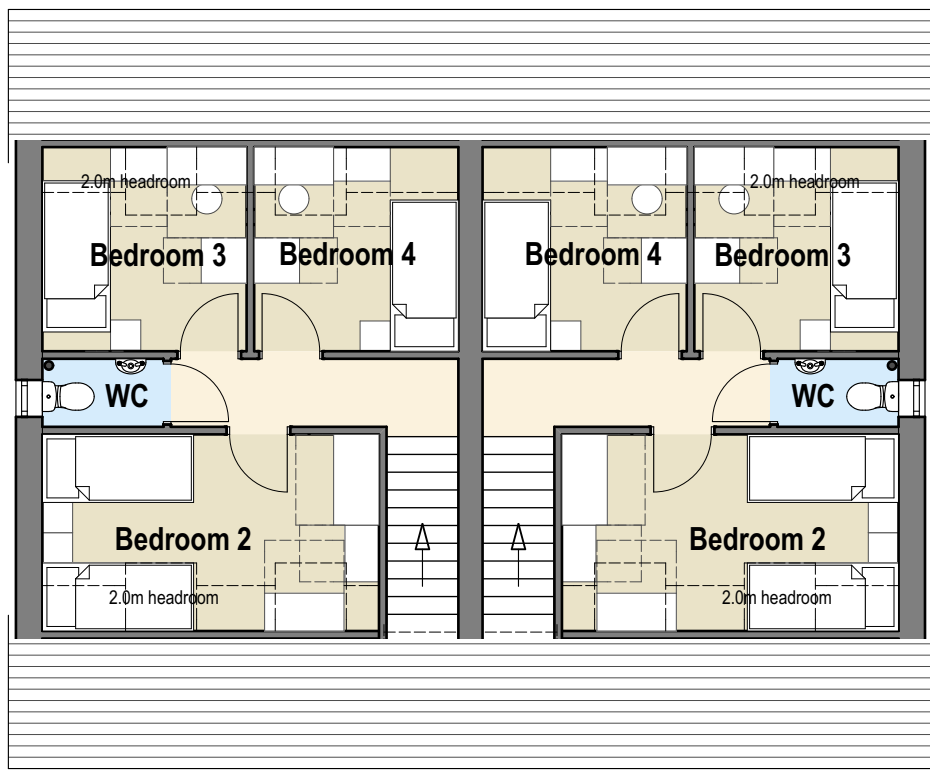
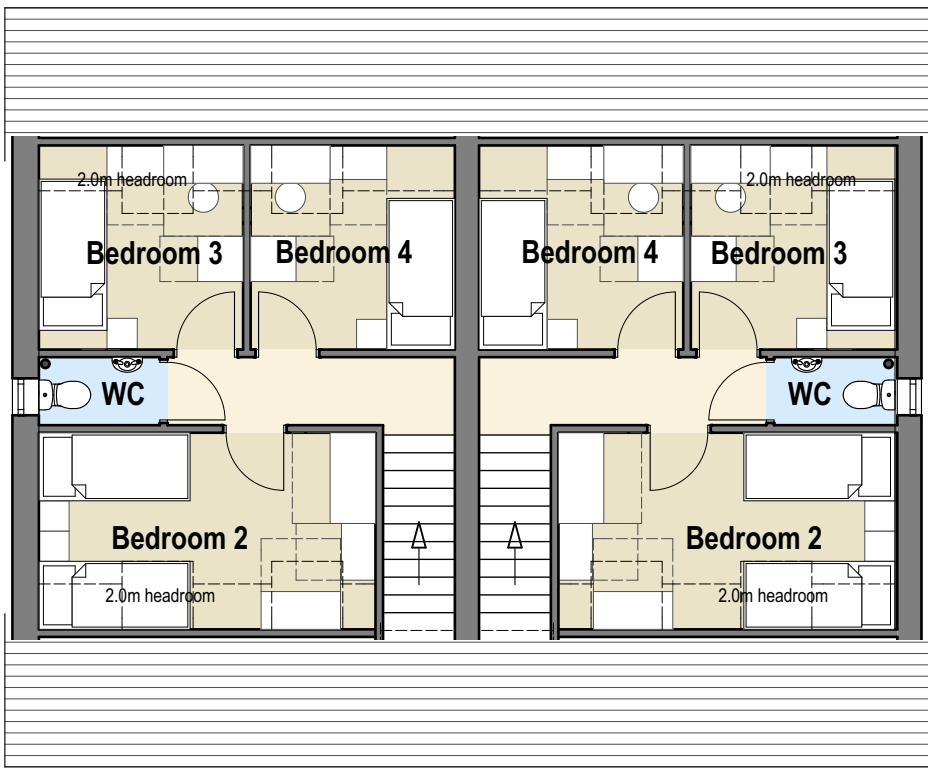
date printed: 10/07/2017



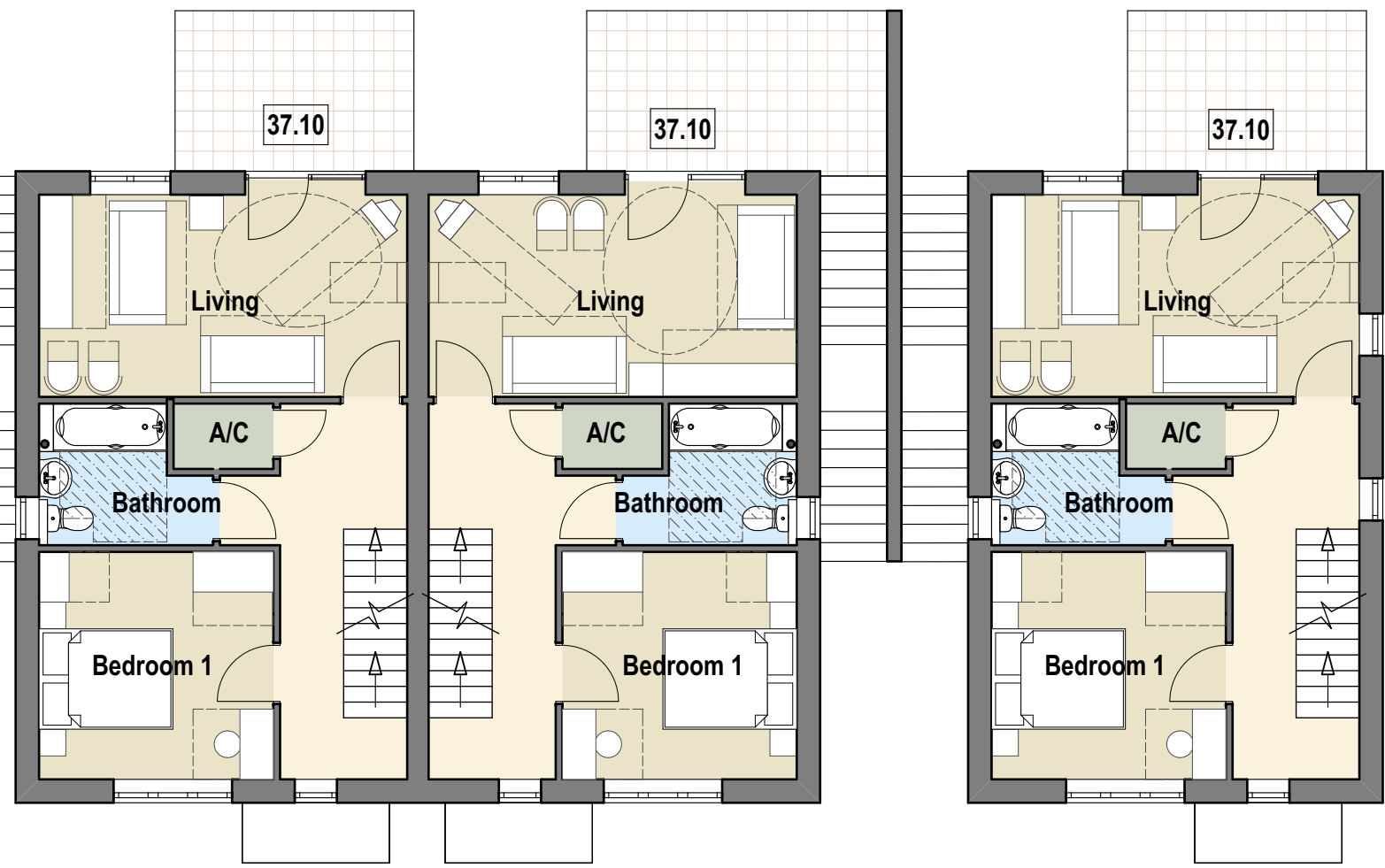
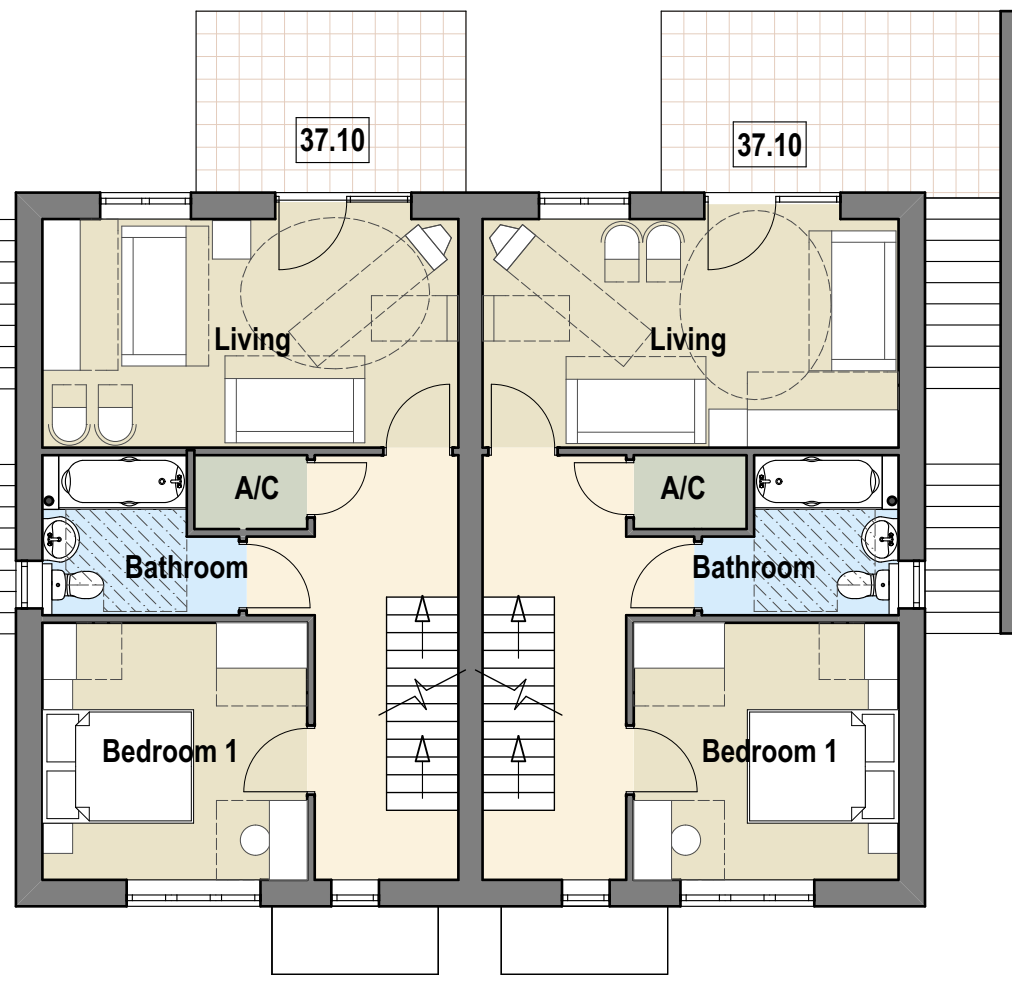
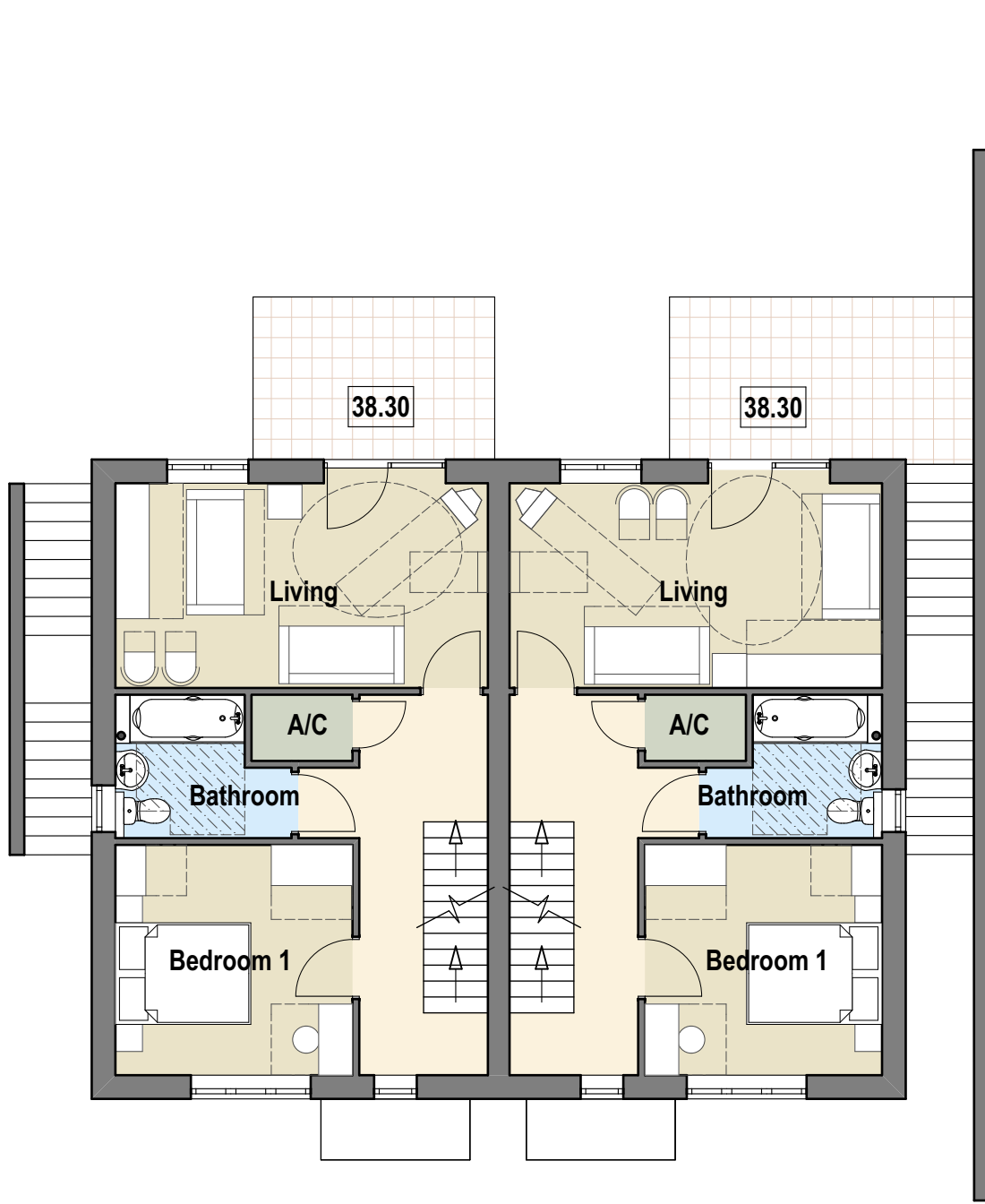




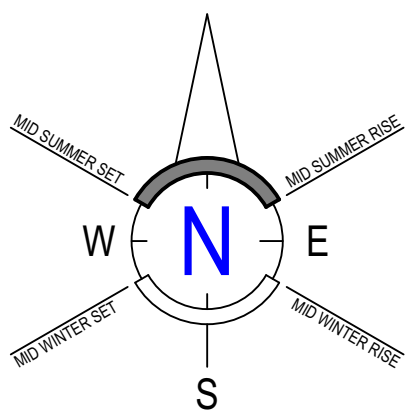
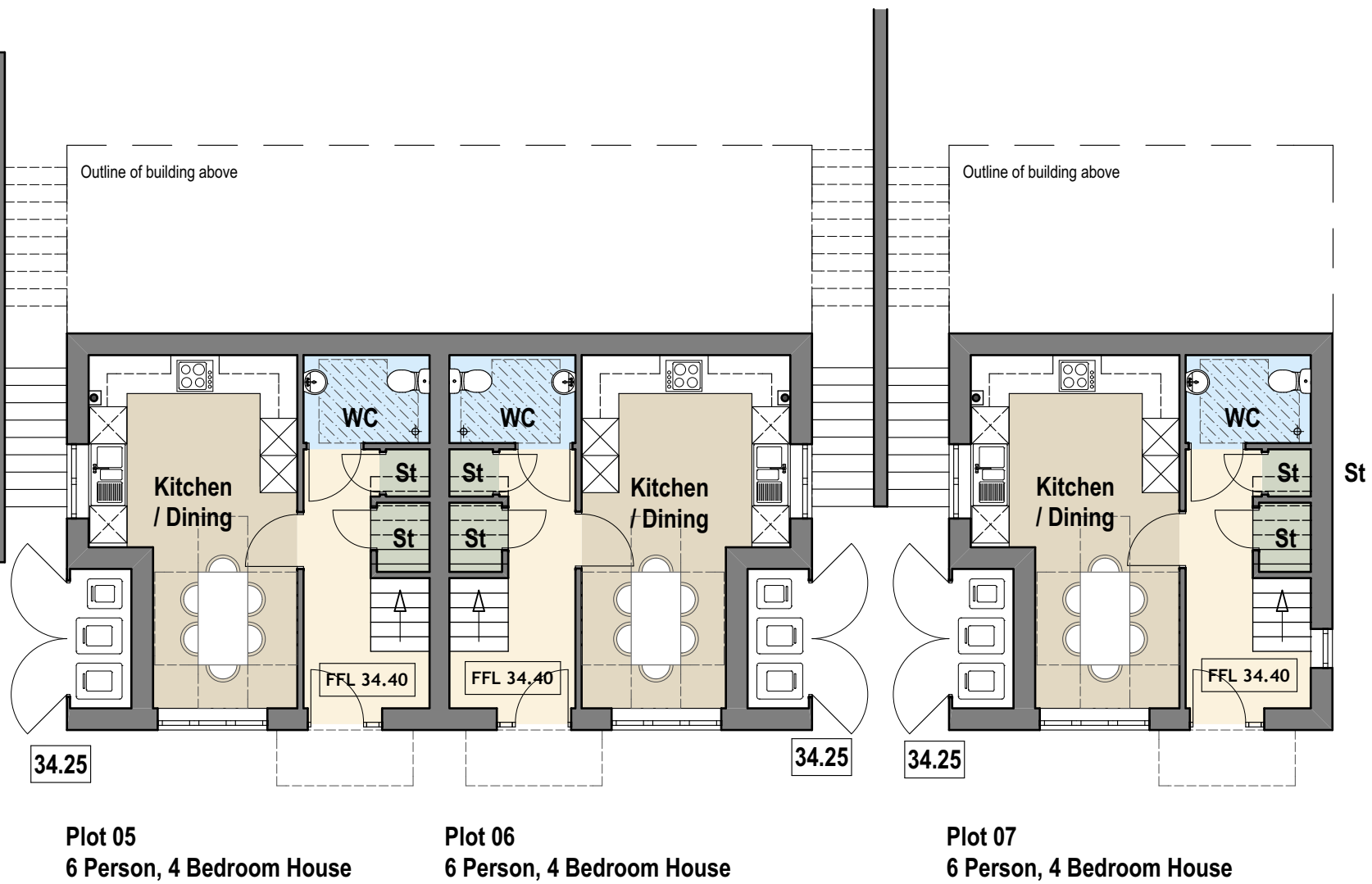
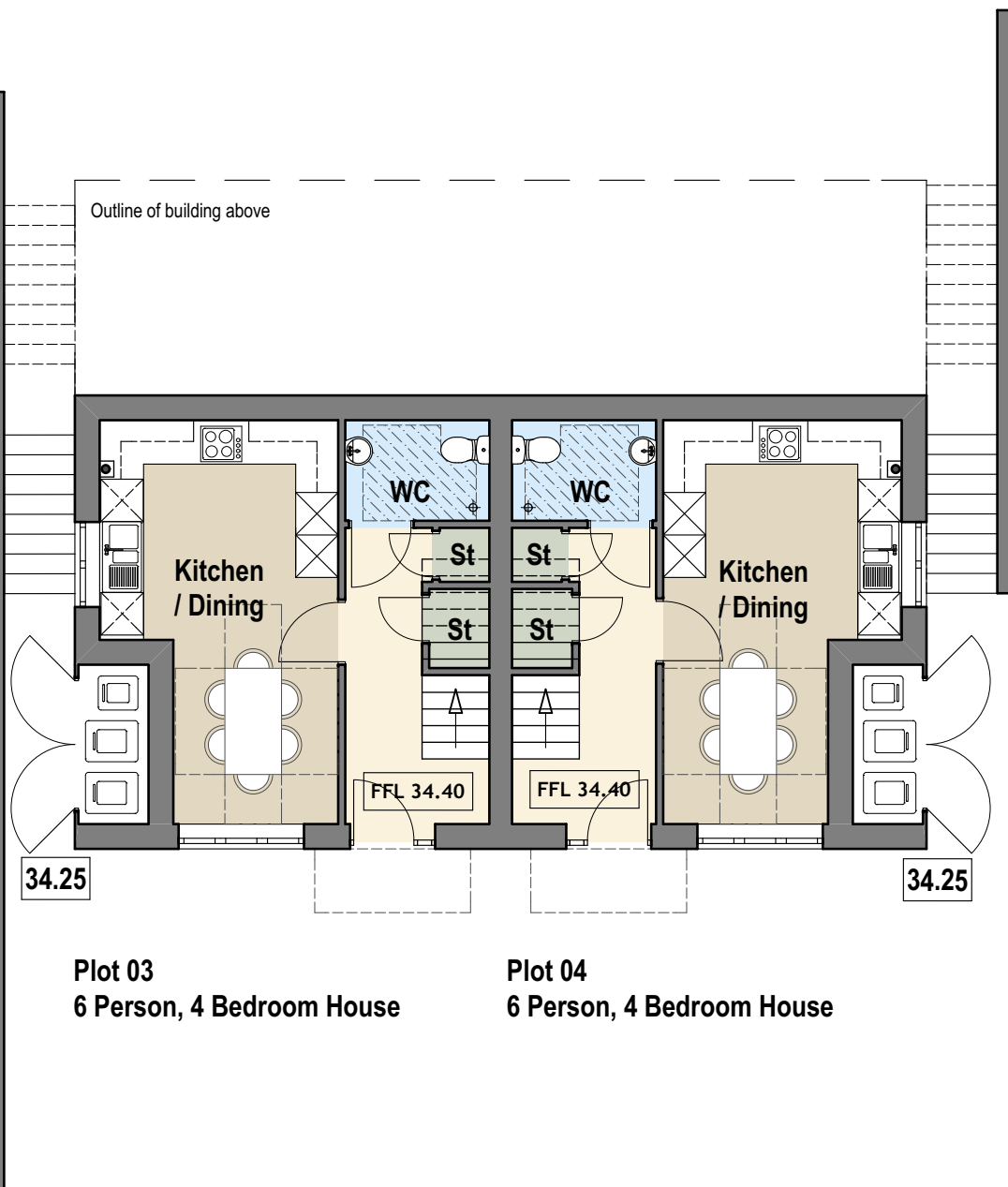
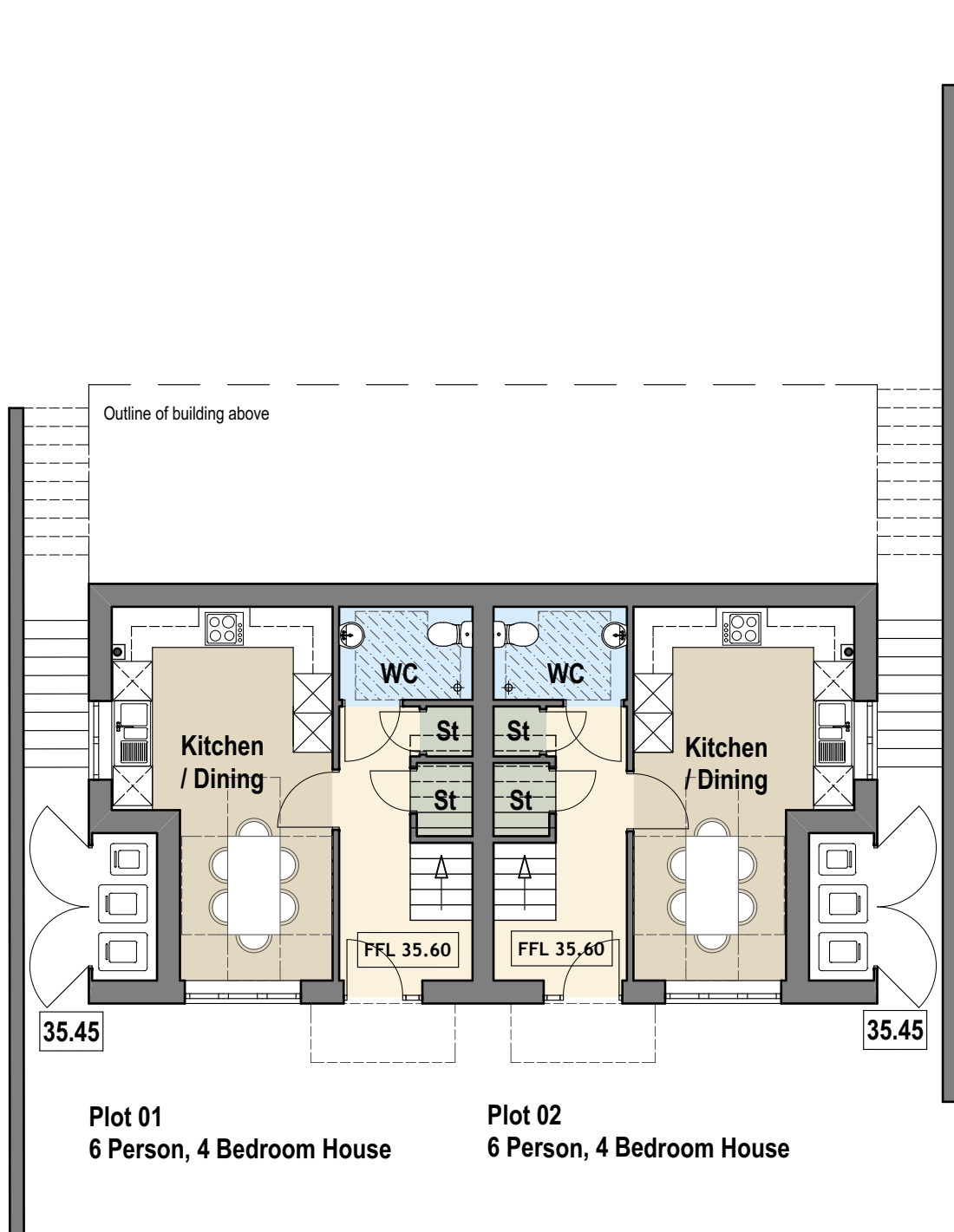
First Floor



Upper Ground Floor



Lower Ground Floor



## Revisions

Rev	Date	Description	Drawn
A	30-10-15	Floor plans amended to 4 bedroom houses	wp
B	25-10-16	Integral bin stores removed. Top floor layouts amended to include WC.	wp
C	10-04-17	Updated to latest layout	wp
D	10-07-17	Integral bin stores added	wp

## Notes

project  
**Moorside Road**  
Bournemouth  
Dorset

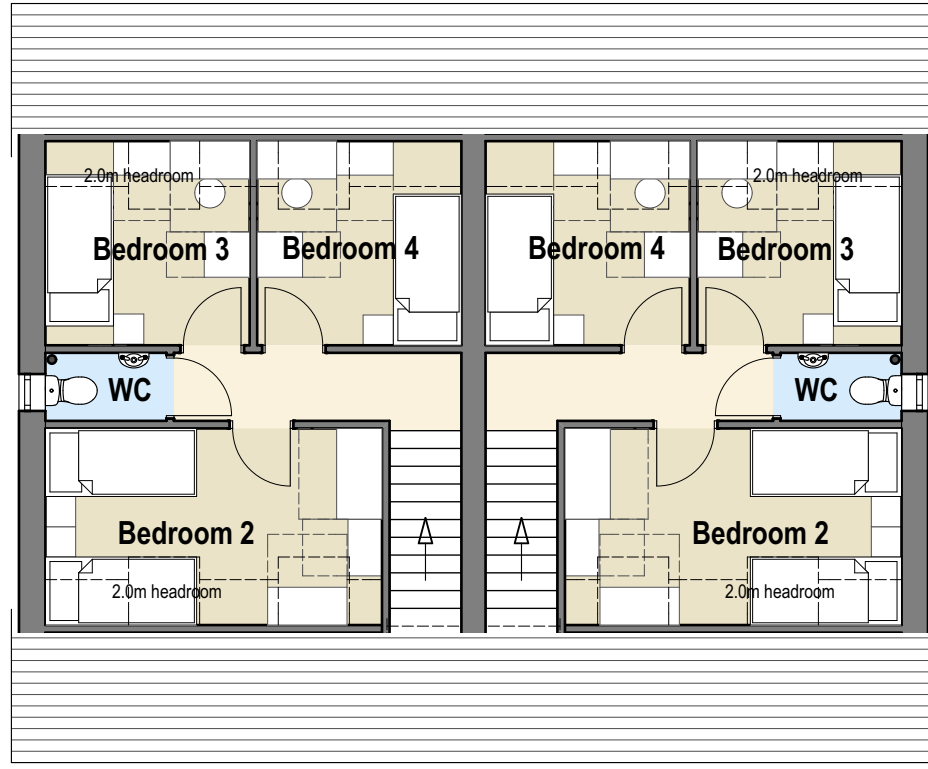
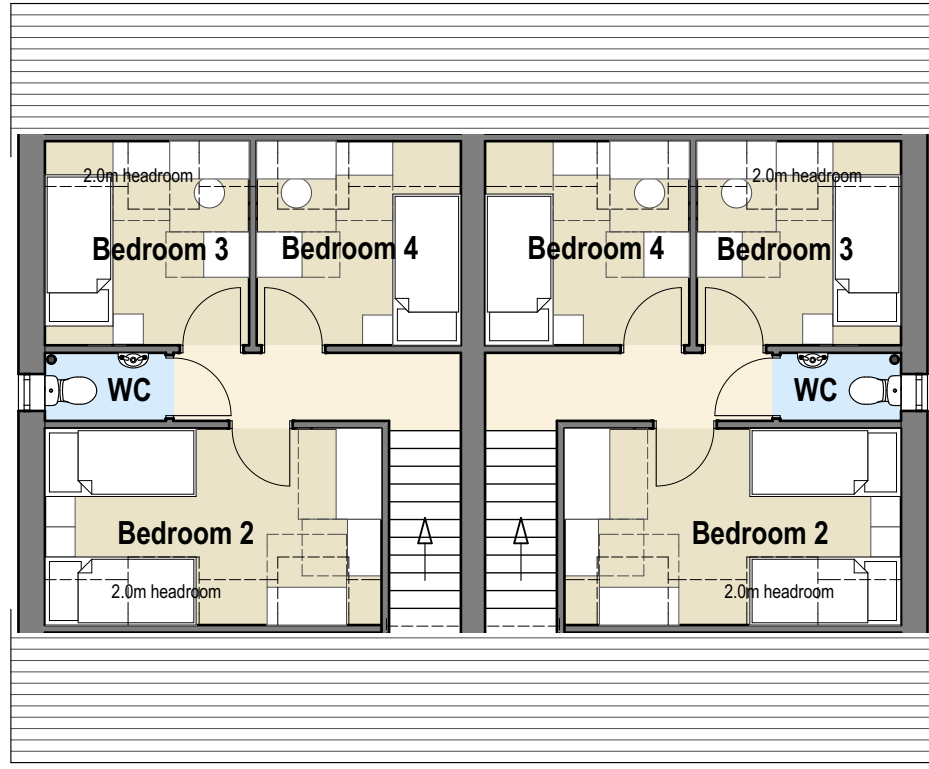
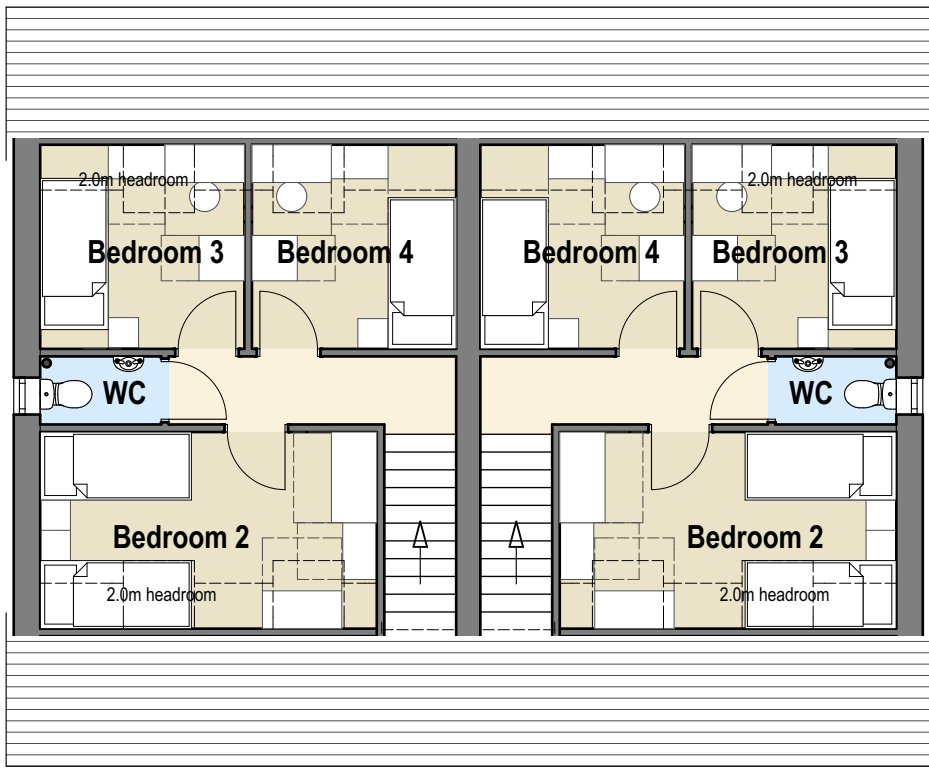
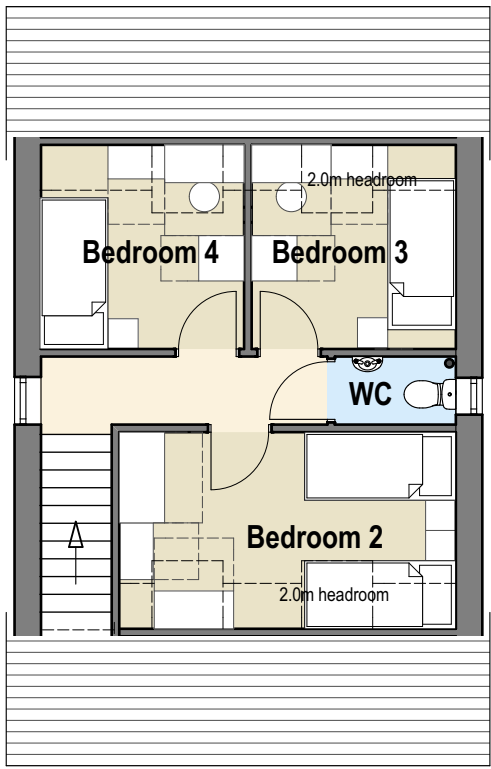
title  
**Floor Plans**  
**Plots 01 to 07**

client  
Bournemouth Borough Council

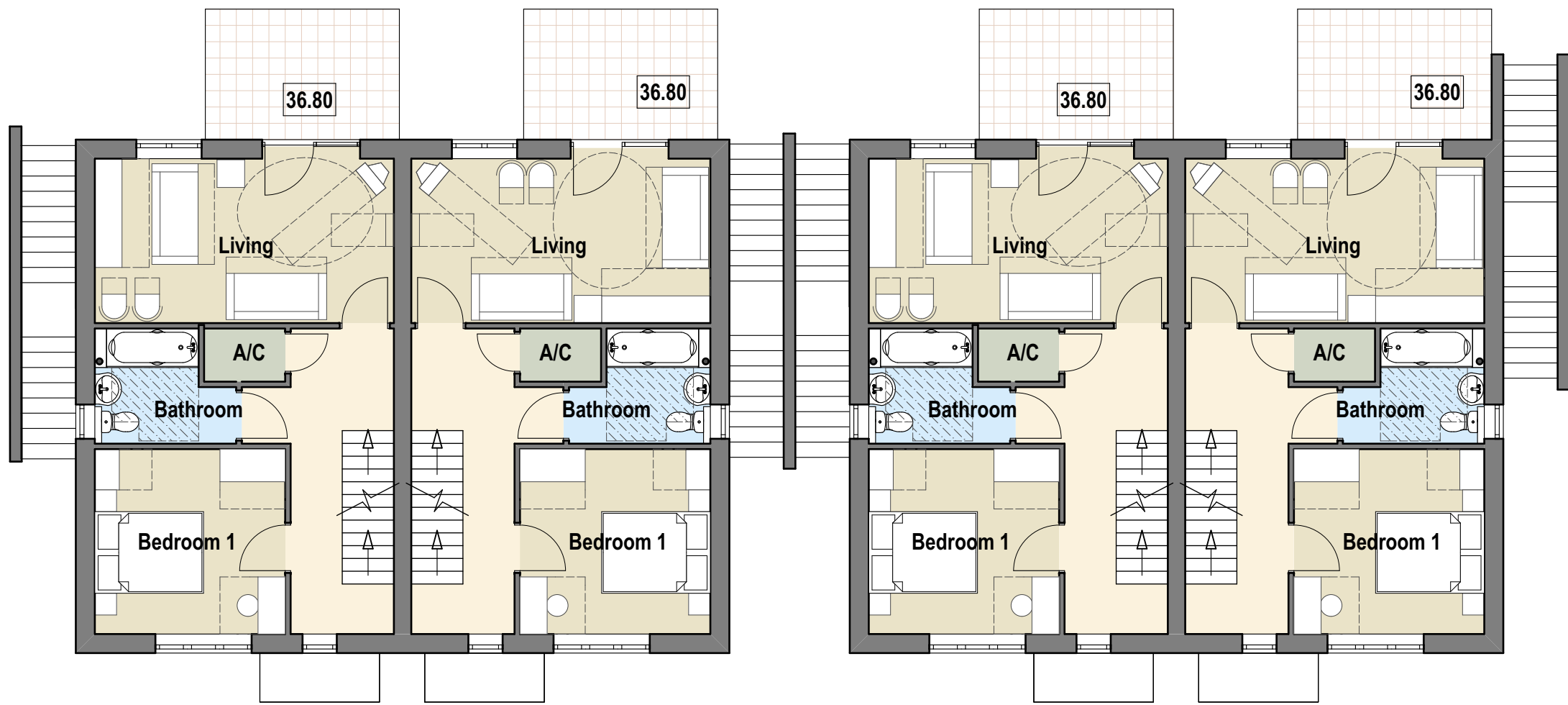
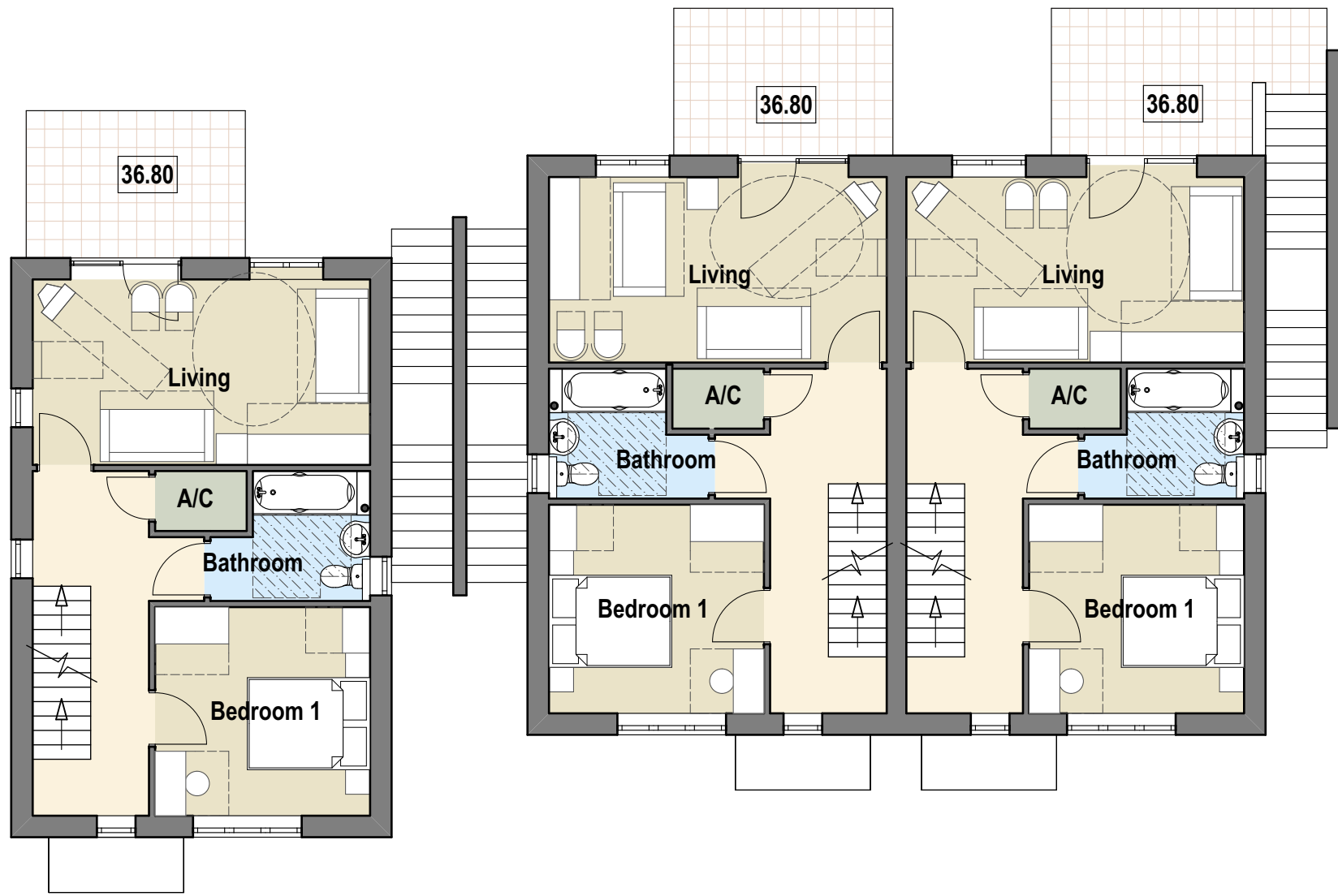
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date 11/08/2015 drawn wp  
scale @ A1 1:100 checked Jrc  
project ref. 2672-P-15 D  
revision  
status

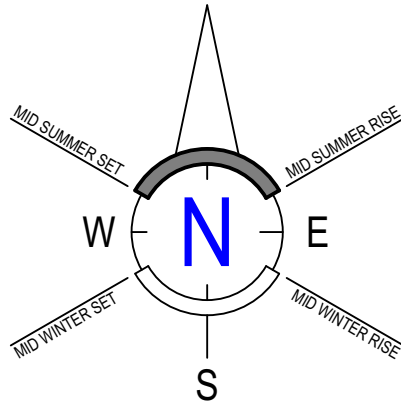
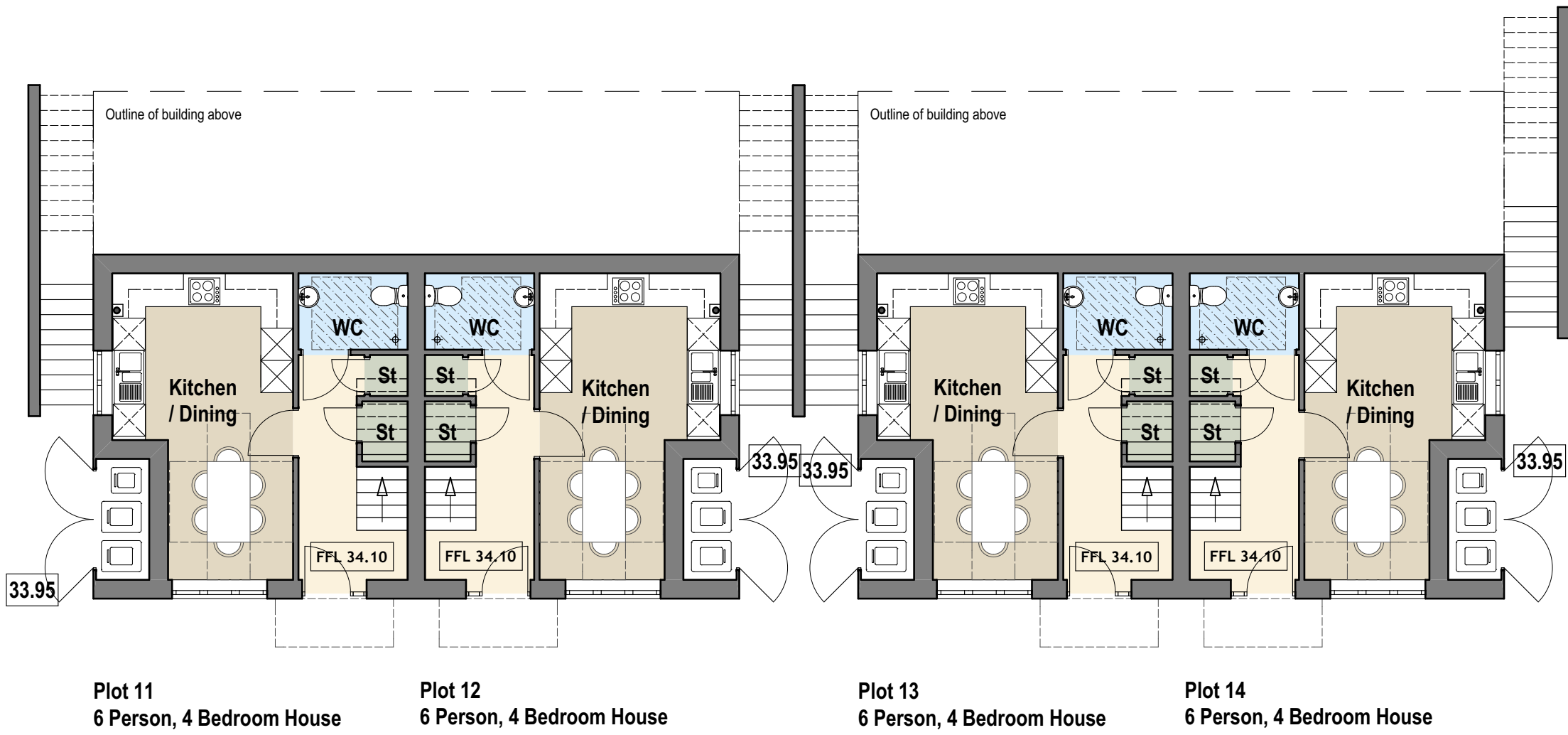
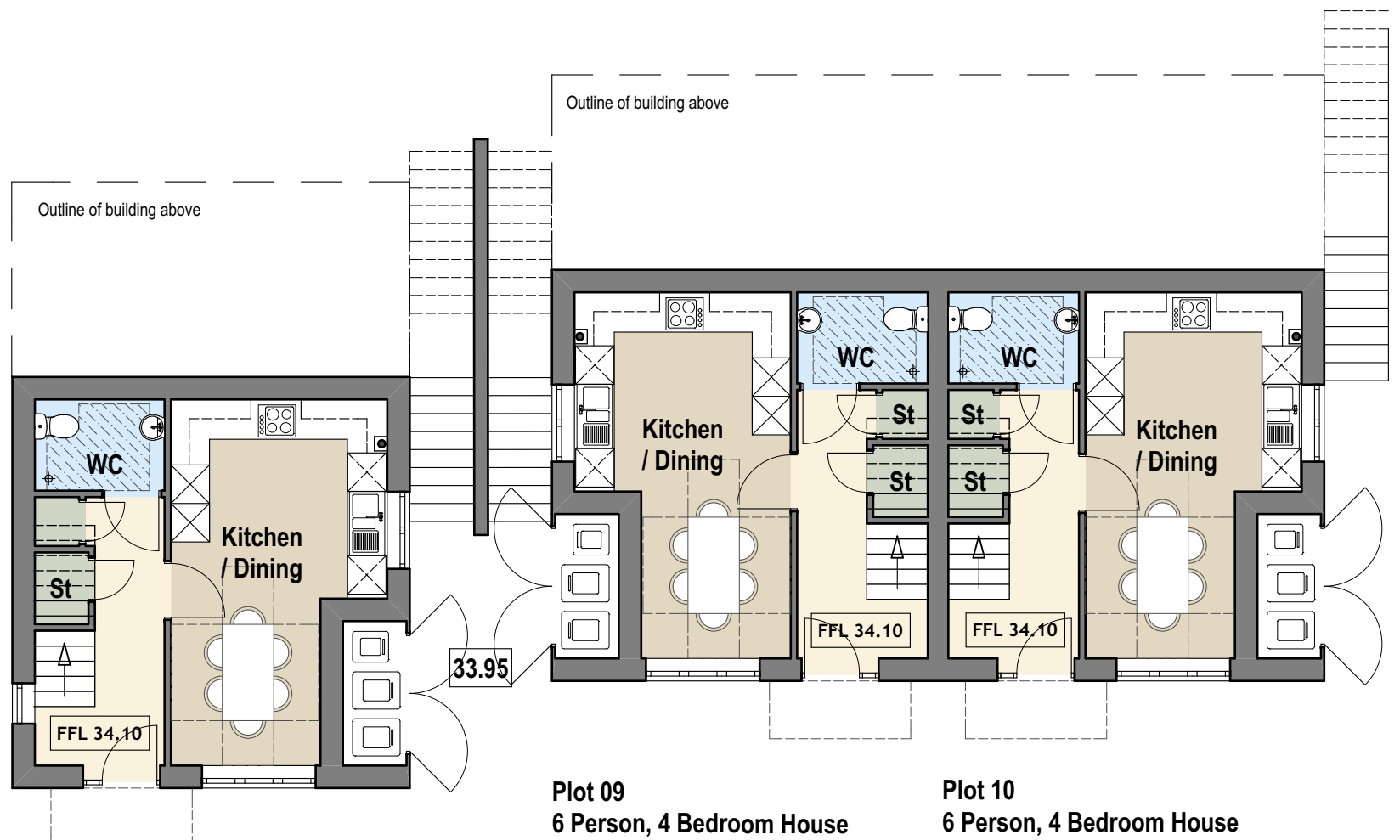
First Floor



Upper Ground Floor



Lower Ground Floor



## Revisions

Rev	Date	Description	Drawn
A	30-10-15	Floor plans amended to 4 bedroom houses	wp
B	25-10-16	Integral bin stores removed. Top floor layouts amended to include WC.	wp
C	10-04-17	Updated to latest layout	wp
D	10-07-17	Integral bin stores added	wp

## Notes

project  
**Moorside Road**  
Bournemouth  
Dorset

title  
**Floor Plans**  
**Plots 08 to 14**

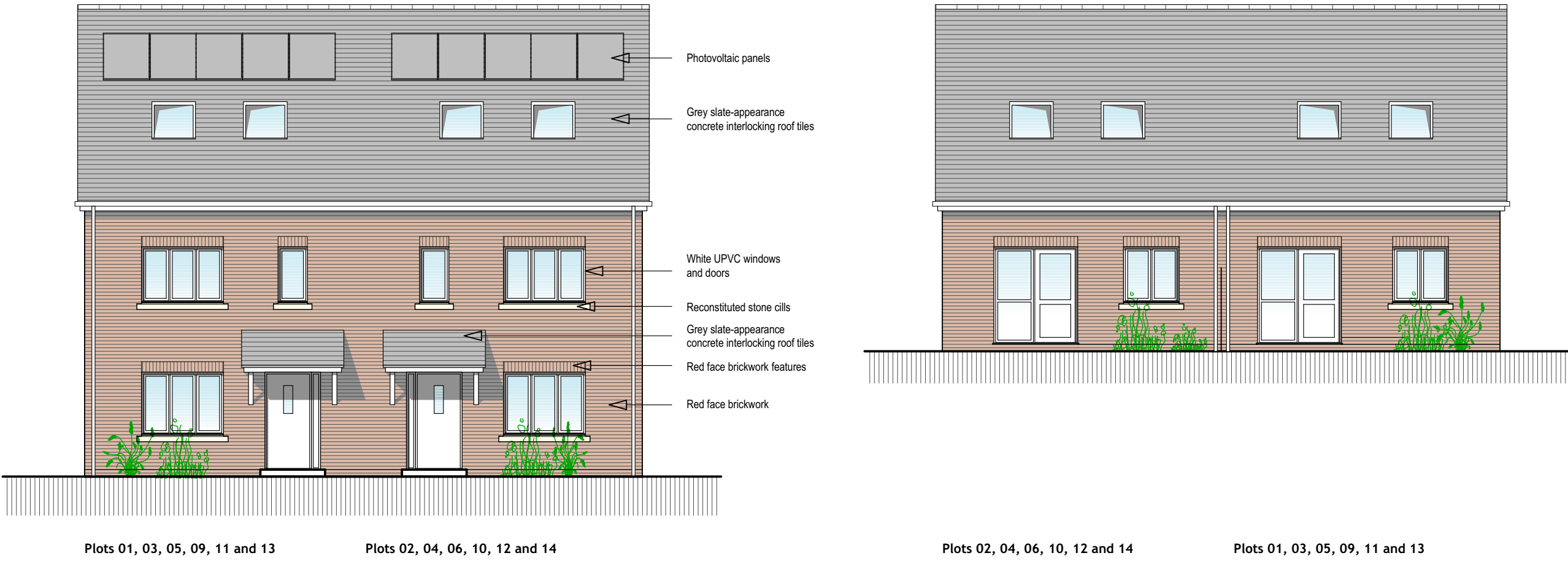
client  
Bournemouth Borough Council

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date 11/08/2015 drawn wp  
scale @ A1 1:100 checked Jrc  
project ref. drg no. revision  
**2672-P-16 D**  
status

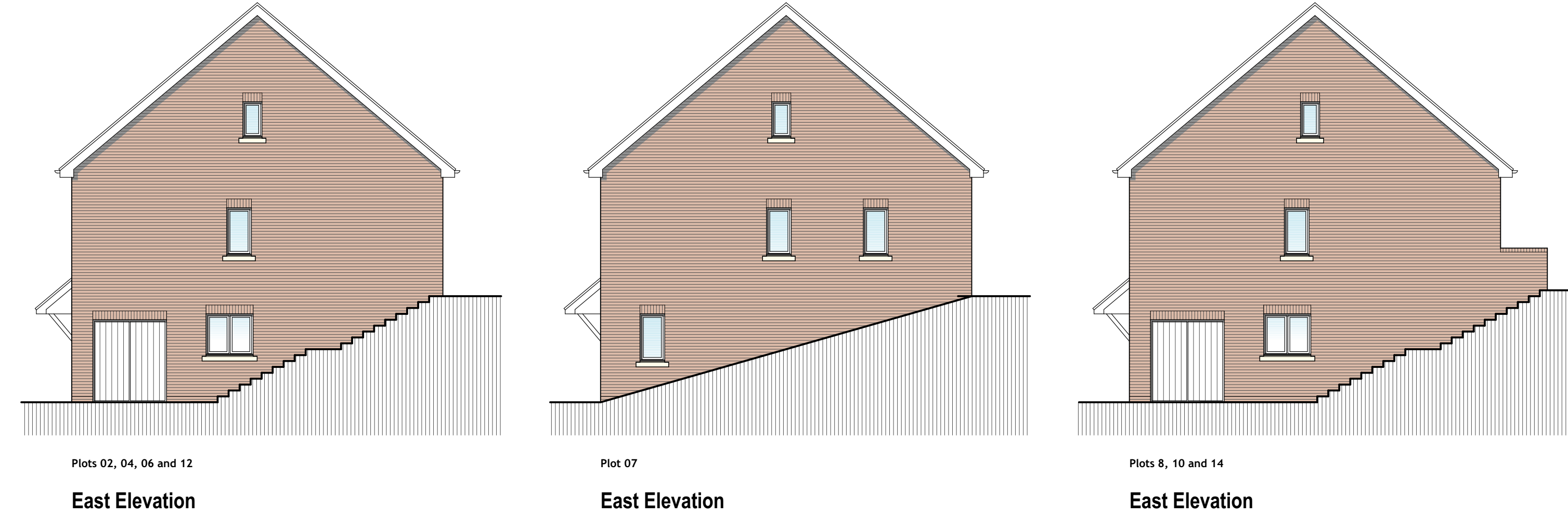
date printed: 12/07/2017





South Elevation

North Elevation



Revisions			
Rev	Date	Description	Drawn
A	17-08-15	Brick cills amended to stone cills Front door style amended	wp
B	25-10-16	Roof pitches amended. Top floor WC windows added.	wp
C	31-10-16	Building materials amended.	wp
D	10-04-17	Updated to latest site layout.	wp
E	10-07-17	Integral bin stores added	wp

Notes

project

**Moorside Road**  
Bournemouth  
Dorset

title

**Elevations**

client

Bournemouth Borough Council

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date11/08/2015  
scale @ A11:100

drawnwp  
checkedJrc

project ref.

2672-P-17 E

status

date printed: 10/07/2017







J	01-11-17	Updated to latest layout.	wp
H	10-07-17	Updated to latest layout.	wp
G	10-04-17	Updated to latest layout.	wp
F	09-02-17	Surface water drainage omitted.	wp
E	09-02-17	Incoming services added	wp
D	23-01-17	Road alignment amended	wp
C	15-12-16	Trees updated to latest Tree Report	wp
B	09-11-16	Updated to latest layout	wp
A	07-11-16	Updated to latest layout	wp
	31-10-16	Updated to latest layout	wp

Ordnance Survey Plan  
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project  
**Moorside Road**  
Bournemouth  
Dorset

title  
**Drainage**  
**Layout**

client  
Bournemouth Borough Council

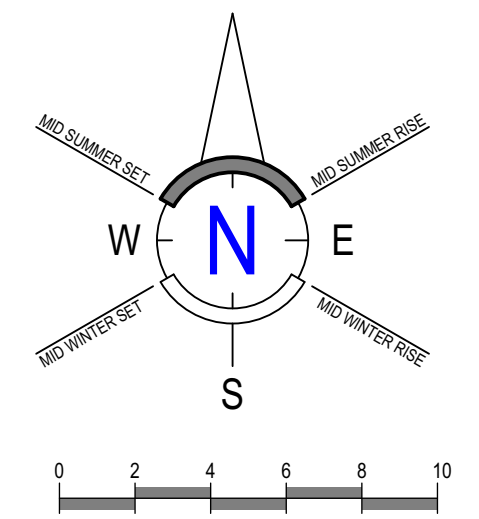
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architecture  
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W: www.trinity-architecture.com

date	11/08/2015	drawn	wp
scale @ A1	1:200	checked	Jrc
project ref.	2672-P-14 J	revision	
status			

date printed: 01/11/2017

For surface water drainage layout  
see Such Salinger Peters'  
Surface Water Drainage Strategy

Surface Water Drainage Maintenance Plan  
Monthly Maintenance  
Visual inspection of inlets and outlets  
Clearing of debris  
Six Month Maintenance  
Permeable paving to be swept and surface re-dressed with  
2-4mm clean gritstone as necessary  
Annual Maintenance  
Removal of vegetation around inspection chamber covers  
Removal of silt from silt trap





Existing Public Footpath





## Health & Safety Assessment Tool

### Completed by

Name	Lindsay Shearer
Business Unit	Housing Development
Date	12th December 2019

Please save this document to your computer and complete by entering your responses in the boxes provided. Information about the HASAT is available on BIZ within the Corporate H&S pages. When complete please email to [health.safety@bpcouncil.gov.uk](mailto:health.safety@bpcouncil.gov.uk)

1	<u>Name of Project</u>
Moorside Road, Bournemouth, BH11	

2	<u>Project Number</u>

6	<u>Is this project notifiable under the CDM Regulations 2015</u>
YES	

7	<u>Aspects of the project</u> Please see the HASAT guidance template on the 2nd tab of this document.		
<u>ITEM</u>	<u>YES</u>	<u>NO</u>	<u>COMMENTS</u>
1 Risk Assessment	YES		The tender did contain a designers risk assessment highlighting any project specific risks to the contractors tendering for the work. A Construction Phase Health and Safety Plan including risk assessments and method statements will be submitted before the commencement of the construction phase.
2 Contractors	YES		Tender to be carried out to appoint the Contractor
3 Manual Handling	YES		As part of their CDM duty the Designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Before construction works commence the Principal Contractor will be obliged to submit an examples of manual handling risk assessments.
4 Fire Safety Impacts	YES		As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Fire service was a consultee to the planning process. Fire Risk Assessment to be completed at practical completion.

5	Working at Heights	YES	As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Before construction works commence the the Contractor will be obliged to submit a Construction Phase Health and Safety Plan which will include a risk assessments and method statements to address this hazard.
6	Accident recording	YES	Before construction works commence the the Principal Contractor will subit their arrangements for incident reporting.
7	CDM Notification to the HSE	YES	The Principal Contractor will notify the HSE of the project and forward evidence.
8	Requirement of continued monitoring	YES	Before construction works commence the the Contractor will be obliged to submit their arrangements for continued health monitoring.
9	Need for specialist equipment / tools	YES	As part of their CDM duty the designer will try where practicable to design the project in a manner that reduces the potential of this hazard. Please forward a list of any specialist equipment or tools needed for the construction including risk assessments and maintenace records.
10	Exposure to hazardous substances	YES	The Designer will where practicable design the project in a manner that reduces the exposure to substances where practicable. Before construction works commence the Principal Contractor will be obliged to submit examples of COSHH assessments for substances that will be used in the construction.

8	Please provide a list of all persons, who have been consulted regarding H&S for this project
Employers Agent - Frazer Garner Associates. Architect & Principle Designer - Trinity Architects.	
Principal Contractor - TBC, Building Control - LABC	

CORPORATE HEALTH & SAFETY SECTION	
Is a 'Advanced Health & Safety Assessment' required.	
Comments from H&S Advisor	
No comments required	
<b>SIGN OFF BY CORPORATE HEALTH &amp; SAFETY</b>	
ASSESSED BY ADVISOR	
DATE	



## Environment Impact Checklist for all Cabinet Reports

Issue: **Moorside Road, Residential Redevelopment**  
 Meeting Date: **9<sup>th</sup> January 2020**  
 Accountable Manager: **Jonathan Thornton, Housing Development Manager**  
 Impact Assessor: **Lindsay Shearer ☎ 01202 458230 ✉ Lindsay.shearer@bcpcouncil.gov.uk**

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
<b>Natural resources</b> impact on use of natural resources - for example energy, water, raw materials	?	The construction phase of this site will have a negative effect on the use of natural resources. A waste strategy will be implemented to reduce, reuse and recycle waste where possible. Materials will be sourced that reduce environmental impact. Sustainability also considers social aspects such as the long-term value for money and the well being of the building occupants. The social impacts of construction start early in the construction phase and continue for the life of the property.
<b>Quality of environment</b> contribution to safe and supportive environments for living, recreation and working	+	A new, high quality building on this site could make a positive contribution to the quality of the environment. The development of new homes on the site will improve natural surveillance of the area, contributing to a safer environment. All houses have private outside amenity space. The site is well located and walkable to local schools, shops and facilities at West Howe, Kinson and Wallisdown Road.
<b>Bio-diversity</b> protects and improves wildlife and habitats	?	To ensure safety of wildlife, ecology surveys and tree surveys have been undertaken to guide the design of the proposed buildings. A soft landscaping scheme will be implemented to promote and enhance the ecological value of the site.

<p><b>Waste and pollution</b> effects on air, land and water from waste and emissions</p>	<p>-</p>	<p>This redevelopment will result in intensified use of the site (from zero homes to 14), resulting in additional waste and emissions. However, the new buildings will be built to enhanced energy efficiency standards of current Building Regulations. All properties will include waste and recycling facilities, energy saving and water efficient features to reduce water and energy consumption.</p>
<p><b>Council Priority and Objectives for Improving our Environment:</b></p> <ul style="list-style-type: none"> <li>• Reduce traffic congestion</li> <li>• Improve streetscene</li> <li>• Improve recycling &amp; energy management</li> <li>• Respond to climate change</li> <li>• Improve quality of existing space</li> </ul>	<p>?</p>	<p>There will be a greater number of vehicular movements to and from the site compared to its previous use due to the increased densification. All properties will be provided with cycle storage and off-road parking. The redevelopment will improve the quality of the existing space and the street scene will be greatly improved.</p> <p>As mentioned above, existing building materials will be recycled where possible.</p> <p>PV panels have been included to the roof to capture the sun's energy and convert it to electricity. The size of the windows help to balance the need between thermal efficiency for the building and to promote good daylighting to improve quality of life and reduce energy consumption.</p>



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## BCP Council Meeting



Report subject	<b>Appointment of Director of Law and Governance and Monitoring Officer for BCP Council</b>
Meeting date	7 <sup>th</sup> July 2020
Status	Public Report
Executive summary	This report invites the Council to appoint a Monitoring Officer in accordance with statutory requirements. The recommendation is subject to the agreement of Council as this is a statutory post
<b>Recommendations</b>	<b>It is RECOMMENDED that:</b>  <b>in accordance with Section 5 of the Local Government and Housing Act 1989 that Council confirms the appointment of Ms Susan Zeiss, as the Council's Monitoring Officer and Director of Law and Governance.</b>
Reason for recommendations	To comply with the requirements of the Local Government & Housing Act 1989 (as amended).
Portfolio Holder(s):	Cllr Vikki Slade
Corporate Director	Graham Farrant, CEO
Contributors	Lucy Eldred, Head of HR
Wards	All
Classification	Decision

## Background

1. Following the decision of the previous Monitoring Officer to step down from their current position and subsequent interim appointment of Ms. Anne Brown, BCP Council must appoint a permanent Monitoring Officer. Under Section 5 of the Local Government & Housing Act 1989 (as amended), the Council has a duty to appoint a Monitoring Officer. Neither the Head of Paid Service nor the Chief Finance Officer can hold the position of Monitoring Officer. There is no statutory requirement for the position to be held by a legally qualified officer.

2. The Monitoring Officer has several statutory duties and responsibilities relating to the Council's Constitution and our arrangements for effective governance. These duties include maintaining the Constitution, ensuring that no decision or omission of the Council is likely to give rise to illegality or maladministration and promoting high standards of conduct. A full list of the Monitoring Officer's responsibilities and delegated powers is included within the Councils' Constitution (attached at Appendix 1).
3. A shortlist of three candidates, all of whom were considered to be potentially appointable were interviewed by a panel of councillors comprising of the Leader, Deputy Leader and Leader of the Opposition, the CEO and Head of HR. The candidates also met with a wider panel of 5 councillors and with the Corporate Management Board. The preferred candidate overall was considered to be Ms. Susan Zeiss.
4. Ms. Susan Zeiss is a highly experienced Director of Law with an extensive working background in local government. Ms. Zeiss is a qualified solicitor who recently played a pivotal role in re-shaping the transformation of the Environment Agency from a three-tier to a two-tier structure and in the integration into DEFRA as part of a government-wide change programme. Ms. Zeiss is currently working as part of a new senior management team at Northamptonshire County Council responsible for moving the council into financial stability and a sustainable base for the transition to unitary councils. Ms. Zeiss combines an extensive track record of hands-on operational excellence in large complex organisations, with the ability to shape effective strategic and commercial solutions that enhance operational efficiency and meet corporate aims. Ms. Zeiss started her local government career at Dorset County Council in 2003, worked at deputy director level in the Environment Agency and is currently the General Counsel and Monitoring Officer at Northamptonshire County Council, where she has developed relationships with the OPCC, Northants Fire and Rescue Service, Northants District and Borough Councils and MHCLG as part of the current move to unitary. Ms. Zeiss's CV is attached at Appendix 2.
5. It is proposed that Ms. Zeiss will be an employee of BCP Council and will be appointed as an Officer of the Council and will be held to be personally appointed and responsible for the duties of the Council Monitoring Officer.

## **Options**

6. The options are either:

- to appoint Ms Zeiss as the Monitoring Officer; - this is the recommended option;

or

- to appoint another Officer of the Council - this is not recommended as there are limited capacity and resources available for the appointment.

### **Summary of financial implications**

7. There are no financial implications arising from the report, as the role is budgeted and there will be a minimal period for handover with the current interim appointment.

### **Summary of legal implications**

8. There are no additional legal implications other than those set out elsewhere in the report.

### **Summary of environmental impact**

9. There are no environmental implications arising from this report.

### **Summary of public health implications**

10. There are no public health implications arising from this report.

### **Summary of equality implications**

11. There are no specific equalities implications arising from this report.

### **Summary of risk assessment**

12. This decision will reduce risk in ensuring the post of Director of Law and Governance and Monitoring Officer is filled and provides the capacity to the organisation. Risks identified regarding remote working have been mitigated using technology to ensure the candidate can fulfil all the duties of the role in a virtual environment initially.

### **Background papers**

13. None

### **Appendices**

Appendix 1 – Job Description Director Law & Governance

Appendix 2 – CV of Susan Zeiss (Exempt Information – Category 1 (Personal Information))



## Appendix 1

# Job Description - Director Law and Governance (Monitoring Officer)

**Role Profile** Leadership Grade tbc ()

**Service/Team** Law and Governance

**Reports to** Chief Executive

**Number of posts** 1

### **My job improves the quality of life for the people of Bournemouth, Christchurch & Poole Council by...**

Providing strategic and organisational leadership to ensure that the council provides highly effective law & governance services, which is aligned and supports the council's objectives, values and behaviours.

### **Key Responsibilities**

- Lead with initiative, ambition and clarity of vision for a variety of functions and services with a legal, governance, democratic and regulatory focus, engaging positively and proactively with the Executive Leadership Team and elected Members.
- Provide strategic leadership to ensure the governance framework, including the Constitution and democratic decision-making arrangements enable the Council to achieve its objectives effectively, transparently and efficiently
- Develop and embed policies and strategies to promote and achieve high standards of probity and ethical standards across the organisation at member and officer level
- Direct, lead and foster a high performing culture within the Law & Governance Directorate, embedding a culture which promotes excellence and high expectations, and a drive for continuous improvement, best practice and value for money.
- Act as the Council's statutory Monitoring Officer (Local Government and Housing Act 1989) to ensure the Council, its officers and members, maintain the highest standards of conduct and act lawfully and in accordance with the adopted governance and decision-making framework
- Provide strategic legal and governance advice at a corporate level in respect of major decisions; statutory obligations and regulatory matters
- Ensure the provision of a high-quality legal service to the Council through the in-house team and through commissioning external advice
- Lead and manage the following functions:
  - Legal Services
  - Information Governance
  - Democratic and Members Support;
  - Mayoralty/Civic
  - Elections and Electoral Registration Services
  - Registration Services
  - Local Land Charges
- Maintain, monitor and review the Council's Constitution and decision-making framework to ensure it enables effective, transparent and efficient decision making
- Provide advice and support to all elected members to enable members to fulfil their ward role and any other role to which they have been appointed by the Council
- Ensure all members understand their obligations in respect of registration and declaration of interests, and the Council's Code of Conduct, and to effectively manage the arrangements for dealing with complaints against elected members
- Ensure robust performance management exists within the Law & Governance Directorate and drive service improvement, creativity, innovation and new ways of

working, and ensure the strategic vision is translated into agreed objectives and operational plans

- Operate effectively within a framework of partnerships at a national, sub-regional and local level
- Achieve and maintain a high level of staff engagement, motivation and clarity as to roles, responsibilities and lead an effective and empowered workforce
- Manage the directorate budget and resources efficiently and develop solutions to achieve effective value for money solutions to financial challenges
- Ensure individual staff accountabilities are clearly defined, understood and agreed and are subject to rigorous review and evaluation
- Establish meaningful departmental measures that ensure the continual improvement of the service in alignment with the corporate direction, priorities and values

### **Qualifications and Experience**

- Significant post qualification experience as a solicitor with evidence of continual professional development
  - Up to date knowledge of statutory and legislative framework for the areas of responsibility
  - Experience of leading and delivering large and complex organisational and cultural change projects and initiatives, to time and budget, with clear consideration of the legal implications
- Management qualification or equivalent experience
- Substantial experience in both strategic and operational management across a range of services and functions within a large and complex organisation including experience of working within a political organisation which involves day to day relationships with elected members
- Leadership of high-profile innovative projects which have a wide-ranging impact and reputational risk for the Council
- Substantial understanding of the local and national environment context

### **Personal Qualities & Attributes**

- Demonstrable commitment to continuous professional development and active participation in regional and national networks within area of focus
- Demonstrates a broad and sophisticated repertoire of leadership behaviours underpinned by strong ethics and personal values
- Ability to operate at both an operational and strategic level and understand the difference
- Maintains good self-awareness through personal reflection, analysis of performance and by regularly seeking feedback from others
- Able to generate support and loyalty at all levels, winning hearts and minds and overcoming barriers
- Innovative, flexible and a champion of change
- Resilient, courageous and tenacious in seeing things through
- Maintains good work/life balance and a lifestyle that supports effective performance and resilience levels

### **Job Requirements**

- Must hold a valid UK driving licence and have access to either their own car or a pool car to undertake the duties of the role

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Reset for All

An alternative budget response



# Conservatives



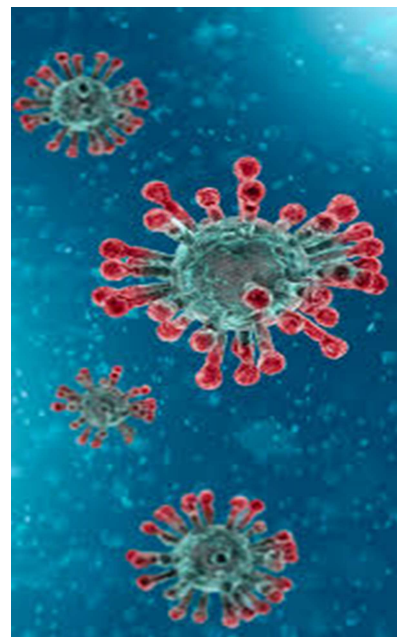


## Introduction

Our Country and our Conurbation have suffered a crisis like no other in living memory and as a result we face multiple challenges as a Council and Community.

- A projected £30.3m impact on the BCP Council finances;
- Potentially the largest economic downturn for over 100 years;
- Tourism, hospitality and retail sectors in meltdown with employment at risk;
- A health, social care and mental Health emergency on a scale not seen before;
- Our children and schools reeling from a lack of formal education;
- Our seafront stretched to breaking point;
- Community cohesion and safety challenged like never before.

We have a responsibility and opportunity to deliver the leadership that our communities desperately need. There is still a fantastic future for the new BCP Council if we can come together in these times and work creatively to deliver it.





## The Solution

There is an absolute necessity to bridge the £30.3m gap that we find ourselves facing and our Section 151 officer and his team have done a remarkable job in closing that gap however this impressive exercise in accounting fails to recognise the equal necessity for BCP Council and its politicians to lead our communities out of this crisis and to find solutions to the myriad of challenges that our Residents are facing.

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We need a single strategy which brings together the needs of residents, businesses and the financial recovery into one overall plan.

There are alternative solutions that bring forward a creative, ambitious and community focussed response to this crisis whilst addressing head on the challenges we face whilst still delivering a lasting, sustainable financial footing for BCP Council through commitment to the Transformation agenda.





## A different approach

Post the debate on Transformation where the Administration have come toward the Conservative position in that there is an opportunity to be more ambitious in relation to the savings potential, we now enjoy cross party support for at least £45m per year of recurring savings. For the first time this allows BCP to genuinely lay claim to having a sustainable budget option.

<sup>278</sup> To that end, our entire MTFP context has changed. The next full term of the Council will enjoy at least a £180m benefit driven from Transformation. Therefore even with many pressures across Adults and Children Directorates, there is not a scenario where BCP Council shouldn't be looking more towards priorities than cuts.

By taking a different approach to funding the Transformation programme including some short term PWLB borrowing and utilising cash held for later expenditure then we can invest in our communities now whilst still setting a positive MTFP.







## Priorities

The unprecedented nature of the Covid-19 pandemic leaves us with a Health, Economic and Community crisis on a scale we have not faced before and it is our job as leaders to make sure our priorities reflect the support our community needs now.

Priority areas that we believe warrant cross party discussion include:

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- Health
  - Schools
  - Economy
  - Seafront
  - Safety
  - Youth
  - Environment
  - Community
  - Mobility

Significant further detail is available behind these priority areas and we look forward to sharing that with Cabinet as an opportunity for some genuine cross party work. It is disappointing that Councillors have not had the opportunity to contribute to the budget response to date and we welcome the opportunity to do so.



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