

CABINET



Report subject	The Future of Regeneration in Bournemouth, Christchurch and Poole
Meeting date	10 March 2021
Status	Public Report
Executive summary	This report summarises the opportunities and the Council's ambitions for regeneration in the BCP area. It seeks to strengthen the Council's capacity to deliver, setting out an approach for reviewing and progressing the available options to realise those opportunities and ambitions. The report sets out the options for increasing our regeneration delivery capacity, working with an urban regeneration company and other forms of partnerships as well as sourcing external consultancy input.
Recommendations	It is RECOMMENDED that Cabinet: 1. Authorises the Chief Executive, in consultation with the Leader and Deputy Leader, to procure and review advice from external consultants and to recommend to Cabinet as appropriate the creation of suitable structures to accelerate the delivery of regeneration projects, including the creation of structures or mechanisms to deliver the development of sites. 2. Notes that reports will be brought to future Cabinet and Council meetings as appropriate setting out proposals for the use of the Futures Fund and the process for bringing forward individual sites for development.
Reason for recommendations	To enable greater focus and corporate grip on realising opportunities for delivering homes and jobs on sites owned or controlled by the council and increasing the scale and pace of delivery. The internal management of site delivery is too small in scale to deliver the ambitions set out in the Big Plan which was considered by Cabinet and Council in February.

Portfolio Holder(s):	Councillor Drew Mellor, Councillor Philip Broadhead
Corporate Director	Bill Cotton
Report Authors	Graham Farrant
Wards	Council-wide
Classification	For Decision

Background

1. BCP Council has a significant regeneration agenda and the level of investment expected into sites across the BCP area exceeds £3 billion, with the gross development of value of Council-owned sites alone nearing £1bn. This includes a range of sites owned by the Council, both small sites, largely on land managed under the Housing Revenue Account (HRA) for the development of less than 10 homes and significant sites of regional interest including the former power station site at Holes Bay which could deliver 800+ new homes in a new community. There are also significant redevelopment opportunities in the town centres, most notably in Poole town centre and on other significant sites such as Wessex Fields.
2. Historically the capacity of the Council, and the preceding councils, has not been sufficient to deliver these sites at pace and the skills have not been available in-house to project manage the delivery of regeneration at this scale. The preceding councils, whilst introducing some innovative partnership structures such as the Bournemouth Development Company (BDC), and the Council's wholly owned Seascope Homes and Property Limited, were not able to bring sufficient capacity to bear to deliver all of the regeneration opportunities at scale and with the pace that is sought.

The Ambition

3. BCP Council has signalled its intention to operate at a larger scale and greater pace. The ability to do this was first demonstrated with an announcement of the intent to acquire the former power station site at Holes Bay and with the consideration of the redevelopment of the Bournemouth International Centre rather than the previously planned refurbishment. There is now an opportunity within the Medium-Term Financial Plan and particularly within the 2021/22 budget to increase the capacity of the Council and its partners to deliver the regeneration of both individual sites and the BCP area as a whole.
4. The budget for 2021/22 includes £1.75 million ongoing revenue support for the management of regeneration, principally to bring forward appropriate Council-owned sites and the opportunity to set up a £50 million Futures Fund intended to enable the Council to invest in infrastructure improvements as required. In addition, the Council already has significant resources invested in project management and this paper considers how best to bring all of those resources to bear on delivering the regeneration at pace. It is essential that we utilise those

resource to the maximum effect and impact on the area and for our future communities.

5. The structural changes resulting from the departure of the Director of Regeneration and Economy also provide an opportunity to refocus the delivery efforts and to bring forward proposals to review the delivery vehicles that we have available.
6. The recently published "Big Plan" demonstrates the scale of the opportunity and the willingness of BCP Council to recognise how we need to focus on regeneration to deliver at this scale. We now have an opportunity to provide the level of resource that is required, and the purpose of this paper is to set out how we intend to approach that challenge.

Consideration of existing mechanisms and options

7. Work is underway, using Local Partnerships, a joint venture between the Local Government Association and HM Treasury, to assess the value for money and successes of BDC in delivering the sites that were allocated to it within the partnership agreement. Seventeen sites were identified and the current position of each of those sites is set out in Appendix A. While there has been a clear record of success in driving a number of major projects through this function, equally the pace and scale of the work is a factor which has room for improvement. We intend to review the working arrangements with Morgan Sindall (MS) and Muse, the lead subsidiary within MS, to identify how we can scale up the operation to deliver the remaining sites as quickly as possible.
8. We will also need to consider whether the role of BDC can be expanded into other sites and areas of the conurbation, in light of the value for money review detailed above.
9. Seascope Homes and Property Limited was set up by Bournemouth Borough Council as a vehicle to let and manage homes within the General Fund, primarily responding to the need to provide temporary accommodation to assist the Council to fulfil its statutory homelessness duty and to provide market rent opportunities. Seascope Homes currently has 116 rented properties in its portfolio, with approval to buy off-plan a further 169 residential units including 46 homes at the St Stephen's Road development recently completed by BDC. Given the size of the conurbation and the population of the BCP area Seascope Homes has the potential to operate at significantly larger scale and return greater operating surpluses to the General Fund if correctly targeted and managed. We will need to consider how best to increase the scale of Seascope Homes, working through the board of the company.
10. The land and properties managed under the Housing Revenue Account also have significant potential to deliver new homes throughout the conurbation and again, we need to consider how best to increase the scale of delivery that can be achieved through the HRA and within the Council's managed social housing stock. The appointment of a new Head of Housing Delivery has provided the opportunity to refocus efforts within the HRA to deliver new homes at the pace and scale required.
11. The Council Newbuild and Housing Strategy (CNHAS) soon to be brought to Council for consideration, has a dual purpose of setting standards (design, safety, sustainability and viability) for those homes to be retained by BCP and will set out

a timetabled programme for delivery - not only on the currently programmed 400 HRA affordable homes but 500 General Fund mixed income homes (excluding Turlin Moor) that will help cross subsidise a boarder spectrum of housing needs.

12. CNHAS will also oversee the acquisition strategy of up to 250 Market rent Homes secured on the open market – both to help serve diverse BCP needs but also cross subsidy potential, engagement with developing RP's and Private housebuilders/landowners is ongoing.
13. The Council has a number of potential development significant sites which are not yet managed for development within any existing partnership arrangements as set out in the following table:

Site	Estimated Homes
Turlin Moor North, Poole	400
Holes Bay Power Station site	850
“Heart of Poole” Town Centre Regeneration	420
Constitution Hill, Poole	100
Boscombe Sovereign Centre and surrounding area, Bournemouth	50
Civic Centre site – Poole	TBC: 300?
Civic Offices, Christchurch	TBC
Wessex Fields, Bournemouth	TBC
Chapel Lane Car Park, Poole	70

14. We are currently reviewing the best project management and development arrangements for each of those sites and are considering a range of options, many of which are interchangeable or may overlap as follows:
 - A. **Urban Regeneration Company** - this could be a wholly owned company operated by the Council with the initial purpose of bringing forward specific sites that are relatively easy to develop and where there is a clear project brief which fits within the planning framework. The URC may work with partners through an SPV or JV on individual sites or could bring forward sites for development by itself. The URC may also be able to recruit skills and experience which are not available within the Council currently or are not able to be acquired easily within the confines of a local authority.
 - B. **Special Purpose Vehicle** - we may want to create one or more special purpose vehicles to bring forward specific sites that are of appropriate scale and complexity. For example, bringing forward the former power station site at Holes Bay may be better achieved by working with adjacent landowners and neighbouring developers to bring forward a holistic regeneration of the

site within a wider context, which may require an SPV to be created. This could also apply to the local shopping centres where redevelopment is required in both Poole and Boscombe.

- C. **Joint Venture** - where an external partner has specific expertise or ownership interests then it may be appropriate to set up one or more joint ventures to deliver the regeneration at the appropriate scale. This could apply to a number of the sites, but particularly to those where specialist knowledge is required such as the Bournemouth International Centre where specific conferencing and events expertise and operating experience may be beneficial.
- D. **Strategic Partnership** – a Homes England initiative which allocates significant Affordable Homes Programme funds on a long-term development basis to those organisations (Southern have £55m to deliver over 1000 homes) who have land, planning and build skills. BCP could potentially bid in March/April if the soon to be issued criteria, allows.
- E. **Expansion of existing wholly owned Council Company (Seascape Homes)** - the scale could be increased to deliver more homes and greater returns to the Council's general fund. The company could build out and manage residential developments brought forward by any of the above options.

Council capacity and governance

- 15. Discussions have been held with both Dorset Local Enterprise Partnership and Homes England in order to support the Council in developing the capacity that we require. To date those discussions have not brought forward additional resource but it is hoped that these partners will be able to provide some extra capacity for the Council and advice on their experience of working alongside similar models developed elsewhere in the country to support development delivery at scale.
- 16. Within the Smarter Structures programme we have been reviewing the capacity of the Council and its management of both development management, alongside planning, and project and programme management as a separate profession. It is clear that we have a range of skills spread across the Council that could support the required delivery but at the moment this is not sufficiently well co-ordinated or managed. Smarter Structures will support this by rationalising our resources, improving management structures and by introducing "Heads of Profession" to manage continuing professional development and to give progression opportunities. However, we recognise the need to use the additional resources carefully to generate maximum return in terms of development outcomes.
- 17. In the meantime, it is clear that we need external advice to provide us with suggestions and to develop a business case for creating the capacity to operate at the scale we require to deliver to this challenging agenda. Under existing delegations, we have appointed consultants to advise the Council on the use of the appropriate mechanisms for specific schemes and to review the available capacity within the Council. In order to move at pace those consultants will be asked to report back with their recommendations to an informal panel chaired by the Chief Executive and including the Leader and Deputy Leader of the Council to determine how to move forward. Regular progress reports will be brought to the Cabinet and the appropriate controls in the Council's Constitution will be followed

as decisions are required regarding the creation of the appropriate delivery vehicles and the future of individual sites. In particular Ward councillors will be consulted on all proposed developments within their Ward.

Conclusion

18. This report therefore recommends that the Chief Executive be authorised, acting in consultation with the Leader and Deputy Leader, to procure and review advice from external consultants and to recommend for decisions by Cabinet as appropriate the creation of appropriate structures to accelerate the delivery of regeneration projects. This would be done in light of advice from and the involvement of, the Council's Director of Law and Governance and Director of Finance. To avoid introducing delay, this may include the creation of appropriate structures or mechanisms to deliver the development of sites, but any proposed transfer of staff, land or property into any such structures would be subject to the requirements of the Council's Constitution regarding approval levels and delegations.

Summary of financial implications

19. There are no direct financial implications arising from this report as all forecast expenditure will be dealt with within existing budgets and delegations or will require separate reports for approval as appropriate.

Summary of legal implications

20. There are no direct legal implications arising from the initial delegations outlined in this report, provided that the appropriate procurement waivers are obtained in respect of the engagement of the consultants named. The Director of Law and Governance and BCP Council lawyers will be actively involved in considering the actions to be taken to introduce any regeneration vehicles or companies and will ensure that any legal and governance requirements are followed and are reported in line with the Council's Constitution.

Summary of human resources implications

21. There are no specific implications for human resources directly arising from this report.

Summary of sustainability impact

22. There are no specific sustainability impacts arising from this report, but the framework of regeneration delivery should improve the sustainability of the conurbation and each development will be reviewed in terms of its impact all the climate and ecological emergency.

Summary of public health implications

23. There are no specific public health implications arising from this report but good quality housing is an underlying principle of good public health and these proposals should enable good quality housing development to be brought forward at pace.

Summary of equality implications

24. There are no specific equality implications directly arising from this report, but the accelerated provision of good quality housing development should enable some of the inherent inequalities in our communities to be addressed.

Summary of risk assessment

25. There will be a range of risks involved in each project development and these will be considered for each project that is brought forward. Any company, JV or SPV set up within the framework created by this report will be required to have a strong risk management approach and will maintain a separate risk register

Appendices

Appendix A Bournemouth Development Company Sites

Appendix B Investment in Regeneration

Appendix A Bournemouth Development Company Sites

Site	BDC Option Agreement Sites	Scheme	Homes	Status
1	Durley Road Car Park	Residential scheme for open market sale	44	Under construction
2	West Hill Road Car Park	To be determined		No Action
3	Town Hall Annexe	To be determined		No Action
4	9/11 St Stephens Road	46 private rented homes let by Seascape Homes	46	Completed February 2021
5	Richmond Hill Car Park	To be determined		No Action
6	Winter Gardens & Priory Road Car Park	Mixed residential and commercial scheme	364	Planning approved, pending finance & delivery in 2021
7	Winterbourne Hotel & Beacon Road Car Park	Potential Hotel site/Link to BIC		No Action
8	Eden Glen Car Park	Residential scheme,	60	Site Development plan

				approved by Council
9	Bath Road South Car Park	To be determined		No Action
10	Bath Road North Car Park	To be determined		No Action
11	Central Car Park	To be determined	200	No Action
12	Glen Fern Car Park	To be determined	50	No Action
13	Berry Court Car Park	113 private rented homes let to Radian and a 155 space Multi Storey Car Park.	113	Completed August 2018
14	Leyton Mount Car Park	The Citrus Building Open Market Sale homes	64	Completed March 2015
15	Madeira Road Car Park	382 space Multi Storey Car Park and Arts University Student accommodation	378	Completed
16	Cotlands Road Car Park	Mixed use scheme: Commercial/Office/Residential		Site Development plan approved by Council

17	The Waterfront Building	To be determined	No Action
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Appendix B Investment in Regeneration

Project	Estimated GDV £m
Holes Bay Power Station site	250
Heart of Poole Programme (includes Town Centre North and Poole Town Centre, excludes Holes Bay)	229
Lansdowne Business District (includes Holdenhurst Rd and Cotlands)	208
Bournemouth Arc (includes redevelopment of the BIC, Pier, Pier Approach, Pavilion Gardens and Central Carpark)	335
Boscombe Town Deal	210
West Howe Regeneration	8
Christchurch Town Centre strategy (includes the Civic Centre Site, Christchurch Marina)	30
Wessex Fields (Science Park)	50
Seafront Strategy Programme	40
Additional Housing sites (includes Housing led and PHP delivery sites; GDV calculated @ average value of £250k per unit)	247
Planning permissions already granted but not built (includes Bournemouth Town Centre Programme)	1,208
Sites under construction	474
Total	3,289

