

CABINET



Report subject	Poole Regeneration
Meeting date	20 December 2019
Status	Public Report
Executive summary	This report provides a high-level consideration of the work required to develop a Masterplan for the sustainable regeneration of Poole's Town Centre (including Town Centre North, the High Street, Poole Quay, Twin Sails Regeneration Area, and other geographically appropriate sites).
Recommendations	It is RECOMMENDED that Cabinet: <ul style="list-style-type: none">(a) Approve the repurposing of up to £1m from the remaining Heart of Poole budget to progress a programme for the Regeneration of Poole Town Centre.(b) Delegate authority to the Corporate Director for Regeneration & Economy to progress the procurement of master-planners, undertake due-diligence and explore future delivery mechanisms.(c) Approve the proposed governance structure for the Poole Regeneration Programme as set out in Appendix A.(d) Approve the development of a new Funding Strategy for the delivery of a revised Masterplan for Poole Town Centre.(e) Approve the development of an Acquisition and a Compulsory Purchase Order (CPO) Strategy along with associated specialist agent and legal fees, that can be deployed should the need arise.(f) Approve the inclusion of Heritage Action Zone funding and match-funding via S106 and CIL within the Capital Programme (total £1.2m).(g) Delegate approval to the Corporate Director for Regeneration & Economy to explore additional funding requirements to support Regeneration across the conurbation.

Reason for recommendations	To create a Vision and Masterplan for Poole Town Centre that will align with the aims of the Council and the priorities of the new BCP Corporate Plan.
Portfolio Holder(s):	Councillor Mark Howell (Deputy Leader and Portfolio Holder for Culture, Regeneration & Economy) Councillor Andy Hadley (Cabinet Member for Transport and Infrastructure)
Corporate Director	Bill Cotton – Corporate Director of Regeneration & Economy
Service Directors	Julian McLaughlin – Director of Growth & Infrastructure (Senior Responsible Officer for the Housing Infrastructure Fund) Chris Shephard, Director of Development (Senior Responsible Officer for Town Centre North Regeneration Scheme)
Wards	Primarily Poole Town Centre, although neighbouring wards may be affected (including: Hamworthy, Creekmoor, Broadstone, Bearwood and Merley, Canford Heath, Oakdale, Parkstone, Penn Hill, Canford Cliffs, Talbot and Branksome Woods, Alderney and Bourne Valley)
Classification	For Decision

Background

1. In recent years, Borough of Poole (BoP) Council stated its top priority was regeneration of its town centre. BoP explored opportunities to transform the north of Poole Town Centre through the regeneration of the area north of the town centre around Kingland Road, the bus station and the Dolphin Leisure Centre; known as Heart of Poole (as set out in a Report to Poole Cabinet in April 2018, and more recently in an updated report to Poole Cabinet and Shadow Executive in March 2019).
2. Following Local Government Reform and the creation of BCP Council in April, several opportunities have arisen that will allow and establish a need for the council to develop a more comprehensive Masterplan for the regeneration of Poole Town Centre as a whole (including Town Centre North, the High Street, Poole Quay, Twin Sails Regeneration Area, and other geographically appropriate sites).
3. Aligned to the aims of the new Council and priorities set out in the BCP Corporate Plan, the new plans will deliver high quality, accessible, urban realm offering a safe and pleasant experience for shoppers, visitors and residents. The vision will focus on sustainability: developing a healthy, vibrant place where people can live,

work, and enjoy, supported by sustainable transport that reduces the need to travel by car.

4. The new Town-Centre wide approach will also address the safety concerns associated with the High Street level crossing and set a framework for future work with Network Rail and South Western Railway (the train operating company (TOC)) to consider options for potentially; relocating Poole railway station, closure of the level crossing, the development of a modern, high quality travel interchange and enabling increased frequency of train services through Poole.

Current Position

5. In July 2019 the Council was advised that its expression of interest (EOI) in the Future High Streets Fund (FHSF)¹ had been successful. The Council's application has been selected by the Ministry of Housing, Communities and Local Government (MHCLG) to progress to the next phase of assessment which will involve the development of a full business case for capital investment by the FHSF. The EOI recommended the development of a high street Masterplan and project plans for capital funding (including detailed business cases) to address three key challenges:
 - a) very poor environmental and commercial quality of the high street;
 - b) the major severance and access issues caused by the level crossing, roads and poor pedestrian provision in the Lower High Street and Quay; and
 - c) a lack of clear purpose and function in the central section, all of which act as barriers to sustainable growth and development.
6. Early engagement with MHCLG has been positive and the department is keen to support the Council with ambitious plans to regenerate Poole town centre. The maximum funding allocation available to any one authority through the FHSF is £25million, although the department expects a range of projects coming forward, most will be in the region of £5m-£10m and as such do not expect to allocate the full amount to each area.
7. Furthermore, progression to the business case stage is no guarantee of funding, the bidding process is competitive and subject to meeting the assessment criteria of the fund and any FHSF capital award must be spent by the end of March 2024 but any third party co-funding may be profiled after March 2024. The Council has been successful in gaining the maximum amount available for the business case development grant of £150,000. Further detail on the FHSF is available in Appendix B.

¹ <https://www.gov.uk/government/publications/future-high-streets-fund>

8. The development process is underway and consultants WSP have been commissioned to deliver the business case. Proposals under consideration for inclusion are currently being developed and stakeholder engagement (including Members) will be programmed for December 2019.

Poole Station and Level Crossing

9. The EOI highlighted the need to investigate the feasibility of resolving the severance and safety risk associated with Poole level crossing, the poor quality of Poole railway station and connections between the station and the High street. Significant further work is required in partnership with Network Rail to determine whether relocating Poole railway station to the east of the existing level crossing is technically feasible and offers value for money. Network Rail have self-funded and delivered a high-level options study showing how a station could potentially be accommodated. Network Rail is working with the Council to develop a Memorandum of Understanding (MoU) with the aim of exploring options for resolving the safety issues associated with the level crossing and improve station provision in Poole; which may in part, be achieved by relocating the station. MHCLG has fed back that a MoU will provide reassurance and support the management case for the business case submission.
10. The Council will need to consider whether it wishes to formally promote relocation of Poole Station and closure of the level crossing with alternative means for crossing the railway. The council could work with Network Rail to develop design proposals using the GRIP project management process (Governance for Rail Investment Projects)². Analogous to RIBA for building projects, the GRIP methodology defines how railway projects are designed and built. The first step will be to complete a feasibility study (GRIP stage 1-2) to establish the technical, land and operational requirements and confirm feasibility. Network Rail would be able to provide a cost estimate for this stage upon receipt of a remit from the Council, typically a feasibility could cost between £150-300k depending on the extent and detail of the work undertaken. Future expenditure is agreed, based on the outcome of the preceding stage.
11. A funded and committed rail infrastructure scheme can take between 4-5 years from feasibility to construction and potentially longer to project completion/handover. If government funding is required to finance the project, then the Council would need to demonstrate the scheme has a clear business case and demonstrate that the project is feasible and provides value for money. Network Rail has confirmed that it is happy to support the Council with this work and any remit for a rail feasibility study including providing suitable deliverables in support of this activity.

² <https://cdn.networkrail.co.uk/wp-content/uploads/2019/05/Investing-in-the-Network.pdf>

12. While funding for the current rail industry Control Period (2019-2024) is not allocated to Poole level crossing, Network Rail has indicated that it will give serious consideration to part-funding any scheme that will enable closure of the level crossing and that, as the development work on the proposal is progressed, it will be possible to approach Network Rail for a contribution from its Level Crossing risk reduction fund. Network Rail would prefer that this funding is used towards scheme delivery but is happy for further discussions to take place on this point. Network Rail is also able to offer support to the Council in the pursuit of other funding sources (such as Local Enterprise Partnerships) and Council officers are currently in dialogue with Network Rail and the next steps are for Network Rail to present a draft MoU while the Council considers its position in respect of commencing a development project to promote relocation of Poole Station and closure of the level crossing.
13. The Council has been proactive in bidding for other external Government Grant funding to support delivery of regeneration in Poole. £95m of the FHSF has been allocated to Historic England to support historic high streets.³ An EOI was submitted for Poole High Street to be designated a 'Heritage Action Zone' (HAZ). The EOI was also successful and funding of £620k (match funded up to £1.2m from CIL funding) has been allocated to Poole's HAZ, with a capital grant to be spent by 2024. This process is also competitive, and award is subject to a satisfactory delivery plan being approved by Historic England in early 2020.
14. BCP Financial Regulations require Council approval of new capital projects over £1m. In line with this (and in anticipation of Heritage Action Zone approval in early 2020), Council is asked to formally approve the inclusion of the new £1.2m Poole High Street – Heritage Action Zone project within the BCP Capital Programme, including formal acceptance of £620k Heritage Action Zone funding.
15. Poole Museums have been awarded £352,300 by the National Lottery Heritage Fund towards the £444,000 Development Phase of Our Museum Project, which will transform the Poole Museum into a major attraction and community hub. The full capital project value will be £3,360,000.

Next Steps

16. In order to progress the Regeneration Programme for Poole Town Centre, Officers, Members and Stakeholders will work together to develop options and

³ <https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/>

recommendations to be presented at a future Cabinet meeting. Next steps include:

- **Master-planning** – Officers will work with Members to procure a strategic master-planning partner to progress the sustainable regeneration of Poole's Town Centre (including Town Centre North, the High Street, Poole Quay, Twin Sails Regeneration Area, and other geographically appropriate sites).
- **Commercial viability testing** - working with industry to understand market needs and pressures - will also be progressed, along with the appointment of external expertise to work with Officers, Members and Stakeholders to Masterplan Poole Town Centre and present options and recommendations to a future Cabinet meeting.
- **Adoption of the revised Governance arrangements (Appendix A)** - to ensure the programme has strong leadership, is managed appropriately, held accountable for achieving objectives, and monitor progress of the emerging Masterplan.
- **A review of possible mechanisms to deliver the Regeneration Programme** - the review will include direct development, non-corporate joint venture, corporate joint-venture, and traditional land sale. Other options such as working with philanthropic organisations may also be considered. The review will consider risk, speed of delivery, cost, control etc., and recommendations will be presented back to Cabinet at a future Cabinet meeting in advance of any delivery partner procurement.
- **A review of past due-diligence work** - including technical appraisals and environmental studies, will be undertaken to identify any that may still be relevant or repurposed. The programme team will link with other current workstreams and services across the organisation (such as the strategic car-parking review and the new Local Plan) to ensure that these are considered in future planning.
- **Development of a new Funding Strategy** - to support the ambition for a town-wide development plan.
- **Development of an Acquisition and Compulsory Purchase Order (CPO) Strategy** - which could be deployed to facilitate or accelerate the Poole Regeneration programme if required, once formally adopted by the Council.
- **Development of a revised Communications and Stakeholder Engagement Strategy** - the revised Strategy will include a consideration of branding that better reflects the future ambition and potential of the town, along with an open and transparent engagement and consultation process.

Conclusion

17. The new approach proposed by Cabinet Members provides an opportunity to create a Masterplan and sustainable Regeneration Programme for Poole Town Centre in its entirety. The new Programme will aim to deliver a higher quality, low carbon, transformational scheme for Poole; which encourages sustainable access to the town centre; bringing life, energy, jobs, and investment to the town.

Summary of Financial Implications

18. A combined budget of £2m (consisting of Council reserves and Local Transport Plan grant funding) was approved by the preceding Council to deliver the public consultation, pre-procurement planning and delivery partner procurement phases of the Programme. To date around £1m of this budget has been committed / spent on programme management, Masterplan, supplementary design work (bus station, highways infrastructure and public realm), land title searches, surveys, specialist legal advice and website development. Much of this work – for example highways infrastructure design, surveys and land title searches will have continued relevance for the revised Masterplan.

19. Around £1m of the £2m combined approved budget remains uncommitted. Subject to Council approval, it is proposed that this budget is 'repurposed' to finance the 'Next Steps' of the Programme (as outlined in section 6), culminating in a revised Masterplan. A provisional estimate of how the £1m could be allocated is provided below. Members are asked to note that, at this stage, these are high level indicative internal estimates only.

Revised Masterplan Design: Next Steps	£000
Commercial Viability Testing (including Revised Masterplan Options)	300
Internal Governance Arrangements	50
Delivery Mechanisms	150
Due Diligence Work	100
Revised Funding Strategy (for delivery phase)	150
Acquisition and CPO Strategy (initial external advice only)	100
Communications & Stakeholder Engagement	150
	1,000

20. By implication, the Council will now need to find alternative sources of funding for the delivery partner procurement phase of the Programme, when that stage is reached. This could be facilitated by 'drawing down' from already approved Council resource set aside for the later 'delivery / construction phase' of the

original Programme. Clearly this will have significant impact on the availability of Capital Resource to support the 'delivery phase' itself – an issue that will need to be considered within the revised delivery phase Funding Strategy.

21. Delivery Phase Funding Strategy – this will need to consider a number of factors including:

- Potential costs of implementing the Acquisition and CPO Strategy (e.g. land acquisition costs)
- Strategy to maximise capital proceeds from the disposal of Council owned assets
- Strategy to maximise private sector and external grant contributions
- 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 Councils.
- State Aid implications
- Availability of capital resources – including Community Infrastructure Levy, and impact assessment of their depletion on the Council
- Cashflow implications

22. Members should be clear that, in the event of a 'funding gap' arising, not all elements of the revised Masterplan may be deliverable.

Summary of Legal Implications

23. The Council's Constitution allows the Leader and cabinet to delegate functions to appropriate officers.

24. Commercial viability testing and appointment of external expertise for Master-planning will be in accordance with BCP Financial Regulations and procurement legislation.

25. External legal advice will be sought to inform the development of an Acquisition and CPO Strategy. The external legal advice on any acquisition process, or assessment of any CPO criteria required to be met, together with the terms relating to any proposed purchases will be prepared and agreed in consultation with the Council's legal team to ensure all legal issues and risks are appropriately considered and managed.

Summary of Human Resources Implications

26. It is recommended that the new governance structure set out at Appendix A is implemented. Cabinet are also being asked to delegate approval to the Corporate Director for Regeneration & Economy to explore additional funding requirements and undertake a resource assessment to support the delivery of a regeneration programme.

Summary of Environmental Impact

27. The aspiration of the new Council is to develop a Masterplan for the regeneration of Poole Town Centre that focuses on sustainability.

28. Any changes to infrastructure will be developed to create a town centre that improves accessibility for sustainable transport modes, reduces traffic volumes in the town centre and promotes healthy living.

29. Developments will be progressed in a manner that minimises the impact of the construction of the various elements of the Masterplan. This will include early contractor involvement to ensure that construction methods minimise the impact of construction on the environment.

30. The proposals will promote the creation of new and improved green infrastructure, creating routes and spaces that encourage walking, cycling, relaxing and socialising. This links to our wider work with the National Trust and National Lottery Heritage Fund as one of eight Future Parks Accelerator cities/towns to create a new blueprint for designing and managing urban green space and parks. Green spaces will be designed as a system for our conurbation to tackle multiple challenges such as public health, bio-corridors, urban drainage, CO2/particulate mitigation and urban heat islands.

Summary of Public Health Implications

31. The programme will be designed to promote sustainable travel which will reduce harmful emissions, provide healthy choices, provide better connected communities thereby improving health and wellbeing.

Summary of Equality Implications

32. An equalities impact assessment will be undertaken once the Masterplan has been developed.

Summary of Risk Assessment

33. Detailed Risk Assessments will be undertaken as part of the master-planning exercise.

34. The Masterplan will set out the agenda for the sustainable regeneration of Poole Town Centre including infrastructure, facilities and services, public realm, and other associated regeneration benefits. As well as improving services for local residents, Poole's Town Centre Masterplan will attract new people and investment to the area; positioning it well for the future. Not undertaking the necessary strategic planning now, risks the decline of Poole's local economy.

Background papers

Poole Cabinet Report - April 2018

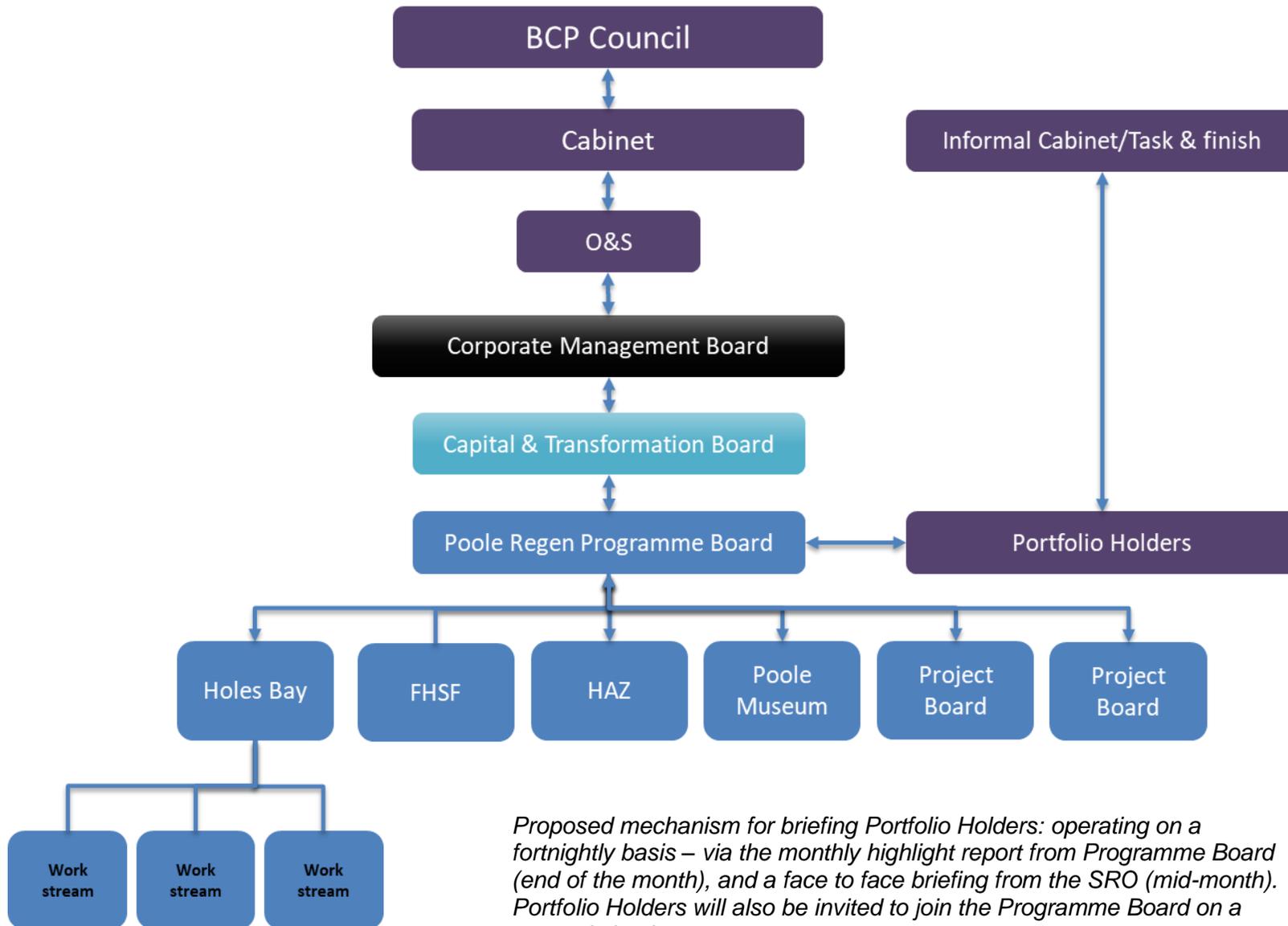
Poole Cabinet and Shadow Executive Report - March 2019

Appendices

Appendix A – Poole Regeneration Programme Governance Structure Proposal

Appendix B – Future High Streets Fund – background Information

Appendix A Page 1 – Proposed Programme Governance Arrangements



Appendix A Page 2 – Proposed Programme Governance Arrangements

Poole Regeneration Programme Board Terms of Reference

The Programme Board will:

- Provide strategic oversight and take executive responsibility for driving forward all regeneration programmes in Poole.
- Receive monthly Highlight Reports from individual Project Boards.
- Be responsible for making decisions regarding the resolution of resource and dependency conflicts, risks, issues, challenges or opportunities within the delegated authority of the Board.
- Bring to the attention of Corporate Management Board and Portfolio Holder(s) any strategic risks, issues, challenges or opportunities that require attention.

Programme Board Members

Chris Shephard – SRO/CHAIR – Director: Development

Julian McLaughlin – Director: Growth & Infrastructure

Lorraine Mealings - Director: Housing

Advisers:

Sarah Longthorpe – Strategic Investment

Sarah Good – Programme Team

Kate Greenham – Poole Regen PMO

Carly Hoyle – Comms

Shirley Haider – Finance

Jeremy Richardson – Procurement

Meetings & Logistics

- Meets monthly for a two-hour session (day TBA), which can be extended or take place more frequently by agreement.
- The forward plan, agenda arrangements, milestone tracking, and action logs will be managed by the Poole Regen PMO.
- If any Board members cannot attend, then they should nominate an appropriate deputy in their place and inform the Poole Regen PMO.
- The Forward Plan will be updated and reviewed at each meeting.
- There is flexibility to call-in expert officers and external agencies to assist the Board in the discharge of responsibilities set out above.

Appendix B Future High Streets – background Information

Future High Streets Fund

The FHSF is a £1billion (upgraded from £675million) capital and revenue fund to be allocated to Local authorities on a competitive basis by the Ministry of Housing, Communities and Local Government (MHCLG). It aims to provide infrastructure investment to help renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future stability.

MHCLG expects investment to fall under the following themes:

- Investment in physical infrastructure
- Acquisition and assembly of land including to support new housing, workspaces and public realm
- Improvements to transport access, traffic flow and circulation in the area
- Supporting change of use including (where appropriate) housing delivery and densification
- Supporting adaptation of the high street in response to changing technology

The second phase – full business case development requires bidding authorities to submit a five-case business case in line with HM Government appraisal guidance. MHCLG has published Business Case Guidance for the Future High Streets Fund setting out the structure of the assessment process. In summary, the weighting given to assessment criteria are: Value for Money (VfM) 50%, Strategic Fit of proposal 20% and Deliverability 30%.

MHCLG has indicated that bids must clearly demonstrate how proposals tackle the identified challenges of the study area and deliver benefits consistent with the objectives of the FHSF.

Further to this, business cases will need to demonstrate that they meet four gateway criteria. Each of these will be considered to be a pass or fail and if a case fails on one criterion; it will not be eligible and will not be assessed. The criteria are:

- 1) Demonstrates market failure
 - 2) Delivers investment
 - 3) Meet the spending timetable
 - 4) Demonstrates co-funding for the scheme
- (The criteria are explained in more detail in the enclosed guidance.)

BCP Council's highlighted challenges specific to the study area are outlined in the EOI (supplied) and are summarised as:

- Poor commercial performance
- Access and Connectivity
- A poor-quality environment
- Social issues
- Lack of creative space
- Housing Demands

The business case must clearly demonstrate how the proposals tackle the identified challenges, offer value for money, are deliverable and fulfil the objectives of the FHSF.

MHCLG has communicated to authorities that passed the EOI stage that there is a 5% capital spending limit on 'beautification' measures, that is, superficial improvements to aspects like paving or street furniture. The fund aims to renew and reshape high streets with demonstrable challenges, not provide finance for historical or superficial public realm improvements.

Summary (from Poole EOI)

"Despite progress on nearby sites, Poole High Street remains a weak link and needs to be addressed to lock in the benefits of all the other investment. It is unattractive, severed by the railway and two roads, access from the rail and bus stations is very poor, footfall is declining dramatically, it has no real attraction, is cluttered and characterised by flooded, uneven paving with tree roots breaking through, a high perception of crime, poor quality or vacant shop units and a 'Heritage at Risk' designation. Development in the high street is hindered by the poor state of public realm and building frontages. Further investment is required to maximise the impacts of other key regeneration taking place nearby to turn around the performance and vibrancy of this historic area. The current regeneration programme alone won't solve the high street's problems but does provide a major opportunity to build on it if the high street can be made to work. The role, character and state of Poole High Street badly needs a transformation to enable growth, increase productivity and future sustainability, which is vital to the prosperity of the south east Dorset city region. "

Key dates

Summary of business case development key dates:

- Capacity and resource grant to be paid – September 2019
- Business case guidance to be circulated - September 2019
- Commence inception meetings - August 2019
- Early draft business case submission - 15 January 2020
- Final business case submission date - 30 January 2020
- Successful bids announced – Summer/Autumn 2020