



“Treetops”, completed February 2021

Partnership Business Plan

Status: Annual update
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Appendix A – Indicative development programme

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Glossary of terms

BDC	The Bournemouth Development Company LLP, the joint venture between The Council and Muse.
The Council	The Bournemouth, Christchurch and Poole Council
Muse	Muse Developments Ltd., part of the Morgan Sindall Group.
PSP	The private sector partner, being Muse Developments Ltd.
The Vision	The Bournemouth Town Centre Vision as set out in the Town Centre Area Action Plan (adopted March 2013).
BCP	Bournemouth, Christchurch and Poole.
DMA	The Development Management Agreement, between the Development Manager and BDC, relating to services to be provided to BDC and its development subsidiaries.
DM	The development manager, being Muse.
MA	The Members Agreement between The Council, CSE(Bournemouth) Ltd and BDC.
Option Agreement	The option agreement relating to a portfolio of properties situated in Bournemouth.
LGR	Local Government Reorganisation which resulted in the merger of the areas that were previously administered by the unitary authorities of Bournemouth and Poole, and the non-metropolitan district of Christchurch. It was created on 1 April 2019.
LLP	Limited Liability Partnership.
AAP	The Bournemouth Area Action Plan (adopted March 213)
SDP	Site Development Plan

The year ahead

We are delighted to report a very positive start to 2021.

At Durley Road, having commenced construction in January 2021, we will focus on the soft launch of the 46 apartments for sale in the Summer of 2021, with a show apartment opening in late 2021, ahead of practical completion in Q2 2022. The scheme is being delivered by Poole-based contractor, Parsons & Joyce.

Following practical completion of the Treetops scheme at St Stephens Road in February 2021, BDC will shortly complete the final account prior to the distribution of profit from the scheme.

Winter Gardens continues to be the priority project with the BDC team working with the Council to address viability issues arising from lost value, in particular covid-19 related operational impacts upon the leisure and restaurants markets resulting in loss of revenue and investor sentiment that these assets are now more risky, that form a significant element of the scheme, and increasing construction costs. We are committed to finding a route forward to commence construction in the next 12 months.

At Cotlands the scheme has not progressed at the pace we had hoped again due to the impact of covid-19 on the occupation of and demand for office space, but we are focused on driving this forward. We are targeting the submission of a planning application in early 2022.

Across the BDC optioned sites, BDC is working with the Council to agree a strategy in relation to public parking spaces that will enable it to accelerate the pace and scale of delivery.

At Eden Glen, Central and Pavilion Gardens we are working with the Council to agree how the required public car parking provision is delivered. Once this can be agreed, we will continue to develop proposals for schemes that will deliver new homes and cultural facilities into the town centre.

Following LGR the Council continues to review its estate and this may result in the release of the Town Hall Annex site where either new homes, employment space or a mix of the two could be accommodated.

On all of our sites, we will strive for excellence in sustainable design and delivery of the Vision in Bournemouth Town Centre.

Key targets for 2021

	Target 1	Target 2	Target 3
Durley Road	Maintain construction programme	Launch of residential apartments for sale June 2021	Show apartment launch November 2021
Winter Gardens	Address and solve viability 2021.	Secure scheme revisions through planning permission 2021.	Progress detailed design and procurement ahead of a start in 2022.
Eden Glen	Solve replacement public car parking issues 2021.	Progress scheme design to a planning application 2022.	Commence detailed design and contractor procurement 2022 / 2023.
Cotlands (Note below).	Secure major office occupiers and scheme funding solutions 2021.	Progress scheme design and MSCP planning application early 2022.	Commence detailed MSCP design and contractor procurement 2022.
Town Hall Annex	Council to conclude estate review.	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Central	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Bath Road North & South, Waterfront	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Richmond Hill	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.

Note: the Cotlands delivery strategy agreed to date is the re-provision of the public car park on York Road West before the Cotlands Road car park can be closed for redevelopment of a mixed-use office & residential-led scheme.

Preface: Review of 2020

Since 2011, the Members have worked well together combining the resource and strengths of both organisations to achieve a number of important milestones, which will enable the LLP to drive forward delivery of the Town Centre Vision. LGR has given the Council greater capacity and opportunity than BBC had.

2020 was dominated by the impact of Covid-19 which had a measurable impact upon our programme of delivery. However, since the last update, BDC achieved a number of milestones that enabled projects to progress:

June 2020	Successful procurement of Poole-based Parsons & Joyce to deliver the Durley Road scheme.
August 2020	Non-material amendment approval to changes to the Durley Road scheme including a revised energy strategy to reduce the carbon footprint of the scheme.
September 2020	Successful minor material amendment to the Winter Gardens scheme.
December 2020	Financial close of the Durley Road scheme enabling BDC to hand the site over to local contractor, Parsons & Joyce, to commence development of 44 homes for market sale. BDC, through a s106 payment, made a £360,000 investment to improving safety on local streets.
January 2021	Start of construction of 46 apartments at Durley Road.
February 2021	Completion and handover of 46 apartments at “Treetops”, on the former St Stephens Road car park, to the Council for private rent.
February 2021	Successful Strategy Review agreeing priorities and an agreed BDC / Council actions plan to enable more Option sites to be unlocked.

Financial summary 2020

The forecast draft financial statements of the Bournemouth Development Company LLP and its subsidiary Winter Gardens Development LLP show positive results for the year ending 31st December 2020. The consolidated profit for the period is £326k (2019: £384k) with retained earnings of £1.619m (2019: £1.279m). The group has net assets attributable to members of £14.798m (2019: £11.363m).

1 Introduction

1.1 2021 Partnership Business Plan

This is the Partnership Business Plan ('the Plan') for the operating year commencing April 2021, providing a rolling 5 year projection agreed by the LLP members, covering the strategic, operational business and governance framework of The Bournemouth Development Company Limited Liability Partnership ('the LLP') and follows the agreed form business plan criteria (Schedule 2 of the Members Agreement).

The LLP is a joint venture between Bournemouth, Christchurch and Poole Council ('the Council') and Muse Developments ('Muse'), through a wholly owned subsidiary of Muse.

The LLP is an active development partner and regeneration catalyst for the delivery of the Bournemouth Town Centre Vision.

The Plan forms an overarching strategic framework, informing and integrating the individual Site Development Plans. As such, it serves as a management tool for the Council and the the Private Sector Partner (PSP), Muse Developments Ltd. ("the Members") and Representatives and provides strategic guidance in delivering Partnership Objectives (see section 1.2.2 below).

The Plan is updated annually by the Development Manager and presented to the LLP Board and Members for approval. It is also amended to reflect changes to existing, and adoption of new, Site Development Plans as agreed by the Members from time to time.

1.2 The strategic management objectives of BDC

The Plan is based on the premise that Members are committed to working in partnership to achieve the Partnership Objectives, informed by the aspirations and drivers underpinning the Bournemouth Town Centre Vision and the Council's regeneration objectives.

The Councils regeneration objectives, encompassed in its wider Big Plan and Corporate Strategy (as below), have evolved recently and there are current reviews of the Local Plan and Local Transport Plan. It follows that a review of the Town Centre Vision and Partnership Objectives is needed to ensure that BDC and the Council remain aligned in their ambitions and delivery strategy.

1.2.1 The BCP Council Big Plan

The Council announced its Big Plan in March 2021 which

*"involves **five big projects** that will deliver big changes across our whole area and support the **creation of 13,000 jobs** across all sectors of our economy – good jobs for local people – creating wealth for our businesses and livelihoods for our families".*

BDC, through its programme of active investment in the town, is well placed to

- contribute to the Iconic cityscape and quality of the urban environment;
- work with the Council on the Pavilion Gardens project to deliver the desired “vibrant arc at the heart, linking Bournemouth Pier with the Pavilion and a renewed and revitalised Bournemouth International Centre”;
- invest in the physical and digital **infrastructure** of our coastal city region, to ensure that BCP has the best connectivity in the country – whether through superfast broadband and digital connectivity or through land, air and sea transport; and
- deliver development that exploit the full potential of digital to make BCP a genuinely smart city region.



1.2.2 The Council Corporate Strategy

We continue to align BDC activity to the Council’s Corporate Strategy. This includes addressing each priority within the Corporate Strategy in relation to our developments.

Sustainable Environment includes adopting a Fabric First design approach, with appropriate air permeability to optimise energy consumption. Also, working with our partners, providing employment for local labour and businesses during the pre-development, development and operation of the buildings long term. Across our sites and recognising their historic role in the development of the conurbation, we will continue to replace decaying trees with healthy specimens for the benefit of future generations.

Dynamic Places includes delivering vibrant town centre homes for a blend of residents while investing in homes for rent for local residents who are not ready to buy, as well as other uses to meet demand for new and complement existing provision. We will invest in active street frontages such as Turtle Bay on the Citrus Building, and sustainable and accessible infrastructure, for example through our programme of public car park re-provision.

Connected Communities through the provision within our schemes of shared facilities, gardens, cycle storage and open space. we will deliver a blend of generational housing with rented homes, homes for sale and age friendly homes within a safe community of well-maintained walkways and communal areas.

Brighter Futures includes providing site visits to share experience, education and learning for local schools and colleges.

Fulfilled Lives in creating a safe and happy environment, with easy access to the town centre, lower gardens and seafront for age friendly community development residents to live independent lives, while promoting active healthy lifestyles with the development of leisure space, cycle storage and public realm areas for public enjoyment.



1.2.3 The Town Centre Vision

The Vision is set out in the Bournemouth Town Centre Area Action Plan (adopted March 2013).

By 2026 Bournemouth Town Centre will be rejuvenated so it will be even better, more competitive and renowned as a place of high quality for residents, visitors, businesses and students. All changes in the Town Centre will be driven by the need to raise its image and profile as a high-quality coastal garden town. Doing this will ensure the Town Centre is:

- *A better place to live;*
- *A better place to visit;*
- *A better place to work;*
- *A better place to invest;*
- *A better place to learn; and*
- *A better place to socialise.*

BDC acknowledges the Vision objectives as follows:

1. *Celebrate the town's heritage by protecting and enhancing the historic gardens, quality buildings and general appearance.*
2. *Ensure new development is sustainable, well designed, and responds to the positive characteristics of the Town Centre.*
3. *Provide a high quality, safe and attractive network of streets and public spaces that incorporates public art, green infrastructure and opportunities for play and events.*
4. *Ensure the Town Centre is a welcoming place where everyone can easily find their way around.*
5. *Ensure the Town Centre is a sustainable and accessible place that provides a more positive experience for pedestrians, disabled people, cyclists and public transport users.*
6. *Maintain access for private vehicles, providing public car parking to support the vitality and viability of the Town Centre.*
7. *Provide an overall mix of uses in order to encourage people to come to the Town Centre more often and stay longer.*
8. *Increase and improve the quality and relationship between retail, leisure, cultural and entertainment uses so that the Town Centre has activities for everyone to enjoy both during the daytime and evening.*
9. *Strengthen the role of the Town Centre as a key focal point for employment and tertiary education, and encourage stronger links between enterprise and local colleges, universities and schools.*
10. *Ensure that tourism and conferences remain a key part of the Town Centre economy.*

11. *Ensure the Town Centre becomes a more attractive place to live for a wider range of people, by offering a mix of quality new homes and community facilities that support an increased population.*

1.2.4 Partnership objectives

The LLP itself has a number of Partnership Objectives in relation to the development of Bournemouth Town Centre. The Partnership Objectives are an integral part of the strategic management and operational business activity of the LLP and are set out in the Members' Agreement as summarised below:

The Objectives of the LLP in relation to the Area (as defined at 3.2 below), any site and / or any Additional Site are: -

Regeneration Objectives

- Maximise the full economic potential and kick start wider regeneration
- Improve Bournemouth's competitiveness as a place to live, work, and shop
- Drive the demand for new homes and jobs in the town centre
- Create a vibrant, 24/7 residential and visitor community
- Create and improve access, signage, landscaping, road and public transport

Design and Standards Objectives

- Deliver development that is innovative in design and quality, and exemplar in terms of all aspects of sustainability, integrating social, economic and environmental goals
- Deliver inclusive, diverse, high quality, safe public spaces and landscapes
- Develop parts of the town centre with designated areas of distinct identity and with high quality public realm areas, providing a sense of arrival and place
- Conserve and enhance the architectural style of the town as a historic public realm
- Improve the public realm to make the town more pleasant to experience on foot

Delivery Objectives

- Bring forward development of the Sites and any further land identified in phases within a timescale which responds positively and quickly to market demand for commercial, residential and other development
- Work in partnership with and in dialogue, consultation and engagement with the local communities, residents, stakeholders and the Council

Commercial

- Deliver an appropriate level of financial return to the Members
- Capture profit through direct development rather than pure land transfer.

1.3 Economic benefits

The overriding aim of the LLP is to act as the delivery mechanism of the Town centre Vision, which will bring forward a broad spectrum of benefits to the Town.

Development of sites will generate capital receipts and revenue to BDC and the Council:

	BDC	Council
Land capital receipt		✓
Profit	✓	✓
Long term revenue / credit enhancement		✓
Enhanced asset base		✓
S106 and CIL contributions		✓
Domestic and non-domestic rates		✓
Public realm improvements		✓
Quality of design		✓
Provision of Infrastructure		✓

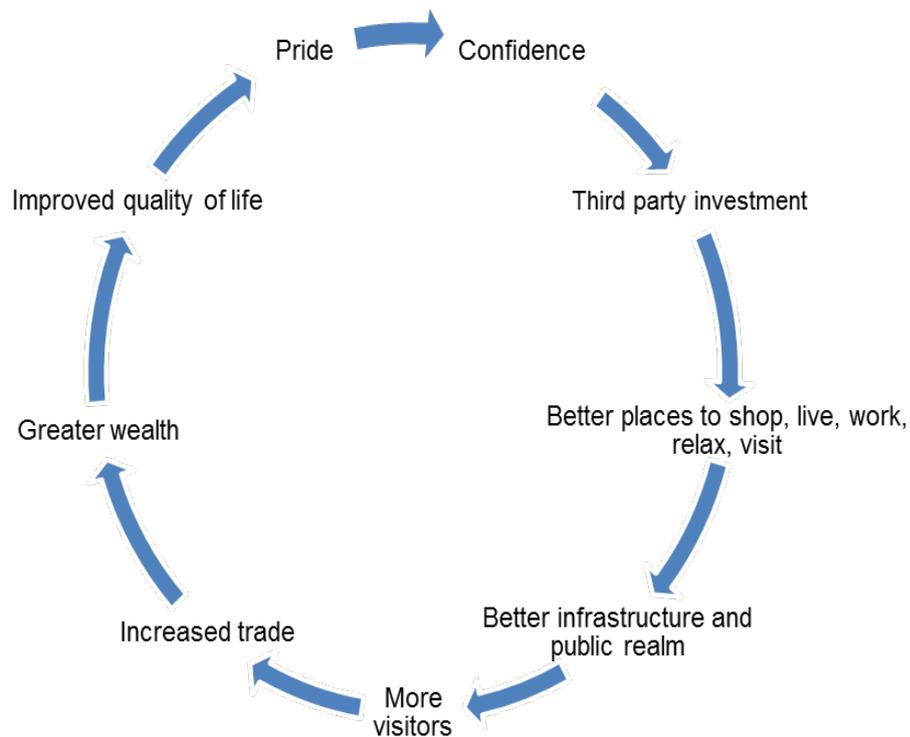
Profit generated by BDC schemes is distributed between the Members in accordance with para 26 of the MA.

Through BDC, the Council has secured investments

- in the A3 restaurant operated by Turtle Bay at the Citrus Building;
- 46 apartments at “Treetops” at St Stephens;
- through a “lease wrap” structure the reversionary interest in the 378-bed student accommodation scheme at Madeira Road; and
- replacement public car parking at Madeira Road (400 spaces) and Berry Court (155 spaces).

The Council has also approved the purchase of 123 apartments, to be operated as build to rent homes for private rent, as well as public parking at the Winter Gardens.

BDC will, through development and investment activity, aim to act as a catalyst for additional investment in the Town centre from other investors.



1.4 Operational Management

1.4.1 Delivery - human resourcing of the LLP

The principle human resource is the Development Management team, provided by Muse as set out in the Development Management Agreement.

1.4.2 Delivery – working capital

In accordance with the Members' Agreement and agreed Site Development Plans, the PSP provides working capital to the LLP to fund the operation of the business.

1.4.3 Commercial

The LLP leverages the skills, capacity and delivery capability of its Members and the Development Manager to generate appropriate returns to its Members by active development and management of Council land. Where appropriate, strategies for risk transfer to 3rd parties are considered.

1.4.4 Best value

The LLP is committed to the delivery and creation of best value across all areas of its activity, including:

- Land transfer
- Development and supply chain services
- Provision of services to the LLP or its subsidiaries

This is in accordance with the Procurement Policy, set out in the Members' Agreement and the Market Valuation mechanism for sites transferred from the Council as set out in the Option Agreement.

1.4.5 Performance specification

In accordance with the Development Management Agreement, the LLP employs Muse as Development Manager (DM) for the delivery of Development Management Services.

Throughout the business and development activity of the LLP, and that of the DM and supply chain partners, an ethos of collaborative working is encouraged and promoted, to enable:

- Development of close working relationships between parties, underpinning efficiencies in delivery and enhanced decision making
- Compliance with best practice principles and relevant Council Policies
- Delivery of efficient operational performance
- Identification of partnering challenges and remedial strategies
- Development of effective communication, transparency and sharing of best practice methodologies and solutions

Key performance indicators (KPI's) are set out at Schedule 4 of the DMA.

1.4.6 Risk management

Effective risk identification and management is an essential and dynamic business process. The Partnership Board is responsible for identification, assessment and management of the key business risks facing the LLP.

A project Risk Register will be produced for each site. This provides an overarching risk management tool, consolidating risk management best practice that potentially arises at both LLP and at development subsidiary level. Further site-specific risk analysis is undertaken as part of the Site Development Plan approval process.

1.4.7 Corporate governance

The Partnership Board is responsible for the strategic management and direction of the LLP and is accountable to the Members in accordance with the Members' Agreement. The Partnership Board has and will continue to adopt and implement best practise in the form of corporate governance and risk management.

2 Partnership structure

2.1 Principles

The LLP is structured on the principles of equal sharing of risk and reward by the Members, with parity between. At all times the Members need to meet their fiduciary duties to the LLP, and the Council needs to meet its statutory including fiduciary obligations to the electorate.

2.2 Framework

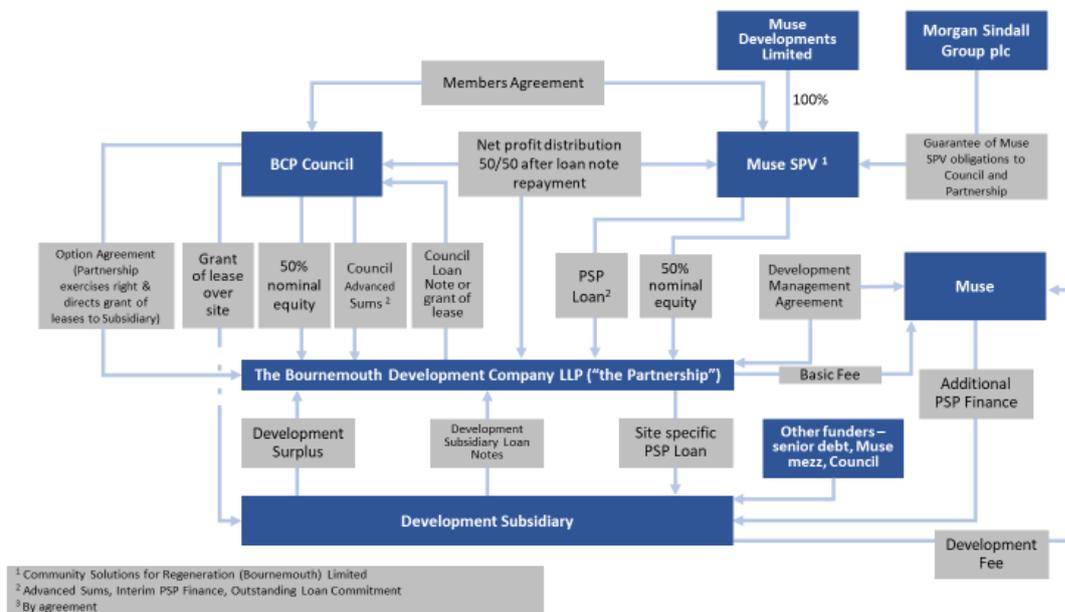
The LLP conducts its business activity in accordance with the following contract documents,

- Members Agreement (MA)
- Option Agreement; (OA) and
- Development Management Agreement (DMA).

2.3 LLP structure

The diagram below sets out the structure or indicative structure for the LLP, including subsidiaries, and provides details of key relationships, contract structure, loan note structure and key fund flows.

On 4 January 2021 the shares in Community Solutions for Regeneration (Bournemouth) Limited, which were previously held by Morgan Sindall Investments Limited, transferred within the Morgan Sindall Group to Muse Developments Limited.



2.4 Subsidiary LLP structure

Once option conditions have been satisfied, development will be taken forward by an LLP subsidiary, which will be formed in accordance with the Members' Agreement. The benefits of this structure are to:

- ring fence the development of specific sites
- enable the individual entities to raise development specific finance; and
- provide the flexibility to enter into joint venture arrangements

Joint ventures will be considered with third parties such as other landowners, investors and developers who can enhance the performance of the LLP by

- providing a project specific delivery capability
- introducing project finance, either as debt, equity or possibly a forward funding commitment
- helping with site assembly that helps to deliver Partnership and wider Council Regeneration Objectives
- sharing in the risk (and reward) of a project

Any proposed joint venture arrangements will be discussed with the Council teams, with a preferred option (if any) being presented to the Partnership Board and Members for approval.

2.5 Strategic management

The strategic direction and management of the LLP is the responsibility of the Partnership Board. Certain decisions are reserved back to the Members for approval in accordance with the Delegation Policy annexed to the Members' Agreement.

The Board currently comprises three nominated representatives from The Council and three from Muse. Partnership Board meetings are determined to be quorum with at least two Representatives from each Member present. Representatives from each Member vote collectively with a single vote.

Council representatives are:

- Cllr Mike Brooke
- Cllr Nigel Brook
- Cllr Beverley Dunlop

Muse representatives are:

- Michael Auger
- James Stockdale
- David Hoyle

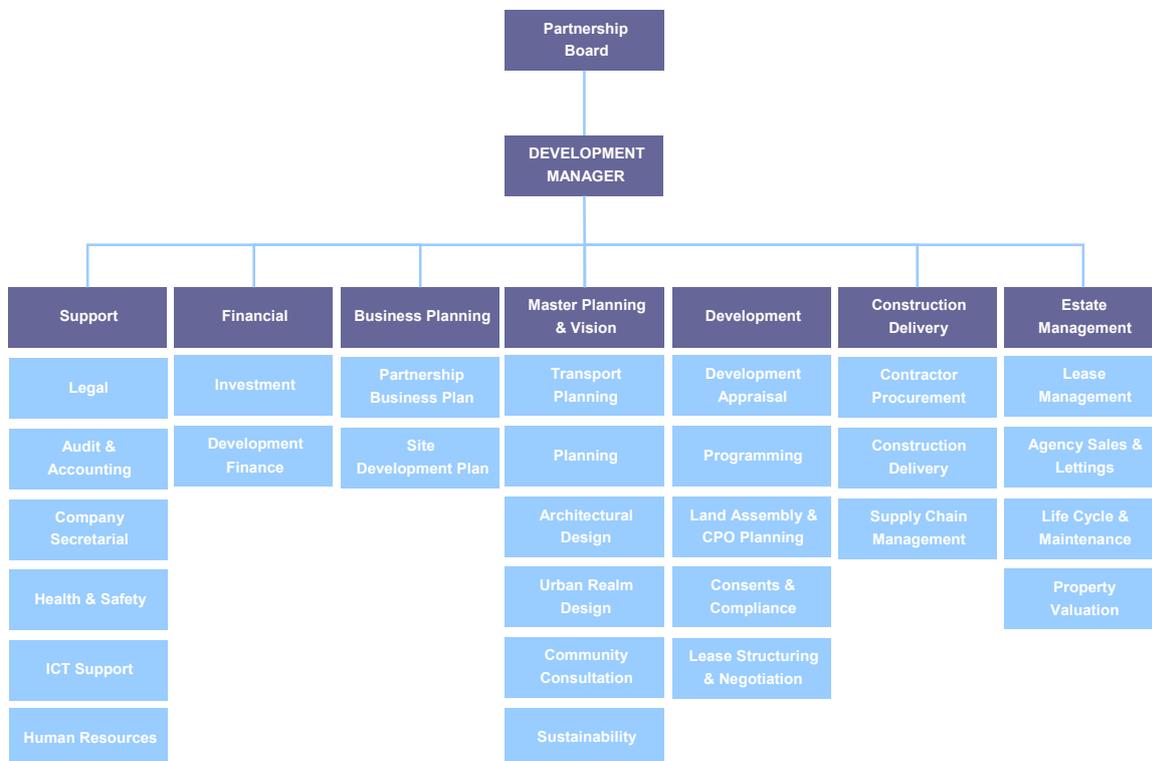
2.6 Operational management

The LLP has appointed Muse (following the novation of the DMA from MSIL to Muse) as Development Manager (DM). The scope of DM services, terms and conditions and remuneration are set out in the Development Management Agreement.

Key services include the following:

- Management of day-to-day operations
- Management of overall development activity
- Operational reporting on a regular basis to the LLP
- Production, maintenance and review of Site Development Plans and Partnership Business Plans

In order to perform the necessary services to the LLP the following work streams have been identified as set out below:



As DM, Muse manages the above work streams, leveraging internal resource as well as that of external advisors, service providers and the Council, where appropriate.

2.7 Communications

Liz Lean PR, who are based in Poole, are the LLP’s communications and marketing advisor. Their remit is to forward plan, engage and deliver public relations activity with the local community and other stakeholders.

Liz Lean has refreshed the key messages, a copy of which is enclosed at **Appendix B**.

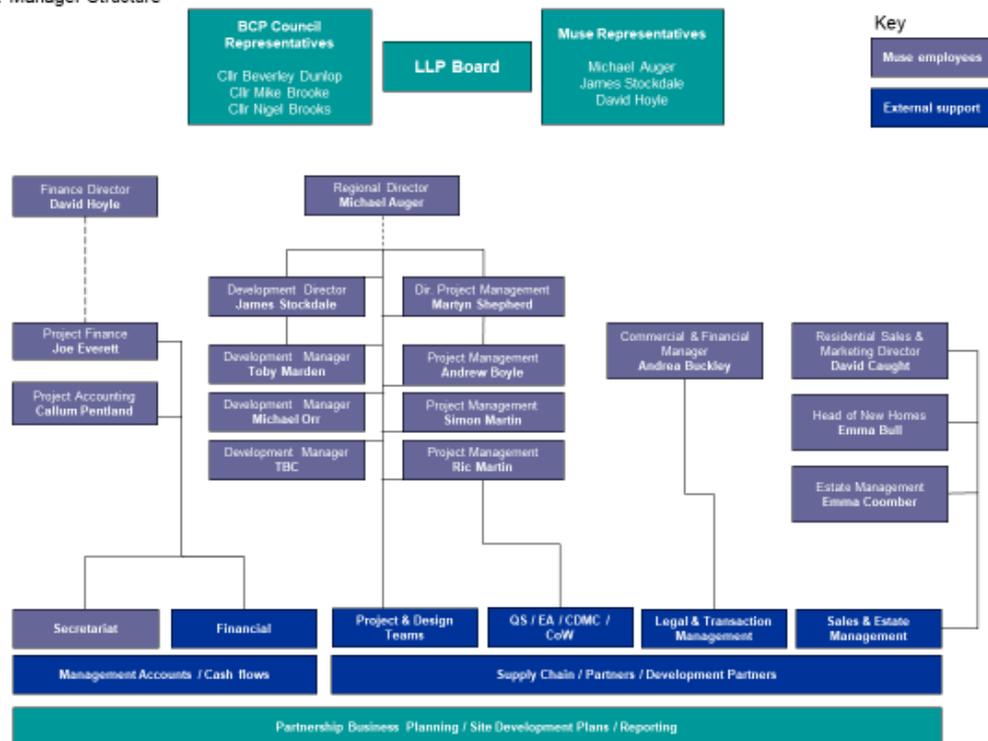
2.8 Office accommodation

Muse has offices located in the Bournemouth town centre being used by the Development Management team. The location, adjacent to the Town Hall, is convenient and accessible, enabling better communication between the Members which underpins the relationship.

2.9 Resource

BDC has a Development Management Agreement with Muse to provide services to the BDC and its development subsidiaries. The day to day management and development role is undertaken by a small team of Muse employees, working from offices in London and in Bournemouth. They are supported by an 'in-house' residential sales & marketing team, new homes / aftercare team, legal team, accounting and secretariat team, based in London.

Bournemouth BDC LABV
Development Manager Structure



When additional resource is required, potential employment and/or secondment of suitable staff will be considered.

2.10 Corporate policies

The Policies of the LLP have been established in line with best industry practice and include, but not exclusively, health and safety, quality, human resources, discrimination, and environmental policies.

Whilst the LLP is an independent development business, its policies have regard to and accord with those of the Members as identified in the Members Agreement.

The LLP has produced and adopted its own:

- Health & Safety Policy (revised and approved April 2018)
- Equality & Diversity Policy (revised and approved April 2018)
- Sustainability Policy (revised and approved April 2018)

2.11 Quality management and quality assurance

The LLP's approach to Quality Management and Assurance is one of continuous improvement. The LLP is covered by Muse's ISO and benefits from a fully comprehensive quality policy and manual that is updated on a regular basis.

This policy covers all areas of the Partnership's work and includes quality

- control of work and output
- assurance in what is provided and
- management.

2.12 Health & safety management

The LLP takes Health and Safety with the utmost seriousness and a Health and Safety Policy has been adopted.

This ethos toward Health and Safety will continue to be extended to all partners, design and professional team appointments and contractors. The appointments focus around the Principle Designer and Principle Contractor.

2.13 Sustainability

The Bournemouth Development Company prides itself on working locally and within the community, represented by local members of the community through Bournemouth, Christchurch and Poole to optimise the value added both economically in terms of returns for the Council in potential revenue income and also capital receipts, as well as for the community providing employment and new homes in the town.

There is a key focus on local employment and local labour which is passed onto contractors to provide employment for local people during the construction period. This also has a positive impact on our Carbon Omissions with a reduced number of miles travelled to the site.

Long-term improvements to the community are delivered with new homes, café and restaurants, employment space and leisure facilities in the town with new safe and well set out car parks on what used to be under used surface car parks. The developments include cleaning up and landscaping large areas of undergrowth in the town centre through construction and also through charity fundraising events.

Working with the supply chain is key to achieving a sustainable build, including 100% sustainable timber being procured, and the use of local suppliers to reduce our carbon footprint. Our sustainable policies are passed down to the Contractors along with our Local Employment Policy which has been signed up to along with the Council and the local Job Centre to also encourage a number of Apprenticeships to help create the next generation of skilled construction workers.

Keeping people safe including visitors, subcontractors, workers and reducing the number of accidents on site during the build period are a priority. Also creating a safe place to live, visit, work, invest, learn and socialise once developments are complete as set out within the Town Centre Vision.

Developing a talented team to deliver the challenging developments we have achieved within Bournemouth has been key to our success. Motivation, innovation and development is ongoing as we evolve with changes within the town and the environment.

2.14 Professional services

The LLP continues, where appropriate, to draw upon the experience of local professional firms who can demonstrate a track record of delivery and are passionate about the benefits the LLP can bring to Bournemouth, Christchurch and Poole.

Details of the core design teams are included within the individual Site Development Plans. Further appointments will be procured in accordance with the Procurement Policy.

2.15 Supply chain

BDC will procure its supply chain in accordance with the Procurement Policy at Schedule 8 of the MA.

2.16 Strategic services

The purpose of the strategic advisor role is to provide the LLP with the ability to plan its activity and resource allocation around a number of forward-looking initiatives which relate directly to its role as a delivery vehicle of the Vision. At a practical level, this will be achieved by way of day-to-day advisory as appropriate, with periodical input into the business planning and reporting activity of the LLP.

The on-going requirement for Strategic Advisors and the current status of appointments is:

Role	Advisor	Status
Communications	Liz Lean PR	Retained & active
Master Planning & Planning	To be confirmed	To be instructed as required
Transport and Car Parking	Alan Baxter Associates	To be instructed as required

Legal	Eversheds, Pinsent Mason, Womble Bond Dickinson	To be instructed as required
Tax	To be confirmed	To be instructed as required

The LLP will continuously review the need and merit of procuring strategic services, with any engagement having regard to:

- The independence of the LLP in discharging its role and objectives;
- Performance of the Council in discharging its statutory obligations;
- Management of potential conflicts of interest arising from time to time;
- The ability of service providers to complement and enhance services provided by individual Members;
- Principles enshrined in the Procurement Policy; and
- Commercial protection of the LLP.

3 Development programme

3.1 Annual strategy review

Following the February 2021 Annual Strategy Review by The Board, the LLP has agreed a revised development programme for all sites as attached as **Appendix A**. This is subject to on-going review and will change in response to specific demand and opportunity to deliver sites during the life of the Partnership. The detailed timeline for each site will be reflected in individual SDP's.

The LLP will also monitor development activity on other sites around the Town Centre to establish pipeline and delivery of potentially competing schemes. The Partnership will aim to deliver sites when demand is improving and competing supply is constrained to maximise revenue and profit.

3.2 Operational area

BDC has a remit to operate within "The Area". The Area is defined in the Members Agreement (Schedule 1) as

"the AAP Boundary as indicated by the red line set out of the plan attached at Schedule 14 including the Sites and any additional sites as agreed between the Parties from time to time (which may for the avoidance of doubt fall outside the former Bournemouth administrative area)".



Since LGR in April 2019, the Council and BDC has reviewed the opportunity for BDC to operate outside of Bournemouth Town Centre and are taking QC advice on the ability of BDC to develop sites within the new administrative boundary of Bournemouth Christchurch and Poole. BDC aims to have this advice formalised by the end of May 2021 ahead of further discussions with the Council. As such, BDC will not progress the Stage 1 SDP for the Chapel Lane site in Poole town centre until it has received QC advice.

Through its investment in BDC, the Council has demonstrated its appetite for development and investment activity in Bournemouth town centre. This has undoubtedly been a catalyst to attract third party investment activity, creating a ripple of investment interest across the wider conurbation.

3.3 Area Action Plan (AAP)

The AAP was adopted by Bournemouth Borough Council as policy in March 2013.

The LLP will have regard to the AAP to determine the proposed mix and use of their sites. Where a departure from the AAP can be justified, for example to meet a specific occupier requirement, or as part of a comprehensive site assembly redevelopment and regeneration, the LLP will engage with the Council.

3.4 The BCP Local Plan

The Council is currently exploring the future shape of a local plan for the new BCP conurbation. As part of setting up BCP the Government has approved consequential orders that specifically require a new BCP wide local plan is adopted by 2024.

3.5 Planning

3.5.1 Planning Performance Agreements

BDC will consider entering into a planning performance agreement (PPA) with the Planning Authority on a site-specific basis.

3.5.2 Appropriation

The Council has the power to:

- a) acquire land by agreement for planning purposes pursuant to section 227 of the Town and Country Planning Act 1990; and
- b) to appropriate land that it already owns, and which is no longer required for the purpose for which it is held, for any other purpose for which it is authorised by statute to acquire land pursuant to section 122 of the Local Government Act 1972.

Collectively these are the Appropriation Powers.

Planning purposes means an acquisition (or appropriation) which will facilitate the carrying out of development, re-development or improvement which is likely to contribute to the economic, social or environmental well-being of the area, or which is required in the interests of the proper planning of the area in which the land is situated.

The Council has previously approved and continues with the BDC recommendation to exercises its Appropriation Powers in respect of the following sites as part of the Cabinet approval of the previous PBP:

- Site 3, Town Hall Annex
- Site 8, Eden Glen
- Site 11, Central Car Park
- Site 12, Glen Fern
- Suite 5, Richmond Hill
- Site 1 Durley Road
- Site 4 St Stephens
- Site 6 Winter Gardens and adjoining land registered at the Land Registry under title numbers DT83730 and DT203839 [and DT451745]
- Site 9 Bath Road North
- Site 10 Bath Road South
- Site 16 Cotlands
- Additional sites at
 - o York Road East car park
 - o York Road West car park
 - o Chapel Lane, Poole

3.6 Development activity

Development activity and milestones are defined in the DMA (schedule 2):

Stage 1	Draft SDP
Stage 2	Managing the design development process and submission of planning application as per the SDP
Stage 3	Managing the process to satisfaction of the Viability Condition
Stage 4	Contractor procurement and management of construction
Stage 5	Sales
Stage 6	Property Management

Since the formation of the Partnership in February 2011, BDC has worked on 14 of the 17 option sites plus Chapel Lane in Poole. Progress on these sites is summarised below.

3.7 Completed projects

3.7.1 Madeira Road West –Student Accommodation (SA)

This project, which delivered 378 purpose-built bedrooms for the Arts University Bournemouth, was completed on time and to budget on 26th August, 2014. The building was officially opened on 3rd October 2014.



3.7.2 Madeira Road West –Multi-storey car park (MSCP)

This project re-providing 400 public car parking spaces was completed on time and to budget on 28th February 2014. The facility was officially opened on 12th March 2014.



3.7.3 Site 14 Leyton Mount (Citrus Building)

The 64-home Citrus Building, together with the Turtle Bay restaurant, was completed on time and to budget on 24th March 2015.



3.7.4 Site 13 Berry Court

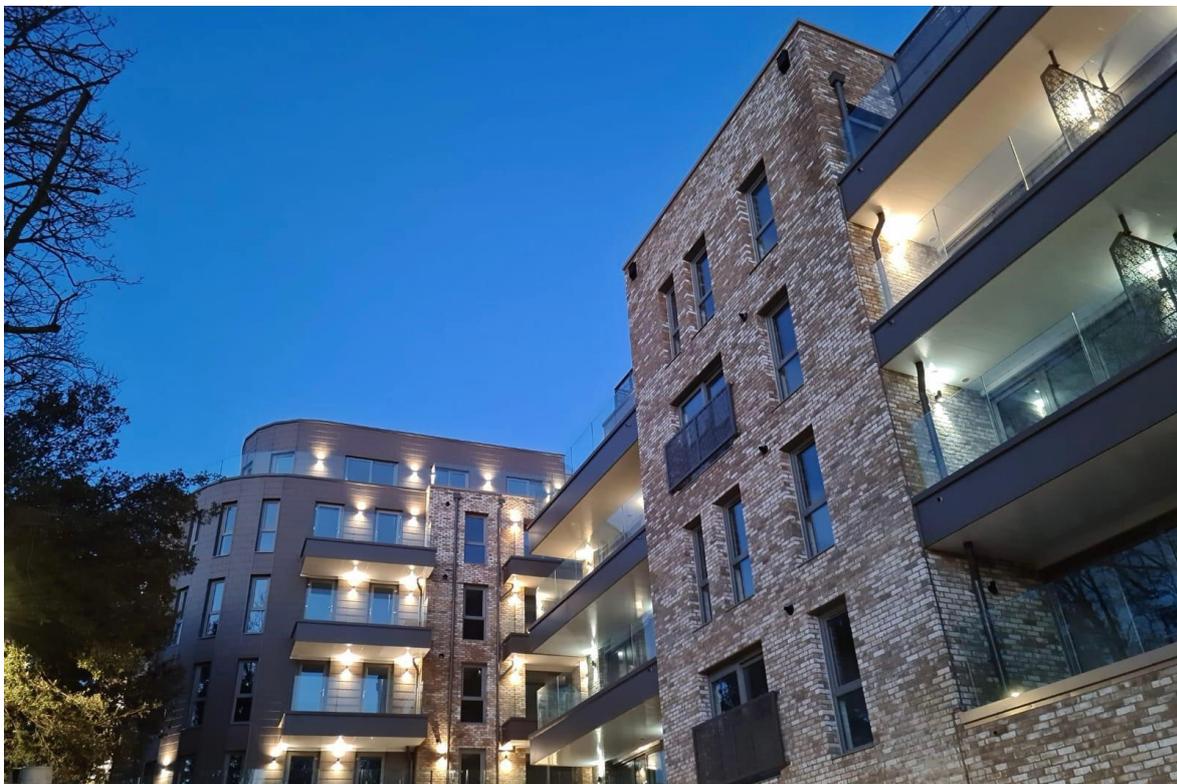
A joint-venture with Radian Housing, the 113-home build to rent scheme was delivered, alongside the re-provision of 155 public parking spaces, on time and to budget on 10th August, 2018.





3.7.5 Site 4 St Stephens Road (Treetops)

The 46-home scheme, to be owned and managed by the Council, was completed on time and to budget on 15th February 2021.



3.8 Live projects – construction phase

3.8.1 Site 1: Durley Road

Activity	Status
<i>Development proposal</i>	An open market residential development of 44 apartments.
<i>Programme</i>	Start on site January 2021 with a practical completion in May 2022.

Site	Activity	2021				2022				2023				2024				2025				Development Proposal:			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
On site	1 Durley Road	Feasibility and scheme design																						44 apartment scheme for sale on open market.	
		Planning Application																							
		Appeal																							
		Detailed Design & Procurement																							
		Option execute date																							
		Construction																							
		Sales and Lettings (resi led mixed use)																							



3.9 Live projects - Stage 1 SDP adopted / pre-construction

3.9.1 Site 6: Winter Gardens

Activity	Status
<i>Development proposal</i>	A mixed-use development comprising leisure, community and residential.
<i>Status</i>	BDC are progressing discussions to fund the scheme with a target financial close in Q2 2022 and start on site Q3 2022.

3.9.2 Cotlands Road / York Road

Activity	Status
<i>Development proposal</i>	A mixed-use scheme that will complement an employment-led scheme including high quality public realm, café / restaurants and public parking (420 spaces).
<i>Status</i>	Council Cabinet adopted SDP in February 2019 and January 2020. In discussion with the Council, it has been agreed that the first phase of the scheme will be the construction of the new public car park. Once complete and operational, the main Cotlands site will be closed and redevelopment can commence.

3.9.3 Eden Glen

Activity	Status
<i>Development proposal</i>	A residential-led mixed use.
<i>Status</i>	The Council's Cabinet adopted the SDP in October 2018. The onsite public car parking re-provision is preventing BDC from progressing this scheme. One option is to provide the parking in the Winter Gardens scheme. Subject to Winter Gardens progress we hope to work up proposals prior to submission of a planning application in mid 2022.

3.9.4 Programme & activity summary

Site	Activity	2021			2022			2023			2024			2025			Development Proposal:	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		Q4
In development - Cabinet approved	6 Winter Gardens																	Residential-led mixed use with leisure, retail, café / restaurants and 225 space public car park to make up balance of 400 spaces for the area.
	8 Eden Glen																	Development will be permitted for a variety of use but must provide a 64 space public car park with the majority of spaces available to Blue Badge holders.
	16 Cotlands / York Road West MSCP																	Mixed use to include employment / tertiary education, noting AAP requirement for with 420 space car park re-provision. Working assumption complete construction and
	16 Cotlands / York Road East																	Mixed use to include employment / tertiary education, noting AAP requirement for with 420 space car park re-provision. Consider site assembly with other Council surface car parks on York Road.

3.10 Pipeline projects

In addition to the above sites, the LLP is proposing to bring forward and / or evaluate a number of new sites during the course of 2021.

3.10.1 Pipeline sites

Site	Proposed use
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<i>Chapel Lane, Poole</i>	A residential-led mixed scheme.
<i>Status</i>	Stage 1 SDP drafted and pending Council review of procurement options & QC advice.
<i>Town Hall Annex</i>	A residential or office-led mixed scheme
<i>Status</i>	Proceed to Stage 1 SDP pending confirmation from the Council that site is surplus to estate needs.
<i>Central</i>	A residential-led scheme with a mix of tenure types and target markets. An exciting design will need to make best use of the elevated nature of the site, optimise views and attract aspirational buyers to the Town.
<i>Status</i>	Review strategy to re-provide 400 public parking spaces and then proceed to Draft Stage 1 SDP.
<i>Richmond Hill</i>	A sustainable residential led “beacon” scheme consisting of commercial on the ground floor level above car parking and residential, with a mix of First Homes, open market sales and affordable.
<i>Status</i>	Review strategy to re-provide public parking and then proceed to Draft Stage 1 SDP.
<i>Bath Road North, Bath Road South and Waterfront</i>	“Pavilion Gardens”: A mixed-use development including leisure, culture, and entertainment uses to complement the Pavilion and encourage greater footfall along Westover Road.
<i>Status</i>	Review development brief and strategy to re-provide public parking and then proceed to Draft Stage 1 SDP.

3.10.2 Programme & activity summary

	Site	Activity	2021				2022				2023				2024				2025			
			Q1	Q2	Q3	Q4																
Proceed to Stage 1 SDP	Chapel Lane, Poole	Feasibility and scheme design / procurement advice	█	█	█	█																
		Planning Application																				
		Detailed Design & Procurement																				
		Option execute date																				
		Construction																				
		Sales and Lettings																				
	3 Town Hall Annex Civic Campus	Feasibility and scheme design / Council estate review	█	█	█	█																
		Planning Application																				
		Detailed Design & Procurement																				
		Option execute date																				
		Construction																				
		Sales and disposal																				
	11 Central	Feasibility and scheme design / car parking re-provision review	█	█	█	█																
		Planning Application																				
		Detailed Design & Procurement																				
		Option execute date																				
		Construction																				
Sales and Lettings																						
5 Richmond Hill	Feasibility and scheme design / car parking re-provision review	█	█	█	█																	
	Planning Application																					
	Detailed Design & Procurement																					
	Option execute date																					
	Construction																					
	Sales and Lettings																					
9, 10, 17 Bath Road North, Bath Road South & Waterfront	Feasibility and scheme design / design brief & car parking re-provision review	█	█	█	█																	
	Planning Application																					
	Detailed Design & Procurement																					
	Option execute date																					
	Construction																					
	Sales and Lettings																					

A more detailed timeline will be submitted for each project as part of the Stage 1 Draft SDP.

3.11 Key targets for 2021

BDC will strive to achieve the following milestones across its pipeline of projects over the next 12 months.

	Target 1	Target 2	Target 3
Durley Road	Maintain construction programme	Launch of residential apartments for sale June 2021	Show apartment launch November 2021
Winter Gardens	Address and solve viability 2021.	Secure scheme revisions through planning permission 2021.	Progress detailed design and procurement ahead of a start in 2022.
Eden Glen	Solve replacement public car parking issues 2021.	Progress scheme design to a planning application 2022.	Commence detailed design and contractor procurement 2022 / 2023.
Cotlands (Note below).	Secure major office occupiers and scheme funding solutions 2021.	Progress scheme design and MSCP planning application early 2022.	Commence detailed MSCP design and contractor procurement 2022.
Town Hall Annex	Council to conclude estate review.	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Central	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Bath Road North & South, Waterfront	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.
Richmond Hill	Review strategy for public car park re-provision	BDC to progress Stage 1 Site Development Plan.	BDC to progress design towards a planning application.

3.12 5-year programme

A comprehensive summary of all BDC activity for the next 5 years is detailed at Appendix A.

3.13 Third party sites

Bournemouth town centre continues to attract further investment from a number of third-party investors and developers. The Partnership is monitoring a number of sites that are controlled by other developers.

4 Movement, parking and transport policy

4.1 Introduction

This section of the Plan was updated by Alan Baxter Ltd in 2019 and will be reviewed again once The Council has concluded a review of its approach to car parking.

4.2 Policy review

The Parking and Transport Policy is informed by and has regard to the:

- Town Centre Vision Programme Objectives,
- Local Transport Plan,
- Core Strategy, and
- Town Centre Area Action Plan.

An outline assessment of the impact of proposed developments on movement and parking provision will be provided for in each of the proposed Site Development Plans.

4.2.1 Bournemouth, Poole and Dorset Local Transport Plan 3

LTP3 was adopted in April 2011. This document sets out the strategy for the delivery of a first class transport system between 2011 and 2026. The vision set out is for "A safe, reliable and accessible low carbon transport system for Bournemouth, Poole and Dorset that assists in the development of a strong low carbon economy, maximises the opportunities for sustainable transport and respects and protects the area's unique environmental assets".

The Council has advised that it will soon be developing LTP4 to supersede LTP3 thereby updating BCP's Local Transport Plan (LTP) Policy and resetting the transport ambitions up to 2038. This will be aligned with BCP's emerging Local Cycling and Walking Infrastructure Plan (LCWIP), the Bus Service Improvement Plan (BSIP), Priorities from the Western Gateway Sub-National Transport Body (WGSTB) and central government policies including Gear Change and De-carbonising Transport.

4.2.2 Bournemouth Local Plan: Core Strategy

The Core Strategy was adopted in October 2012. Key themes in the strategy relate to preparing for climate change, promoting a healthy society and delivering sustainable communities. The sustainable communities' theme in particular is strongly linked to transport with reference made to improving accessibility through direct, attractive and convenient pedestrian and cycle links and locating new development adjacent to high frequency public transport corridors and in strategic locations like the town centre. Within the Transport chapter it is stated that the character of South East Dorset and Bournemouth in particular means that a conventional city centre traffic restraint strategy is not appropriate.

From the Core Strategy it seems that there is no intention to deliver a Park and Ride for Bournemouth prior to 2026. However, reference is made to the longer term potential for a network of park and ride sites across South East Dorset.

The Council reports that the review of the Local Plan is now well underway. As part of the initial (Regulation 18) consultation in autumn 2017, it was suggested that key issues to consider could include how to ensure the provision of adequate transport infrastructure, reduce congestion and encourage sustainable transport, and how to ensure adequate parking provision to meet the need for public and private spaces. The consultation document recognises the benefits of promoting development in dense, accessible areas like the town centre, but also recognises the conflicting challenges of promoting more sustainable patterns of movement and reducing reliance on the private car, with continuing to cater for current and predicted car parking demands. These challenges will need to be carefully balanced in any revised car parking policy that may emerge from the Local Plan Review.

4.2.3 Bournemouth Local Plan: Town Centre Area Action Plan

The Town Centre AAP was adopted in March 2013. In terms of transport this document sets out a strategy to make it easier for pedestrians and cyclists to move around, improve conditions for public transport, create attractive streets, improve safety, and maintain traffic circulation and access to public car parking.

The Town Centre AAP also forms part of the Local Plan that is currently being reviewed. It includes key policies on development sites and the strategy for maintaining levels of public parking provision across the town centre (see section 4.3 below). As noted, the conflicting policy challenges of promoting sustainable movement and accommodating demands for car parking will need to be carefully balanced in any revised car parking policy that may emerge from the Local Plan Review.

4.2.4 Parking Supplementary Planning Document (adopted January 2021)

The Parking SDP introduced a number of design standards with implications for development projects. The context for the SPD is set out in the Background section:

“The Parking Standards SPD will support the actions of BCP Council’s Corporate Strategy to tackle its commitment to the declared climate change and ecological emergency by helping to prioritise opportunities to walk, cycle and use public transport. The approach to parking requirements fits with the actions listed under three priority areas:

- 1. To lead communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come.*
- 2. To support an innovative, successful economy in a great place to live, learn, work and visit.*
- 3. To help people lead active, healthy, independent and fulfilled lives”.*

BDC operates primarily in Zone A which has been assessed to have “a high-level access to facilities or within a sustainable transport corridor would be expected to adopt more rigorous parking standards than less accessible areas. As typically car ownership and usage is lower within these areas”.

The SPD is looking to reduce the quantum of private parking associated with any new scheme in the town centre. BDC will therefore need to adapt its proposals for new schemes to achieve a balance of viable and deliverable development alongside the new SPD guidance. BDC will work closely with the Council to promote alternative, sustainable forms of transport as part of its scheme proposals.

The main points are:

- The car parking layout and design guidelines which have an impact upon the land requirement, the cost of provision and a potential impact upon land value.
- The revised guidance for cycle storage, micro-scooters, powered two-wheelers, electric vehicle charging.
- A revised approach to parking standards on new developments, noting that *“the underlying principle was that areas, which already or potentially have a high-level access to facilities or within a sustainable transport corridor would be expected to adopt more rigorous parking standards than less accessible areas”*.
- Parking in new development should aim to meet the requirements set out in the SPD. In circumstances where an applicant can demonstrate that a departure from the standards is appropriate, this should be fully justified and supported by robust evidence.
- Looking at the most significant impact upon BDC activity, provision of parking in Zone A, which covers Bournemouth town centre, for residential apartments is zero spaces; office development and wider Class E uses is nil with workers and customers using public car parks.

These existing policies will continue to impact upon the viability and delivery of new investment in the town centre.

4.3 Car parking strategy

The Council’s current strategy for car parking (Policy T7 in the Town Centre AAP) seeks to “maintain a total off-street public car park capacity of around 6,400 spaces” in the town centre which includes Lansdowne. This quantum of spaces was informed by the Bournemouth Town Centre Parking Study (2006) which assessed demand at the time, as well as anticipated demand from future development sites.

It calculated that by 2016, based upon a planned delivery of new development in the Town centre (some of which has been delivered but by no means all), the demand for off-street car parking would begin to exceed supply. Beyond 2016, growth would be accommodated not by increasing car parking but by relying on a shift to sustainable modes to keep parking demand at manageable levels (approx. 85% of capacity). The AAP acknowledges that growth in the town centre should not be accommodated by allowing unrestrained use of the car.

The AAP also sets out the proposed future location of public car parks, their capacity and how they will be accessed. Approximately 5,100 spaces are proposed for the town centre and 1,400 for Lansdowne. In terms of pricing, the policy is to implement tariffs that will deter commuting by car.

The principles underpinning the BDC Parking and Transport Policy and impact assessment for each development site include all of the following:

- Consideration of movement and access in the context of the Local Transport Plan, the Core Strategy, the Town Centre Area Action Plan, and the physical context of the Town Centre
- Consideration of movement and access in the context of peak demand for travel

- Understanding of user demand characteristics
- Enabling travel by the most sustainable transport modes, and widening accessibility for different users
- Consideration of transport and public car parking provision in the context of carbon footprint reduction
- Consideration of the requirements of an improving public transport network
- Consideration of existing public car parking capacity over time and the relationship of this to Council policy objectives
- Understanding of function and role of public car parking in the context of pricing and length of stay restrictions
- Grouping and balance of car parks in clusters of use across the Area Action Plan area (Town Centre and Lansdowne)
- Consideration of car parking provision in the context of revenue generation
- Mitigation of the effects of any additional car trips generated by the proposed development sites on the local highway network
- The potential for contributing towards the wider traffic impact of the proposed development sites on the strategic highway network in accordance with the South East Dorset Transport Contributions policy (shortly to be replaced by CIL)
- Provision of on-site cycle and vehicle parking, and achieving servicing arrangements
- Consideration of car parking provision in the context of maintaining the viability and vitality of the town centre

The Car Parking Strategy is a key policy requirement that influences the viability and delivery of development sites in Bournemouth Town Centre. The Local Plan Review offers the opportunity to update its underlying demand data, comparing against the original 2005 surveys, to understand changes in demand against projections set out in the 2006 Parking Study, and to assess the effectiveness of the policy in achieving its objectives over the last twelve years.

It is understood that a town centre parking study was undertaken in 2018, based on surveys commissioned by the Council in Aug and Nov 2017. The findings of this study will inform policy positions for any revisions to the Town Centre AAP. However, no study findings or proposed AAP revisions have been published for consultation at this time.

The BDC will provide data and assist the Council's Planning and Transport departments to ensure the policy review is as robust as possible.

4.4 Impact of strategy on partnership development activities

The car parking strategy within the Town Centre AAP has major implications for the development of sites that are currently within the remit of the BDC. The main sites that are impacted are:

- West Hill - currently there are 127 spaces and it is proposed that this be increased to 200. This would require more than one level of car parking on a site that is irregular in shape and surrounded by housing.
- Richmond Hill - currently there are 112 spaces and it is proposed that this be increased to 200. This would require more than one level of car parking.
- Central - currently there are 315 spaces and it is proposed that this be increased to 400. This would require more than one level of car parking.
- Town Hall Annex - currently there are 114 spaces and it is proposed that this be maintained. As per the existing arrangement more than one level of car parking would be required.
- Eden Glen – currently there are 60 sub-standard parking bays and it is proposed that these be increased to 64 larger accessible bays. As the current development site is smaller than the AAP policy site, this would require more than one level of car parking
- Cotlands Road & York Road – currently there are 390 public car parking spaces on the AAP policy site and it is proposed that these be increased to 420 spaces. This would require more than on level of car parking.
- Pavilion Gardens @ Bath Road North and Bath Road South – currently arranged as three car parks providing 472 surface spaces. A future scheme will need to provide 375 spaces at basement level to enable above ground development.

As part of the Local Plan Review it is recommended that the following issues be explored with a view to better managing parking demand and supply, and allowing development to come forward in an efficient and flexible manner:

- Use of parking surveys to establish current base demand, compare against the original 2005 surveys, understand changes in demand against projections set out in the 2006 Parking Study, and assess the effectiveness of the policy in achieving its objectives over the last twelve years.
- Consider development activity projected in the current AAP and actually delivered (e.g. volume of retail on Westover Road and Commercial Road), review the effect on anticipated parking demand, and consider how parking supply is linked to development activity.
- Consider the potential for modal shift and changes to parking tariffs to reduce demand over and above that already assumed. This could be supported by measures such as:
 - Improved bus services and facilities
 - Cycle lanes
 - Safer pedestrian routes including Grand Garden Walk
 - Greater investment in car clubs
- Automated parking sign system to manage and communicate to drivers availability of spaces in public car parks
- Consider the potential for car parks in Lansdowne to function as edge of the town centre Park and Rides, with drivers walking or using conventional buses to access the town centre.
- Consider the potential for other development sites in the town centre and Lansdowne to accommodate car parking and test the impact on viability of these schemes.

- Review the operation and usage of cycle and car parking in recently completed developments as well as benchmark standards in other areas around the country, to ensure that SPD design standards allow for the convenience of users, make the most efficient use of space, and take account changing technologies.

As part of the yearly reviews of the Business Plan the impact on future car parking will be considered. This will enable a regular update taking into account the changing factors relating to both supply and demand and will inform decision making relating to the LLP sites going forward.

4.5 Review of car parking strategy

In October 2013, BDC wrote to The Council expressing concerns with the adopted planning policies regarding parking provision contained in the Town Centre AAP and the LTP3, that these might constrain the development of car park sites and therefore impact upon the BDC's ability to deliver the Town Centre Vision.

It noted that the Town Centre Parking Study (2006), which informed these policies, was based on a survey of parking demand undertaken in 2005 and assumed demand for off-street car parking would increase by 11% between 2005 and 2016. However, information from the Department for Transport over the intervening period shows that traffic flows have actually decreased by 5% between 2005 and 2012, and it is therefore very likely that demand for car parking has also decreased.

The 2006 study also assumed that there would be significant new development completed and occupied by 2016. Whilst some of this development has come forward, it had not all been completed prior to the end of 2016 with notable schemes including Pavilion Gardens, , Richmond Gardens and Cotlands yet to be delivered.

In relation to the LTP3, it recognised that document's various strategies for encouraging more sustainable travel choices and noted that, for 80% of the time the plentiful amount of parking available in the town works directly against these strategies. It suggested a shift in parking strategy towards better demand management.

At the 2021 Strategy Day, public car parking re-provision was seen to be the key blocker of the remaining sites within the option agreement. The remaining seven BDC option sites currently have 1,750 public spaces on them that require re-provision.

The Council confirmed that a strategic review of public car parking being undertaken by their retained consultants WSP. This is currently on hold as they are unable undertake surveys due to the impact of Covid-19, and the possible distortion of car park demand caused by the closure of shops and working from home. This will ultimately lead into a review of the Local Plan but it was acknowledged that car parking solutions for some sites need to be identified prior to this.

It was agreed that the BDC team would undertake a review and produce an options paper to assist the Council's deliberations. This would look at the following options:

- Increasing capacity on existing Council car parks
- The cost to the Council of re-provision on the option sites
- Using one of the option sites to deliver a large quantum of public spaces
- Finding an alternative site to deliver a large quantum of public spaces

5 Financial matters

The following provides an overview of the principles underpinning the financial strategy of the LLP.

5.1 Financial summary 2020

The forecast draft financial statements of the Bournemouth Development Company LLP and its subsidiary Winter Gardens Development LLP show positive results for the year ending 31st December 2020. The consolidated profit for the period is £326k (2019: £384k) with retained earnings of £1.619m (2019: £1.279m). The group has net assets attributable to members of £14.798m (2019: £11.363m).

5.2 Funding structure

The Partnership is a limited liability partnership (LLP) established to carry on a trade of property development either directly in its own right or through one or more development subsidiary LLPs.

5.3 Annual budget

Loss for 2021 is budgeted at £245k which predominantly relates to BDC LLP running costs and interest incurred on advance sums. Profit of c£64k in relation to St Stephens is also forecast for 2021 which relates to the final few months of construction.

Three sites, Durley Road, Eden Glen and Winter Gardens have budgets approved by the BDC Board and adopted by Council Cabinet. The following table presents the balance of budget not yet spent and forecast 2021 cash flow expenditure relating to development projects.

Site	2021 £	Total approved £
Eden Glen	100,000	1,019,000
Winter Gardens	1,000,000	4,900,000
Cotlands & York Road	200,000	4,980,000
Total	1,300,000	10,899,000

The 2021 budget includes cumulative unspent sums for previous years for adopted sites compared against the total SDP approved expenditure.

The PBP will be updated to reflect any changes to the Annual Budget, for example with new Loan Note commitments as new sites come forward and SDP's (for instance Cotlands and York Road and Central car parks) are adopted by Cabinet.

5.4 St Stephens

St Stephens reached PC in March 2021 and delivered profit of £1.176m in line with the financial close development appraisal.

The profit generated from the development will be used to repay advanced sums in accordance with the repayment priority as set out in the Partnership Agreement.

5.5 Durley Road

Durley Road is now under construction, Muse and the Council have committed to equity funding of £2.570m which will be fully drawn in 2021. Further funding of £8.008m is being provided by Homes England.

5.6 Funding of future projects

The LLP has a budget, referred to in the Members Agreement as the Advanced Sum Cap, with a base value of £500,000, which after indexation has increased to £639,861 for 2021 in aggregate, “which shall be expended to pursue Stage 1 Project Appraisal Sign Off”. This will be used to undertake initial project appraisal and viability in respect of the sites to be progressed, with input from professional consultants:

- Planners: to identify planning constraints and opportunities
- Transport: to identify highway / parking constraints and opportunities;
- Property Consultant: to advise on mix of uses, quantum and values;
- Architect / Master Planner: initial density / massing studies
- Cost Consultants: budget construction costs
- Surveys: topographical, arboriculture etc.
- Legal: to identify title constraints
- Desk top surveys

Once initial viability studies have concluded, and the DM is in a position to recommend that the project proceeds, an SDP for each will be issued to the LLP for approval. This will incorporate the above costs into a full budget of surveys, design and professional fees.

5.7 Taxation assumptions

Generic advice has been sought and received from KPMG in regard to the BDC Tax Assumptions, SDLT and VAT. A review will need to be undertaken for each project with KPMG continuing to provide advice around project specific requirements.

5.7.1 Direct tax assumptions

An LLP is a body corporate with separate legal personality from that of its members. However, unlike a limited company, LLPs are transparent for UK tax purposes meaning profits of the LLP are not taxed in the LLP but rather in the hands of its members according to their taxable status.

5.7.2 Stamp Duty Land Tax (SDLT) assumptions

Stamp Duty Land Tax (SDLT) applies to all land transactions in the UK. Project specific advice will be obtained in relation to SDLT for each development.

5.7.3 Value Added Tax (VAT) assumptions

An LLP has an obligation to VAT register if the value of its “taxable supplies” (i.e. supplies that are subject to the standard, reduced or zero rate of VAT) exceed the VAT registration threshold. Subject to HMRC’s approval it is possible to apply for a VAT registration where a compulsory liability has not crystallised, but the LLP intends to make taxable supplies at some point in the future. Subject to fulfilling the relevant conditions it is also possible for LLP’s to form or become members of a VAT group registration.

BDC has been registered for VAT purposes in a standalone capacity with effect from 17 February 2011.

5.8 LLP operating costs

LLP operating costs are identified as £60k (Indexed) per annum. This is the Basic Fee under the Development Management Agreement. These costs are based on a basic operating structure and include company secretarial and statutory accounting and auditing services. Further operating costs are budgeted through the Development Management fee.

This does not include costs arising from the provision of any strategic services as set out in section 2.1.10 above.

6 Exit strategy

6.1 Subsidiary development LLP's - disposal of assets

There is no current intention for the LLP to hold assets in the longer term however each project will be assessed on its own merits by BDC. At an early stage of a development project, an exit strategy together with a recommended sales and marketing budget (if relevant), will be proposed and form part of each Site Development Plan (which will be approved by the Board).

Where applicable, the DM will secure a forward commitment from end users / occupiers, typically of retail, employment, leisure and healthcare developments. The resultant lease and rental revenue will enable the DM to secure a forward-funding commitment or a purchase on practical completion, ideally at initial project viability stage but up to start of construction, from an investor. This reduces significantly the risk associated with development projects.

Alternatively, the LLP may develop speculatively, prior to securing a commitment from occupiers / investors. This exposes the LLP to "market risk", principally the demand for the end product (from occupiers and investors), the price that purchasers are prepared to pay and the period in which to negotiate and complete a sale.

The choice of exit will reflect the best commercial advice at the time, informed by and contingent upon a number of objectives and potential drivers, including:

- Town Centre Vision objectives
- Demand for proposed use, reflecting competing development pipeline
- Demand from occupiers
- Demand from investors
- General economic conditions
- Development, investment and asset management strategy
- LLP capitalisation and funding requirements
- LLP development return requirements
- Mitigated risk balanced against risk appetite

6.2 Early member exit from the LLP

6.2.1 Duration of the LLP

The LLP will continue its activities until:

- the 20th anniversary of the Members' Agreement; or
- Members decide otherwise e.g. such time when objectives and targets have been completed.

6.2.2 Transfer of member interests

The Members Agreement provides, subject to pre-emption and other conditions, the opportunity for a Member to transfer all (but not part) of its Member Interest to a third party. On 4 January 2021 the shares in Community Solutions for Regeneration (Bournemouth) Limited, which were previously held by Morgan Sindall Investments Limited, transferred to Muse Developments Limited. In the case of the PSP, there are provisions for Muse to transfer all (but not part) of its interest to another MS Group Company without being subject to pre-emption rights.

6.2.3 Termination, default

The Members Agreement sets out a number of events, termed Termination Events, which would trigger the winding up of the LLP.

6.2.4 Distribution of assets

In the unlikely event of early termination, dissolution and sale of assets will be governed by the terms of the Members' Agreement.

Appendices

Appendix A

Indicative Development Programme

THE BOURNEMOUTH DEVELOPMENT COMPANY
INDICATIVE DEVELOPMENT PROGRAMME

Site	Activity	2021				2022				2023				2024				2025				Development Proposal:	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Complete	15 Madeira Road West (MSCP)	Feasibility and scheme design Planning Application Detailed design & Procurement Option Execute Date Construction (D&B) Disposal	COMPLETE																				Delivery of BCP owned and managed 400 space public car park.
	15 Madeira Road West (SA)	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Disposal	COMPLETE																				Delivery of student accommodation comprising 378 study rooms for use by AUB.
	14 Leyton Mount	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Marketing and sales	COMPLETE																				Delivery of residential led mixed use scheme of 64 open market residential apartments with ground floor restaurant, operated by Turtle Bay.
	13 Berry Court	Feasibility and scheme design Planning Application Detailed design & procurement Option execute date Construction Disposal	COMPLETE																				Delivery of 113 unit Build to Rent scheme, with 155 space public & 62 private space decked car park.
	4 St Stephens	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	COMPLETE																				46 apartment build to rent scheme to be owned and managed by BCP council
On site	1 Durley Road	Feasibility and scheme design Planning Application Appeal Detailed Design & Procurement Option execute date Construction Sales and Lettings (resi led mixed use)	[Gantt chart showing construction from Q3 2021 to Q4 2022]																				44 apartment scheme for sale on open market.
In development - Cabinet approved	6 Winter Gardens	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings (commercial) Sales and Lettings (residential)	[Gantt chart showing construction from Q1 2022 to Q4 2025]																				Residential-led mixed use with leisure, retail, café / restaurants and 225 space public car park to make up balance of 400 spaces for the area.
	8 Eden Glen	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q3 2022 to Q4 2025]																				Development will be permitted for a variety of use but must provide a 64 space public car park with the majority of spaces available to Blue Badge holders.
	16 Cotlands / York Road West MSCP	Feasibility and scheme design Planning Application enabling MSCP York Road Detailed Design & Procurement enabling MSCP York road Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q3 2022 to Q4 2025]																				Mixed use to include employment / tertiary education, noting AAP requirement for with 420 space car park re-provision. Working assumption complete construction and
	16 Cotlands / York Road East	Feasibility and scheme design Planning application Detailed Design & Procurement Cotlands Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q3 2022 to Q4 2025]																				Mixed use to include employment / tertiary education, noting AAP requirement for with 420 space car park re-provision. Consider site assembly with other Council surface car parks on York Road.
Proceed to Stage 1 SDP	Chapel Lane, Poole	Feasibility and scheme design / procurement advice Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Residential-led mixed use
	3 Town Hall Annex Civic Campus	Feasibility and scheme design / Council estate review Planning Application Detailed Design & Procurement Option execute date Construction Sales and disposal	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Development will be permitted for an employment / residential scheme that provides 114 space part-time public car park. Consider as an alternative residential.
	11 Central	Feasibility and scheme design / car parking re-provision review Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Residential scheme in the region of 200 units, noting AAP requirement for 400 space public car park.
	5 Richmond Hill	Feasibility and scheme design / car parking re-provision review Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Development will be permitted for a variety of uses as long as the required 200 space [public car park is provided on site.
	9, 10, 17 Bath Road North, Bath Road South & Waterfront	Feasibility and scheme design / design brief & car parking re-provision review Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Development will be permitted for a leisure, cultural and entertainment led scheme. Proposals to provide 375 space public car park.
Monitor	12 Glen Fern	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Disposal	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Mixed use. Noting that a comprehensive redevelopment of the wider area, Glen Fern MSCP and Mercury House is desirable. Retain / provide a 398 space public car park.
	2 West Hill	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Development will be permitted for a variety of uses as long as the required amount of public car parking is provided (200 spaces).
	7 Winterborne Hotel (BIC Hotel)	Feasibility and scheme design Planning Application Detailed Design & Procurement Option execute date Construction Sales and disposal	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				Development will be permitted for tourism. Noting that SWRDA / HCA support the development of a hotel training school, and that the site has planning for a hotel development.
	BCP conurbation	Procurement advice Planning Application Detailed Design & Procurement Option execute date Construction Sales and Lettings	[Gantt chart showing construction from Q1 2022 to Q4 2022]																				BDC will respond to any request for a further strategic review of sites.

Appendix B

Key communication messaging

Bournemouth Development Company – proactive key messaging

We want to help deliver an improved quality of life for Bournemouth, Christchurch and Poole residents, making it the best place to live in, work in, study in and visit

<p>BDC has the knowledge and skills to deliver for BCP</p>	<p>BDC is helping to create a better quality of life for local people</p>	<p>BDC helps BCP's economy to grow for everyone</p>	<p>BDC builds homes for BCP residents from all walks of life</p>
<ul style="list-style-type: none"> • The Bournemouth Development Company is a long-term, 20 year partnership between BCP Council and Muse Developments Ltd. • We combine Council-owned sites and the Town Centre Vision with Muse's design, financial and development experience. • We use our developments to unlock much-needed funds that the Council can use in the future. The Council then decides where to invest to continue rejuvenation of the town. • We are starting with profitable schemes which provide the Council with funds for improvements to public spaces, infrastructure and leisure facilities. Without these initial schemes, future funding could be limited. 	<ul style="list-style-type: none"> • We are thinking big. We aspire to help create a new, exciting town centre which will improve quality of life for local residents and visitors alike. • The conurbation already has a lot to be proud of, but we must safeguard this for future generations. We must aim to provide the best quality of life for all residents. • These plans include new housing, business hubs, arts and culture spaces, leisure and retail units, and new open public areas. • We focus on quality design and architectural excellence, creating buildings that enhance the whole of the town. • We always have and always will consult with local people about our plans. We want their ideas and feedback to shape the future of their town. 	<ul style="list-style-type: none"> • A thriving local economy is good for everyone. It creates new jobs, encourages new visitors, future-proofs businesses, and makes the town a desirable place to live, work and visit. • Since 2011, BDC schemes have contributed over £67m to the local economy. • We anticipate delivering at least another £400m of new investments over the remainder of the partnership. • We have employed over 20 local companies across the supply chain, supporting hundreds of local jobs for local people. • More people living in the town centre means more spending for local businesses, more council tax and business rates to pay for essential services, and more jobs for local people. 	<ul style="list-style-type: none"> • New homes for purchase or rental help to improve quality of life for individuals and families across the town. • Town centre homes make the best use of our restricted spaces. They drive more residents to town centre shops and restaurants, helping these businesses thrive – figures show a 16% increase in footfall across the town. • We are creating housing for people from all walks of life, including private housing, developer-managed rentals, and Council-run private rental schemes. • New homes will help to meet the Government's new housing targets, which are rising to meet demand, especially in prosperous, popular towns like Bournemouth, where new housing is in short supply.

Bournemouth Development Company – reactive key messaging

Helping BCP to prosper for the future may mean accepting change and making compromises

Parking and transport

- Decisions over car parking provision rest with the Council. The Council’s current car parking policy is to maintain 6,400 off-street spaces in Bournemouth town centre.
- As of 2021, there are more parking spaces in the town than when BDC was created.
- However, it is possible that this could mean fewer but larger multi-story carparks in more convenient locations.
- Our analysis shows that shops and restaurants, and improvements to public spaces is a better use of space and provides a greater overall benefit – social and economic – to the town than the existing surface carparks.
- We also know that many local people would like to see improvements to the town to reduce traffic and car journeys. For example, a park and ride scheme, upgrades to public transport or improved cycling routes.

Financial contributions

- BDC, like all developers, makes mandatory and other contributions attached to each scheme. Depending on the size and scope of the scheme, and other issues, the total amount of financial contributions is assessed and verified independently.
- Some of these must be used for certain areas, such as environmental concerns. Some of these contributions are then for the Council to decide on what the funds would be best spent on. This can include parking infrastructure or social housing, but other options too.
- In total, BDC has delivered significant funds for new and replacement car parks, highways, and affordable housing, and this will continue with all of our current and future schemes.



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