OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

Decision Ref. No:			
Service Area:	**Chief Executive's Office**	**Date:**	**8 June 2021**
Contact Name:	**Graham Farrant, Chief Executive**	**Tel No:**	**01202 127976**
E-mail:	**graham.farrant@bcpcouncil.gov.uk**		
Subject:	**Formation of an Urban Regeneration Company**		

Decision taken:

To approve the business case attached at Annex 1 to this report, to create the BCP Urban Regeneration Company (name to be determined) and to establish the company in line with the decision of Cabinet of 26 May 2021.

This provides the further information requested by Cabinet in its report of 26 May 2021. Following consideration of the business case the formal decision is taken to establish the URC as a corporate entity and enable it to operate as soon as possible.

Reasons for the decision:

The decision will enable the Council to procure commercial property development skills and expertise to supplement in-house staffing resources as set out in the Cabinet report and decision of 26 May 2021. This will ensure a sharper focus on the delivery of regeneration sites than is possible within the constraints of the Council's staffing resources, given the demands it faces across its key Service areas. The decision will also enable the Council to increase the scale and pace of regeneration activity to match the aspirations of the Big Plan.

The URC will focus primarily on accelerating the pipeline of local sites to deliver sustainable development outcomes that will contribute to the objectives of the Council's Big Plan. This approach will boost the Council's capacity, provide a sharper focus on its development priorities, and introduce subject matter development expertise.

Background:

The Council has recognised the importance of regeneration to sustaining jobs, prosperity, and quality of life in the BCP area, ensuring that our local communities remain attractive places in which to live, work and play while supporting local business and attracting new investment.

By accelerating the development of key sites there is an opportunity to build back better from the Coronavirus pandemic and embrace new opportunities presented by digitisation, low carbon technologies and best practice in urban design and placemaking to create attractive, liveable neighbourhoods.

BCP Council has brought together the sum of the regeneration and delivery capacity from the three preceding councils, but we need to enhance that to deliver to the potential for the conurbation as a whole. The longer-term perspective of place shaping and stewardship of place, which underpins successful, sustainable regeneration is the focus of the Big Plan for BCP as a whole place. There is an opportunity to provide a significant degree of leadership to deliver the investment needs and to accelerate delivery of numerous sites many of which have been stalled for some years, from the Holes Bay (former Power Station) and the Winter Gardens to the BIC, Wessex Fields and the former council offices which are being vacated, as well as a wide range of smaller sites.

The Council appointed Inner Circle Consulting to look at the Council's regeneration portfolio in greater detail to consider how the scale and pace of regeneration could be improved, in line with the ambitions set out in the Council's Big Plan. At its meeting on the 26 May 2021, Cabinet supported the establishment of an Urban Regeneration Company (URC) in principle, and delegated authority to the Chief Executive, in consultation with the Leader and Deputy Leader, to set up the URC, subject to his approval of the further required information (i.e. a suitable business case).

Inner Circle has developed the business case at Annex 1. This follows the approach recommended by HM treasury in its Green Book appraisal and evaluation guidance and emphasises the need to ensure that the intervention is based upon the intended social and economic outcomes and follows an appropriate logic chain, ensuring that the target outcomes are likely to be achieved as a result of the intervention undertaken.

By following this process, the Council can demonstrate that it has considered the available options to achieve its target outcomes and that its preferred way forward would satisfy the principle of best value.

The business case analysis is now complete (attached at Annex 1 along with indicative financial information at Appendices A and B). The financial information is based upon current regeneration and commercial property sector benchmarks. These will be further considered as the URC business plan is developed. The URC presents an enormous opportunity for the Council to accelerate the development of at least 12 major publicly owned sites with a gross development value of around £2bn, with the scope to deliver around 3,500 new homes.

The URC will be wholly owned by the Council and its work overseen by a client commissioning team within the Council whose purpose will be to ensure that the projects progressed by the URC adhere to the scope and specification agreed with the Council and align with its objectives and priorities and fit with the other regeneration and delivery vehicles that we use.

It is likely that the scope of the URC will broaden over time, but within the objectives set out in the Cabinet report of 26 May, to include a leading role on stewardship and leadership of investment in the place, and this will require the URC to have a strong relationship with the Dorset LEP and any replacement vehicle that is established, either by government, or by the Council in partnership or alone.

Recruitment of staff: Once the company has been established it is proposed to recruit an interim team, headed by an interim Managing Director (MD), and largely populated by consultants and secondments, to enable the URC to move forward quickly and with purpose. Appropriate consultancy arrangements will be put in place and these will be replaced as quickly as is possible with permanent appointments to the key roles. It is feasible and likely that the URC will require a flexible workforce and there may be the opportunity for time-limited secondments from other organisations and the use of consultants on a short-term basis for the life of the URC.

The arrangements for recruiting on an interim basis to the post of MD will be led by the Council, but the interim MD will then lead the onward recruitment with advice and support from the Council's HR OD team in the first instance.

If any short-term secondments are required in the long-term, we will need to consider any relevant TUPE arrangements, and appropriate consultation and this process will also be led by the MD, with support as appropriate and required from the Council.

Non-Executive Directors: The Board of the URC will include myself as Chief Executive of the Council, Cllr Drew Mellor, as the Leader of the Council and Cllr Phil Broadhead as Cabinet member for Regeneration and Deputy Leader of the Council and a number (to be determined) of independent non-executive directors (NEDs), to oversee the strategic direction and governance of the URC. The Board will be established as soon as possible and will meet to make appropriate decisions, as required, with recruitment of the NEDs to commence as soon as possible.

Establishment of all supporting systems and structures: the establishment of support systems and structures will be led by the interim MD, with appropriate support from the Council specialist teams as required.

Establishment of the URC Company: For the avoidance of doubt, this Decision Record will enable and result in the company being legally established, a budget provided from the Council, under the terms of a contract to be drawn up, staff to be appointed, initially on an interim basis, and for the Company to be operated as soon as registered with Companies House. The Council will recognise the formation of the URC and internally we will refer to the URC as being a critical element of the delivery of our regeneration ambitions.

The decision has been taken in consultation with the Leader and Deputy Leader as required by the delegation from Cabinet.

Consultations undertaken:

Overview & Scrutiny Board
Overview & Scrutiny Board considered the Cabinet Report on 17 May 2021. The paper was supported by Cllr Drew Mellor (Leader of the Council) and Cllr Phil Broadhead (Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council). The Chairman summarised the recommendations within the report and advised that the Board had not raised any concerns.

Cabinet
Cabinet considered the report on 26 May 2021 (subject to call-in until 7 June) and unanimously resolved that:

(a) Cabinet supports the establishment of an Urban Regeneration Company (URC) and delegates authority to the Chief Executive, in consultation with the Leader and Deputy Leader, to formally set up the URC subject to his approval of the further information set out in this report; and

(b) BCP Council enter into a Service Level Agreement with the new company for an initial period of three years which will provide for the opportunity for review after two years in order to afford the company the opportunity of a period of stability within which to holistically plan and put forward proposals for regeneration projects to the council with the precise wording of the agreement to be delegated to the Chief Executive in consultation with the Leader and Deputy Leader.

Officers

The following Officers have been consulted and their comments included within this Decision Record and the Cabinet Report considered on 26 May:

Adam Richens, Director Finance & S151 Officer
Susan Zeiss, Director Law & Governance & Monitoring Officer
Dave Anderson, Interim Director of Delivery
Lucy Eldred, Head of HR & OD

Note: It is the responsibility of the 'Responsible Officer' – that is the Officer making the decision – to obtain the comments and signature of the Chief Finance Officer and Monitoring Officer **before** taking the decision and then send the completed record of the decision to Democratic Services for publication.

Finance and Resourcing Implications:
Setting up a dedicated Urban Regeneration Company will have financial implications for the Council. The main areas of expenditure will be for company running costs and the procurement of professional and technical services needed to support the development management of key sites.

There will also be staff costs arising from setting up an in-house client team to manage the commissioning of work by the URC and ensure it delivers the Council's priorities. An indicative budget for the company is shown in the confidential, commercially exempt Annex 2. The actual budget that the council allocates will be determined through the normal annual budget setting process.

The initial costs during 2021/22 will be contained within the Council's approved regeneration budget of £1.75m or pre-existing base budget allocations.

Name: Adam Richens Date: 04/06/21

Signature (of Chief Finance Officer):

Redacted [redacted]

Legal Implications:

Pursuant to section 1 of the Localism Act 2011, local authorities are empowered to establish a company which will provide services to the Council. That general power of competence also allows local authorities to contract with their wholly owned companies for the purpose of commissioning services and to provide resource and working capital to such wholly owned subsidiaries.

Whilst local authorities have the power to trade for a commercial purpose where either there is a specific statutory power in relation to an activity or pursuant to section 95 of the Local Government Act 2003 (and subject to section 4 of the LA), the Council does not presently intend for the URC to trade for a commercial purpose. Rather, the purpose of the URC is to deliver services to the Council so it can enhance and accelerate the delivery of economic development and regeneration.

Notwithstanding that the URC will not trade, the Council has developed a business case such as would be required by article 2 of The Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 if the URC were intended to trade for a commercial purpose.

The URC will be incorporated as a private limited company (as would have been required by section 4(2) of the Localism Act 2011 if the URC were intended for a commercial purpose). The Council intends to recover from the URC the costs of any accommodation, goods, services, staff, or any other thing that it supplies to it, pursuant to a support services agreement and any appropriate occupational agreements.

Whilst the principles set out in the UK-EU Trade and Co-operation Agreement and other trade agreements must be complied with, issues relating to subsidy control are not anticipated to arise as the URC is only expected to provide services to the Council and will therefore not offer goods or services to an external market. It is unlikely to be considered differently from an inhouse department, but any provision of services to third parties is likely to result in the URC being deemed an economic actor and a further review of the subsidy control position would be advisable in that case.

When making decisions about services and how best to deliver services, local authorities must consider their fiduciary duties to the tax and rate payers of their administrative area and must comply with the Best Value Duty by deciding to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness in accordance with section 3 of the Local Government Act 2003.

In exercising any power or duty local authorities must act for proper purposes, in good faith and must exercise their powers properly, following proper procedures in a "Wednesbury reasonable" manner. This means that local authorities must act for proper motives, consider all relevant considerations, ignore irrelevant matters, act rationally and balance the risks against the potential rewards.

Local authorities must also consider their general duties in respect of equalities, health and wellbeing when making decisions.

The Council (which is a contracting authority) intends to award a commissioning contract to the URC without going through a procurement process based on the “Teckal” exemption. This exemption is now codified by Regulation 12 of the Public Contracts Regulations 2015 and provides that:

1. the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments.

2. more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority; and

3. there is no direct private capital participation in the controlled legal person.

In order to demonstrate that the control exercised by the Council over the company is similar to that exercised over its own departments, the shareholder agreement between the Council and the URC will need to provide, inter alia, that the Council has decisive influence over strategic and significant decisions through the list of reserved matters to be referred by the directors to the Council and including the power to appoint and remove any of the directors and the business plan approval process.

The governance arrangements, board composition and the management of conflicts of interests will need to be considered in more detail and legal advice on these areas should be sought as detailed proposals are developed.

To the extent that the URC procures services from third parties, it is expected that it will be a contracting authority as defined by the Public Contracts Regulations 2015 since it is likely to be found to be a body governed by public law. This means that the URC will need to comply with the relevant statutory provisions, including the Public Contracts Regulations 2015.

Where services currently undertaken by the Council are proposed to be outsourced, this is likely to constitute a relevant transfer for the purpose of the Transfer of Undertakings (Protection of Employment) Regulations. Therefore, an assessment should be undertaken to identify if those Regulations apply to any Council staff; if they do, then any affected employees would have a right to transfer to the new employer on existing terms and conditions of employment (subject to particular provisions in respect of occupational pensions).

The URC is likely to be deemed to be an associated employer and as such would be susceptible to equal pay claims (pursuant to the Equality Act 2010) where the relevant criteria could be demonstrated to have been met between an employee of the Council and an employee of the URC. It is therefore recommended that specialist legal advice should be taken in this regard once detailed proposals have been developed to identify and resolve any potential risks which might otherwise arise in relation to compliance with the Equality Act 2010.

The tax and VAT implications are not considered in this part of the report and separate advice on those matters will be considered as part of the business plan for the URC.

Name: Redacted [redacted] **Date:** 8 June 2021

Signature (of Monitoring Officer):

Risk Assessment:

There are several risks inherent in the work typically undertaken by a URC. A robust approach to risk management will therefore be adopted as part of the URC's corporate governance arrangements.

Project risks will be reported through the Gateway process and by regular progress reports. These will be escalated to the Heads of Service or Directors, where appropriate. Corporate risks will be reviewed regularly by the Directors. The corporate risk log will be reviewed at each URC Board Meeting.

The key risks associated with the creation of a URC include the following:

- Equal Pay: the URC is likely to be deemed to be an associated employer and as such could be susceptible to equal pay claims. The URC model will reduce this risk by clear articulation of roles, responsibilities and accountabilities and specialist legal advice will be sought to mitigate any potential risk in this regard.
- TUPE: As set out in the legal implications section of this report, where services currently undertaken by the Council are proposed to be outsourced, this is likely to constitute a relevant transfer for the purpose of the Transfer of Undertakings (Protection of Employment) Regulations. Any affected employees would have a right to transfer to the new employer on existing terms and conditions of employment. This risk will be mitigated by clear role definition and separation between the requirements of the URC and the accountabilities of BCP Council employees.
- Operational Risk: Poor performance and lack of delivery will impact negatively on the Council's reputation and this risk will be mitigated by monitoring of the URC activities by a robust client commissioning team, rigorous governance arrangements and appropriate brand hierarchy and communications strategy.

Name: Dave Anderson **Date:** 8 June 2021

Signature (of Officer Completing Assessment): Redacted

Impact Assessments:
An Equality Impact Screening Tool has been completed to support this officer decision. No equality impacts have been identified as arising directly from the proposed formation of the URC. However, consideration will need to be made to equalities legislation and good practice when recruiting to the company. As its role evolves, there will be also opportunities to address equalities issues, for example, through social value clauses to encourage training and employment opportunities for disadvantaged groups. Equality impacts will need to be assessed as major projects are promoted and taken forward by the company.

A Decision Impact Assessment has been completed and attached to this report which considers climate change and sustainability.

Information for publication / not for publication
There is no exempt information included within this document.

Background Papers

Background Papers are those documents relating to the subject matter of the report that disclose any facts or matters on which the report or an important part of the report is based and have been relied on to a material extent in preparing the report, but do not include any published work. Examples are sources of evidence and research.

There is no requirement to list or publish any confidential or exempt information as defined by the Local Government Act. If officers have any concerns or want further advice – particularly in relation to Business Cases - they should contact the Monitoring Officer to discuss the matter **at an early stage in the report's preparation**.

Annexe 1 - Business Case for the Creation of an Urban Regeneration Vehicle

Appendix A - URC Budget
Appendix B – BCP Client Commissioning Budget
Appendix C - Equality Impact Assessment Screening Tool
Appendix D - Decision Impact Assessment

Any declaration of interest by the Officer responsible for the decision	Nature of Interest
~~Yes/~~**No***	

Note: No Officer having a personal financial interest in any matter should take a decision on that matter. Other interests of a non-disqualifying matter should be recorded here.

Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
~~Yes/~~**No***			

Decision taken by: (print name and designation) Graham Farrant, Chief Executive BCP Council

Signature: [redacted] **Date of Decision:** 8 June 2021

Date Decision Effective:

Date of Publication of record of decision: (to be inserted by Democratic Services)

Note: A record of this decision should be kept by the Service Area within which the decision falls.

Annex 1
Business Case for the Creation of the URC

Chief Executive's Office

The Future of Regeneration

Author: Katie Randall
Version: V1.0
Date: 26th May 2021

Table of Contents

Introduction

On 10th March 2021, BCP Council identified that its significant regeneration agenda – a level of investment that is expected to exceed £3 billion – was out of step with its historic capacity for delivery of regeneration. Cabinet agreed to explore appropriate mechanisms to deliver the development of these sites within an accelerated timetable, to support the continued growth of the area.

This business case considers the potential options for suitable delivery mechanisms and works through a systematic process to consider the benefits and risks for each of these options.

To do this, we have followed the process that is outlined below:

This process is based upon the recommended HM Treasury Green Book approach, which emphasises the need to ensure that the intervention is based upon the intended social outcomes and follows an appropriate logic chain, ensuring that the target outcomes are likely to be caused by the intervention undertaken.

By following this process, the Council can demonstrate that it has considered the available options to achieve its target outcomes and that its preferred way forward would adhere to the principle of best value.

Strategic Context & Case for Change

BCP Council's Big Plan sets the ambition for the BCP city region to be world class – one of the best coastal places in the world in which to live, work, invest and play. The Big Plan involves five big projects that aim to deliver changes across the whole area and support the creation of 13,000 jobs across all sectors of the economy, creating wealth for businesses and livelihoods for families.

One of these projects is to **act at scale** and aim to deliver more than 15,000 new homes for people of all incomes. This target can only be achieved through a mixture of both the Council's own civic investment and by supporting and enabling third parties within the market to build homes, with a sustainable mix of affordable and high-end apartments and houses.

Case for Change

The opportunity for the Council, in regeneration development terms, is estimated to be almost £2bn[1]. However, current delivery against housing targets in the region is low: in 2019/20, there were 1703 completions, despite some of the BCP area falling into a 'presumption' classification, where a presumption in favour of sustainable development applies. Whilst much of the delivery of housing targets is outside of the control of the Council, an increase in the direct intervention by Council in sites – particularly those that are Council-owned – will be needed to drive a step change in the delivery of sites within the region.

The Council has recognised the importance of regeneration to sustaining jobs, prosperity and quality of life in the BCP area, ensuring that local communities remain attractive places in which to live, work and play while supporting local business and attracting new investment.

BCP Council has brought together the sum of the regeneration and delivery capacity from the three preceding councils, but it is necessary to enhance that to deliver the potential for the conurbation as a whole. The longer-term perspective of place shaping and stewardship of place, which underpins successful, sustainable regeneration is the focus of the Big Plan for BCP. There is an opportunity to provide a significant degree of leadership to deliver the

[1] Business Case Framing Report, 2021 by Inner Circle Consulting.

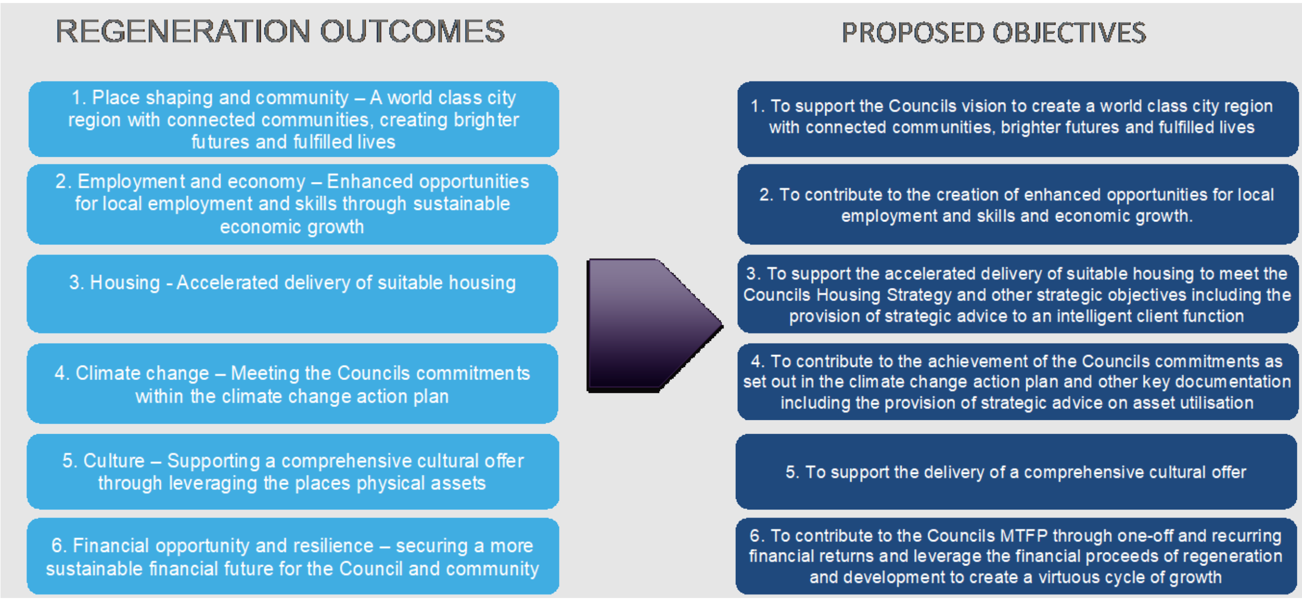
investment needs and accelerate delivery of many sites which have been stalled for some years.

BCP Council has some internal capacity to support a regeneration programme in terms of development related skills and in support functions such as finance, legal and HR. However, additional capacity will be required to provide the focus and emphasis that will deliver acceleration of the scale and pace desired by the Council.

Therefore, BCP Council will need to look at both the internal resource requirements alongside those that will be identified as essential for the safe and efficient running of the commercial vehicle, to be fully resourced to deliver the programme.

Objectives of the Business

An analysis of the Council's policy environment has highlighted the following regeneration outcomes, which have then been translated into a set of proposed objectives.



These objectives have been utilised to identify a set of critical success factors that will allow an assessment of potential options to be carried out. These critical success factors are:

- Strategic Fit: How well does the proposed option achieve our strategic requirements?
  - Will it provide the appropriate leadership and focus, given the imperative for success?
  - Will it be able to adapt to changing circumstance? Will it be flexible enough, given the changing needs of the Council?
  - Will it be scalable if the portfolio expands or contracts?
  - Will it bring attract the right talent to deliver at pace?
  - Will it support an accelerated delivery timescale?

- Achievability: Is the option realistically achievable?
- Affordability: Will the option adhere to financial requirements?
- Potential Value for Money: Will the benefit to cost ratio be acceptable?
- Supplier Capacity and Capability: Will the option have the right capacity and capability to deliver the scale and pace of change?

Part 1: Longlist Process

To ensure that all potential options are considered, and implicit assumptions are understood, the Council has moved through a longlist to generate the key option choices that will support the Council's aim to accelerate the delivery of regeneration within Bournemouth, Christchurch and Poole. This options generation process has been outlined below:

Scope

What is the coverage of the service to be delivered?

Service Solution

How the scoped outcomes preferred above can be delivered, considering available technologies and best practice.

Service Delivery

Who in organisational terms is best placed to deliver the scope, and choices preferred above. (For example, direct public sector provision; public private partnerships; private sector, etc).

Options are considered in a logical sequence, i.e. a preferred option is identified at each stage and the subsequent evaluation of options is based upon that preferred option.

Appraisal Criteria

The identified critical success factors are:

- Strategic Fit:
    - Dedicated Leadership and Focus
    - Accelerated Delivery
    - Adaptability and Flexibility
    - Scalability
    - Talent Attraction
- Potential Value for Money
- Affordability
- Supplier Capacity and Capability
- Achievability

To objectively appraise the alternative options, the Council has evaluated the options against a 5-point scale for each critical success factor. This scale is described below:

Rating	Summary	Description
1	Highly Unlikely	It is considered highly unlikely that this option would support the required criteria; multiple barriers to the critical success factor exist with challenging pathways to resolution; estimated to be less than 20% chance of the option supporting the required criteria.
2	Unlikely	It is considered unlikely that this option would support the required criteria; strategic and/or tactical disbenefits can be identified; estimated to be less than 40% chance of supporting the required criteria.
3	Neutral	It is possible that this option would support the critical success factor; estimated between 40% and 60% chance of supporting the required criteria.
4	Likely	It is likely that this option would support the critical success factor; tactical and/or strategic benefits can be identified within the option; estimated to be more than 60% likelihood of supporting the required criteria.
5	Highly Likely	It is highly likely that this option would support the required criteria; multiple strategic and tactical benefits exist against the critical success factor; estimated to be more than 80% likelihood of supporting the required criteria.

Options Framework Filter

To progress from a longlist to a shortlist of options to be evaluated, each option has been evaluated through a SWOT analysis which ranks the options against the critical success criteria of the marking scheme described above. These considerations are shown below:

Scope Options

The scope considers the coverage of the service to be delivered. This could include geographic, demographic, quality, time limits, and any other relevant factors.

1.0 Do Nothing

The scope remains as currently delivered under business as usual (BAU), with no amendments to the size or shape of the team. Currently, the team is small and deals with specific, delivery-focussed projects. There is no specific person who owns the remit for strategic regeneration, and capacity is capped, given the size of the team. The projects themselves are delivering to project-specific outcomes that have in the main been inherited from the legacy Councils, rather than BCP Council itself, though this is slowly changing.

The Council has been clear that it has significant ambition for the future of regeneration within the area; the current size and shape of the team is not sufficient to support the volume or pace of activity desired by the Council.

The BAU option is highly achievable as it is the existing arrangement. It is also affordable, as the baseline budget is set by the current team structure. However, the potential value for money is considered low: it is considered unlikely that the benefits of the existing structure would outweigh the costs, as there are significant challenges to accelerating regeneration within the current size and resources of the team.

This option is also not a good 'strategic fit' when considered against the critical success criteria; and while an internal team is highly adaptable and flexible, this has an inverse relationship with the critical success factor regarding the need for dedicated leadership and focus. The in-house Council team will also face challenges around clarity of purpose and calls on resource capacity and time. Continuing the current status quo is unlikely to accelerate delivery, cannot currently be scaled to the ambition of the portfolio, and is unlikely to attract the necessary talent to support the enhanced ambition of the Council.

Advantages	Disadvantages
• Achievability is certain, as it is already in place. • Deliverable within existing budget constraints. • Decreased risk of change fatigue.	• Capacity within the organisation does not exist within existing structure. • The current structure does not support a strategic regeneration focus within the

	team; it is project focussed and delivery orientated. • Does not align with the Smarter Working Change programme's intended structures (i.e. 'job families' approach). • Value for money (benefit to costs) is likely to be low, because it doesn't drive multiplier effect from the strategic approach to regeneration.

1.1 Enhanced Provision

This option would enhance the service provision for housing and regeneration delivery, increasing the size of the team in line with the Council's aspirations for the future of regeneration and a portfolio of c. £3 billion. The scope of the team would be sufficiently broadened to provide appropriate capacity for delivery of this scale and magnitude of project but would continue to focus on the delivery of these specific projects.

Advantages	Disadvantages
• Achievability is considered very high. • Enhancing the provision for delivery (by increasing capacity) would be highly likely to accelerate delivery. • An enhanced provision will provide more capacity and therefore more focus and leadership towards the regeneration objectives of the Council. • An enhanced provision is likely to provide capacity for adaptability and flexibility, as the needs of the Council change. • The scalability of the provision is directly linked to how much funding the Council is willing to provide to support the pace and scale of delivery.	• Capacity within the organisation does not exist within existing structure. • Provision for strategic regeneration is not increased within this option, meaning that the projects risk losing value and benefit from not approaching regeneration from a joined-up place. This means the potential value for money is considered lower than option 1.2 below. • The market for development management services is very active at present; enhancing provision by increasing capacity may be challenging if offer is not in line with market benefits.

1.2 Enhanced Delivery and Strategic Provision

This option would enhance the service provision for housing and regeneration delivery, increasing the size of the team in line with aspirations for the future of regeneration and the portfolio of c. £3 billion. The scope of the team would be sufficiently broadened to provide appropriate capacity to enable the delivery of this scale and magnitude of project, however it would also seek to address an identified gap in strategic regeneration. Currently, delivery is undertaken on a site-by-site basis – this option would seek to ensure that there was the capacity and capability to join up these sites and assess strategic opportunities in the local authority area, ensuring a more comprehensive approach to place-making.

Advantages	Disadvantages
• Enhancing provision in this way is very achievable and will provide additional capacity and capability at both project-specific and strategic levels. • Strategic provision gives the ability to take a whole-portfolio approach to development, decreasing the risk of unviability across the portfolio. • While the upfront cost is higher than the BAU cost, the expected benefits and outcomes from the approach also increase. • Enhancing the provision for delivery (by increasing capacity) would be highly likely to accelerate delivery. • An enhanced provision will provide more capacity and therefore more focus and leadership towards the regeneration objectives of the Council. • An enhanced provision is likely to provide capacity for adaptability and flexibility, as the needs of the Council change. • The scalability of the provision is linked directly to how much funding the Council is willing to provide to support the pace and scale of delivery.	• Capacity within the organisation does not exist within existing structure. • The market for development management services is very active at present; enhancing provision by increasing capacity may be challenging if offer is not in line with market benefits.

1.3 Do Maximum

The Do Maximum option would provide enhanced service provision for *all* place making functions, including planning, housing delivery, capital programmes, economic development and inward investment.

Advantages	Disadvantages

• Undertaking an enhanced provision for all place making services would result in maximum adaptability, flexibility and scalability for the organisation. • The option would provide a strong narrative for talent attraction.	• This option is considered less achievable within the timeframes desired by the Council; including all place-making functions would also mean including some statutory functions, which may result in pushback to the Council. • The broad scope of the option would limit the ability to provide dedicated leadership and focus on regeneration. • The cost of enhancing provision across all place-making services would be significant. • Capacity within the organisation does not exist within existing structure. • The market for development management services is very active at present; enhancing provision by increasing capacity may be challenging if offer is not in line with market benefits.

Summary of Scope

The table below shows the summary assessment of the Scope options for regeneration within BCP Council.

		Achievability	Supplier Capacity and Capability	Affordability	Potential Value for Money	Strategic Fit: Dedicated Leadership and Focus	Strategic Fit: Accelerated Delivery	Strategic Fit: Adaptability and Flexibility	Strategic Fit: Scalability	Strategic Fit: Talent Attraction	Average
Scope	1.0 Business As Usual	5	2	5	2	1	2	5	1	3	2.89
	1.1Enhanced service provision for delivery only.	5	5	3	4	5	5	4	4	5	4.44
	1.2 Enhanced provision for delivery and strategy.	**5**	**5**	**3**	**5**	**5**	**5**	**4**	**4**	**5**	**4.56**
	1.3 Enhanced service provision for all place-making functions	4	3	2	2	3	3	5	5	4	3.44

Based upon the above, option 1.2 has been identified as the preferred way forward to be carried through to the Service Solution option.

Service Solution Options

The scope options outlined above have identified the preferred way forward to be an enhanced provision for delivery and strategy. The Service Solution options appraisal has looked at how the enhanced provision for delivery and strategy can be delivered, considering both the available technologies and best practice.

2.0 Direct Delivery

The Direct Delivery option provides for the Council to directly intervene in the market, whether through delivery itself or through the establishment of an appropriate delivery vehicle or partnership (note: this is explored in the Delivery Options analysis, below).

The Council currently has a direct delivery model for sites within its regeneration portfolio, working to ascertain the best delivery route (or to dispose of sites, if appropriate). It pursues direct delivery when there is a perceived or actual market failure that encourages intervention in order to make progress.

Advantages	Disadvantages
• The Council maintains control over the method of delivery, rather than transferring control to a third party. • The option is considered highly achievable, and it should be possible to bolster the direct capacity and capability for services dealing with the Council through recruitment initiatives. • Direct delivery enables adaptability and flexibility to react to changing needs, priorities, and funding streams. • Direct delivery is scalable to fit the needs of the Council.	• Delivery risk remains with the Council. • Initiative will be more expensive upfront and more likely to be subject to fluctuations in cost depending upon the services undertaken in the year.

2.1 Outsourcing

The Outsourcing option would seek to move the responsibility for delivery to a third party. This type of approach would seek a third party to provide regeneration strategy and delivery for the Council, with agreed service level agreements (SLAs) and additional expenditure being required if the scope of works were to change.

An example of this approach was utilised in the London Borough of Barnet, where the regeneration service was outsourced as part of a joint venture with Capita Plc. Outsourcing models are normally predicated upon holding the level of income required and driving down cost inputs; regeneration services don’t naturally lend themselves to being outsourced as the projects are not generally profit driven; services can be hard to scope and tend to change significantly over long periods of time, creating uncertainty in resource requirements and agreed SLAs.

An outsourcing approach will incur a financial cost to both the Council (e.g. cost of running procurement and future contract management) and to the successful contract, the latter of which is often at least partially built into the contract price.

Additionally, there are very few outsourcing suppliers with any demonstrable capacity in regeneration services, meaning that it is unlikely that supplier capacity and capability will be sufficient for the portfolio.

Advantages	Disadvantages
• Delivery risk is transferred to the third party. • Cost of the service would be known and fixed. • The service provision would be scalable as needs changed, albeit subject to renegotiation.	• Demonstrable supplier capacity for regeneration is limited. • There is a risk that outsourcing the regeneration service would not achieve the desired outcomes for the enhanced service provision. • There is a financial implication to the Council for the cost of running the procurement and the future contract management. • The deliverability of the option within the desired timescales may be challenging due to the complexity of the potential service and procurement processes. • The value for money would be lower, as any outsourcing contract would have profit built into the contract fee for the third-party provider. • An outsourced provision would not provider dedicated leadership and focus, as the provider is likely to have other contracts. • The provider would not have a long-term investment in the BCP region, leading to a risk of prioritising short-term outcomes. • An outsourced service provision is less adaptable and flexible, as each change in scope or focus will need to be renegotiated with the provider.

Summary of Service Solution

Based upon the above table, option 2.0 (direct delivery) has been identified as the preferred way forward to be carried through to the Service Delivery option.

		SWOT Analysis									
						Strategic Fit					
		Achievability	Supplier Capacity and Capability	Affordability	Potential Value for Money	Dedicated Leadership and Focus	Accelerated Delivery	Adaptability and Flexibility	Scalability	Talent Attraction	Average
Solution	2.0 Direct Delivery	5	5	2	5	5	4	4	5	4	4.33
	2.1 Outsourcing	3	2	3	2	2	3	1	4	2	2.44

Service Delivery Options

The Service Delivery section considers the options for who is best placed to deliver the scope and choices preferred above. The scope and solution identified as the preferred way forward are:

- Option 1.2: Enhanced service provision for both regeneration delivery and strategy.
- Option 2.0: Direct delivery of the service provision.

The alternative options considered as part of this assessment are:

- In House Delivery
- Urban Regeneration Company
- Special Purpose Vehicle
- Joint Venture
- Strategic Partnership
- Expansion of an existing wholly-owned Council Company (such as Seascape Homes).

3.0 In House

The in-house option assumes the Council will continue to deliver the projects within the regeneration portfolio as it has done to date, albeit with an enhanced provision to provide capacity within the team. Doing so would have a neutral impact on value for money as the costs of delivery compared to the scale and speed of delivery are unlikely to change. Retaining the delivery of regeneration within the Council would provide the ability to be adaptable and flexible though not quickly scaling up and down to respond to changing Council objectives and market conditions due to the nature of Council processes and the timescales associated with some decision making.

Finally, it is also unlikely in the in-house option that the Council would be able to consistently attract and retain the very best regeneration and development practitioners given the Council salary structures and reward system.

Advantages	Disadvantages
• An in-house delivery of the enhanced service provision would be as scalable as the Council required, and would continue to be adaptable and flexible.	• It would not provide the dedicated leadership and focus required to accelerate the delivery of the portfolio. • It would be challenging to attract and retain the best regeneration and development practitioners. • Existing capacity and capability within the portfolio is not sufficient to support the scale of ambition in the area.

3.1 Wholly-owned Company (Urban Regeneration Company)

The use of a wholly-owned company, or Urban Regeneration Company (URC), is likely to provide greater value for money as the costs associated with its creation and ongoing operation are likely to be significantly smaller than the financial and economic benefits that would be derived from the greater speed and scale of delivery that it would enable.

The URC would be led and managed by an executive team providing dedicated and focussed leadership. The structure of the company as an external organisation would provide some measure of protection against inevitable calls on resource capacity that occurs when a team exist within the same organisation.

The executive team would be supported and held accountable by the URC company board, whose membership would include independent non-executive directors who could provide additional leadership and capability in the fields of regeneration, development and place making. Consequently, it is highly likely that delivery will be accelerated.

The URC model provides greater ability to adapt and flex to meet changes to Council objectives and market conditions, and the ability to scale up and down as circumstances change over time. This can be accomplished through the adoption of robust yet flexible policies on employment and recruitment.

Finally, the URC could become a beacon that could attract and retain the best talent that the market has to offer. This would be achieved through the creation of a high performing team culture, a compelling employment offer and the enticement of leading and delivering the most exciting regeneration portfolio in the south of England.

Examples of successful wholly-owned Council regeneration companies include Be First in the London Borough of Barking and Dagenham and Lampton360 by the London Borough of Hounslow. Be First provides development management services directly for Barking and Dagenham Council, creating new assets that are then retained by the Council directly or by a sister company within the Barking & Dagenham group portfolio. The scope of Be First is akin to Option 1.3 *Do Maximum* outlined in the scope options above: Be First provides services to the Council, including planning, economic development and other placemaking services. The wholly-owned company, based on the preferred options above, would have a more focussed scope to deliver specifically development management services for the Council.

Advantages	Disadvantages
• Structure of the organisation as separate to the Council protects the focus on regeneration and key delivery priorities. • Structure is considered achievable and supports deliverability of the Council's objectives. • Capacity and capability is predicted to increase under the wholly-owned company. • The potential value for money is higher than the in-house option when the project acceleration – stemming from improved leadership and focus – is taken into account.	• The upfront financial outlay would be greater than an in-house delivery as the company would incur additional company-structure-specific costs. • Unless in-house commissioning provision is enhanced at the same time that the company is created acceleration may not be achieved

3.2 Special Purpose Vehicle

The creation of a single or multiple special purpose vehicles (SPV) is unlikely to improve value for money as the set-up costs for each are unlikely to propagate a substantial and meaningful change in delivery profile.

An SPV can be useful in isolating or securitising assets. However, the isolation or securitisation of assets is not the main driver for the change of approach: acceleration of delivery is. The scope of change is the delivery of services and not currently how the assets held by the Council are used.

SPVs would not enable dedicated and focused leadership across the portfolio and consequently, on their own, are unlikely to enable accelerated delivery of the regeneration portfolio. SPVs are typically established to delivery individual developments or groups of developments; they therefore have little flexibility and adaptability to respond to changing Council, stakeholder and market conditions and requirements and typically do not have the ability to scale up and down to meet changing needs. The creation of one or more SPVs is highly unlikely to be able to attract and retain the best talent the market has to offer. Individual SPV's are likely to be required for the planning and delivery of individual sites within the context that is being described in this report.

Advantages	Disadvantages
• The legal structure would allow for some ringfencing of risks.	• The legal structure of an SPV does not add significant value to the delivery of enhanced regeneration delivery services. • The cost of creating a single or multiple special purpose vehicles is unlikely to provide value for money. • The SPV is unlikely to contribute to the overarching aims of the Council, or increase the capacity and capability of services. • The SPV structure does not align with the strategic goals of the Council in providing dedicated leadership and focus, accelerated delivery, adaptability.

3.3 Joint Venture

A joint venture (JV) option would see the Council seek a third-party partner to provide the services in conjunction with the Council on the identified sites. This would require the Council to go through a form of tender to appoint a joint venture partner, following which a JV company would be set up. It is also possible that an existing joint venture could be utilised as a mechanism for delivery if both partners agreed to the change.

The creation of Joint Venture is assessed to have a neutral impact on value for money because the set-up costs are unlikely to be compensated by a substantial and meaningful change in delivery. While Joint Ventures can provide dedicated leadership and focus it has been assessed that, given the range, scale, and, most importantly, the early stage of the projects within the Council's portfolio, that this model is unlikely to be the most suitable approach. The Joint Venture model with the right partner can accelerate delivery and can be adaptable and flexible in response to changing Council, stakeholder and market requirements and does have the ability to scale up and down in response to changing needs. A Joint Venture could also attract talent within the regeneration and development market.

Advantages	Disadvantages
• Leverages the capability and capacity inherent within the partner organisation, and could attract talent within the regeneration and development market.	• The Joint Venture can never be fully aligned to the strategic ambition of the Council, as it will also need to serve the ambitions of the third party.

• A joint venture can accelerate delivery; however the setup phase of a joint venture can be protracted due to tender and negotiation processes. • Adaptability and flexibility to changing requirements, albeit through a potential negotiation process post establishment of the joint venture.	• The portfolio of sites is less able to be strategic and therefore achieve the overarching aims of the Council, because the sites contained within the JV must be agreed by both parties.

3.4 Strategic partnership

A strategic partnership with Homes England is a long-term arrangement to deliver affordable homes in return for capital funding from Homes England. It therefore provides an opportunity for the Council to leverage greater investment into the area to support the delivery of affordable homes though, on its own, it not a model that can be used to deliver all the Councils regeneration ambitions. It offers value for money because it brings in additional funding. It is not yet clear how much local leadership Homes England would offer for strategic partners however typically leadership and focus on delivery remains the responsibility of the Council. The additional funding is likely to have a positive effect on accelerating delivery however its unlikely to offer significant adaptability and flexibility to meet the changing Council and stakeholders' requirements. It is not yet clear if it will be possible to scale a Strategic Partnership and it is unlikely to change the ability of the Council to attract and retain the best talent.

Advantages	Disadvantages
• A Strategic Partnership with Homes England could bring additional investment and financing into the area. • Additional funding is likely to provide an acceleration of delivery. • It is likely that capacity and capability will be able to be scaled up if additional funding is secured. • The potential value for money on individual schemes is likely to be improved by additional external funding.	• While this type of partnership may be suitable for some sites, it cannot be utilised for a portfolio-wide approach, and therefore does not support the Council's strategic ambitions for the area. • The amount of funding versus the cost input is currently unclear. • A Strategic Partnership is unlikely to catalyse talent attraction.

3.5 Expansion of existing wholly owned Council Company

The expansion of an existing wholly-owned Council Company would seek to leverage the existing portfolio of companies and add the proposed service and scope. Having reviewed BCP's existing company portfolio, there are several challenges with this approach.

The remit of the existing companies does not align with the proposed remit of the services and scope outlined above. Seeking to blend the scope of the services into an existing company may increase the risk both for the Council and the company. The company identified as most closely resembling the proposed scope in this business case, Seascape Group, is unlikely to offer best value for money for the service. The existing corporate structure of Seascape Group is a non-Teckal structure that holds assets and is therefore subject to VAT and Corporate Tax implications, which are judged unnecessary for the delivery of development management services in housing and regeneration to the Council.

Company leadership is unlikely to have the skills and focus and consequently accelerated delivery is unlikely to be achieved. An existing company will already have a business plan and constitutional arrangements and therefore is highly unlikely to be adaptable and flexible and also unlikely to be able to scale up. Although an existing company will already have a track record it is unlikely to be able to use that track record to attract and retain the best talent.

Advantages	Disadvantages
• The use of existing structures may minimise the additional company overhead costs.	• The use of existing companies is unlikely to be tax efficient for the desired outcome, increasing costs and decreasing the benefit to cost. • Company leadership is unlikely to have the skills and focus, as they have been initially appointed to focus on different objectives. • Use of the existing, Non-Teckal company is likely to require the company to go through a procurement process in order to appoint it to deliver these services. • Accelerated delivery is unlikely to be achieved, as the priority will remain on the existing company purpose. • Existing companies are already working to business plans and therefore unlikely to be adaptable and flexible, nor likely to have the appropriate capacity and capability in house.

Summary of Service Delivery

The table below summarises how the six options compare using the following ratings of likelihood of meeting the Councils assessment criteria: Highly likely, Likely, Neutral, Unlikely and High Unlikely.

		SWOT Analysis									
						Strategic Fit					
		Achievability	Supplier Capacity and Capability	Affordability	Potential Value for Money	Dedicated Leadership and Focus	Accelerated Delivery	Adaptability and Flexibility	Scalability	Talent Attraction	Average
Delivery	3.0 In House	5	2	2	3	2	2	4	3	2	2.78
	3.1 Wholly-owned company	5	5	2	4	5	5	5	5	5	4.56
	3.2 Special Purpose Vehicle	2	2	1	2	2	2	1	1	1	1.56
	3.3 Joint Venture	2	4	4	3	3	4	4	4	4	3.56
	3.4 Strategic Partnership	2	4	4	4	3	4	1	3	2	3.00
	3.5 Existing Council Company	3	3	3	2	2	2	1	1	2	2.11

Conclusion: Options Framework Filter Results

Following the completion of the options framework filter process above, the below table summarises the preferred way forward, which will be considered as part of the detailed evaluation below.

	Do Minimum	Intermediate Option	Intermediate Option	Do Maximum
1. Service scope - as outlined in strategic case.	The scope of regeneration activities remains as is being delivered under BAU, with no amendments to size or shape of team.	Enhanced service provision for housing and regeneration delivery.	Enhanced provision for housing and regeneration delivery as well as strategic regeneration and place-shaping.	Enhanced service provision for all place-making functions, including planning, housing delivery, capital programmes, economic development and inward investment.
	Discounted	Discounted	Preferred Way Forward	Discounted
2. Service solution - in relation to the preferred scope.	Direct Delivery	Outsourcing		
	Preferred Way Forward	Discounted		
3. Service delivery - in relation to the preferred scope and solution	In House	Wholly-owned company	Special Purpose Vehicle	
	Carried Forward	Preferred Way Forward	Discounted	
	Joint Venture	Strategic Partnership	Existing Council Company	
	Discounted	Discounted	Discounted	

In Summary, the two options to be carried forward to a detailed evaluation are:

OPTION 1: DO MINIMUM

This provision would seek to enhance the provision of regeneration in order to deliver the schemes within the portfolio through a direct delivery solution led by an in house Council team. This option assumes that the size of the team would increase from the existing business as usual size, but other structures would not be impacted.

OPTION 2: ENHANCED PROVISION (PREFERRED OPTION)

Enhancing the provision for housing and regeneration delivery as well as strategic regeneration and place shaping. This would be undertaken through a direct delivery model by setting up a wholly-owned company, supported by a robust client-side commissioning team to ensure that the wholly-owned company remains aligned to the strategic needs of the Council.

Part 2: Detailed Evaluation

Following the identification of the preferred option in Part 1 above, Part 2 will undertake a more detailed evaluation of the preferred option, using the other option carried forward as a baseline comparator.

The preferred option *(Option 2)* is an enhanced service provision for housing and regeneration delivery, as well as strategic regeneration and place shaping. This provision will be on a direct delivery basis, through both the bolstering of the Council's regeneration client function and the establishment of a wholly-owned company.

The baseline comparator *(Option 1 - Do Minimum)* option will be used as a baseline comparator for the financial and outcome evaluations. Both options assume that the status quo in terms of team size is not an acceptable way forward, and therefore that the team must be increased in order to react to the strategic objectives of the Council.

The objectives of the business and how the preferred option meets these objectives has been established in Part 1, and so will not be repeated in this section. Instead, the evaluation will focus on the below:

1. Investment and other resources required to achieve objectives.
2. Key risks
3. Expected outcomes, both financial and wider benefits.

Investment and Other Requirements

Delivering a regeneration programme of this scale requires a range of leadership, managerial and technical knowledge and skills across a wider range of disciplines. The technical skills include areas such as programme and project management, development management, development and financial modelling, engineering, legal and commercial, place making and design. Some of the key disciplines include planning, finance, legal, transportation and highways, housing and estates. Without a complete system of skills and disciplines, supported by strong and consistent leadership, the regeneration portfolio will not be delivered at the scale and pace that meets the Council's ambitions.

Investment requirements

The investment requirements to deliver the regeneration portfolio either with or without a wholly-owned company are similar in key areas as follows:

- Internal team size and capability – the leadership, development management team and technical and enabling teams would be of equivalent size in both examples.
- Pre-development consultancy costs – these would be the same.

The investment requirements that are particular to establishing and operating a wholly-owned company include:

- The set-up costs of the company.
- The differences in employment costs between the Council and wholly-owned company.
- The specific costs related to running a company including the preparation of accounts and any company filings.
- The differences in ancillary costs for example IT, HR and payroll functions
- The differences in accommodation costs if the wholly-owned company was to have its own office accommodation.

INVESTMENT COMPARISON – IN-HOUSE TEAM VS WHOLLY-OWNED COMPANY

To assess the cost difference between an in-house team and a wholly-owned company, an indicative annual budget has been produced for each option from April 2022. The purpose of these budgets is to provide a comparison of the relative costs of each model. The actual budget that the Council allocates for regeneration from April 2022 will be determined through the normal budget setting process and will be informed by the business plan of the URC.

In respect of 2021/22 the cost of the URC and the in-house client commissioning team will be contained within a combination of the £1.75m allocated as part of the February 2021 budget or pre-existing base budget allocations.

The budgets do not include pre-development costs which are assumed to be equivalent across both models. The budgets are based upon the best available information in relation to anticipated employment costs and uses assumptions, based upon relevant experience and professional judgements, to project the other costs of operating a wholly-owned company.

The budgets are contained in **Appendix A** and the outcomes of this comparison are captured in the table below:

Comparison URC vs BCP in house	Annual Cost	Set-up costs	Total 10-year costs
URC	£3,087,930	£150,000	£31,029,300
BCP - in house	£2,847,314	£0	£28,473,140
Difference	**£240,616**	**£150,000**	**£2,556,160**

Key Risks

There are several strategic risks inherent to the kind of work undertaken by the URC.

Effective risk management is now about eliminating risk taking and putting in place measures to ensure informed decisions can be taken. The URC’s corporate governance ensures that risks are understood, managed, and, when appropriate, communicated.

Project risks will be reported through the Gateway process and regular progress reporting. These are escalated to the Heads of Service or Directors where appropriate. Corporate risks are reviewed regularly by the Directors and the corporate risk log is reviewed at each URC Board Meeting.

Details of the key risks are outlined below:

Equal Pay

Depending on the company mode that is adopted, there is a potential risk of equal pay claims if the remuneration for like work is significantly different between the URC and BCP Council. As the URC is likely to be wholly-owned by BCP Council, it therefore would be an “associated employer”. For practical employment law purposes, employers "associated" with each other are treated as though they are the same. The definition of "associated employer" is especially important in connection with continuity of employment rules and in redundancy situations.

The Employment Rights Act 1996 s.231 provides:

> "For the purposes of this Act any two employers shall be treated as associated if:
> (a) one is a company of which the other (directly or indirectly) has control, or
> (b) both are companies of which a third person (directly or indirectly) has control;
> and 'associated employer' shall be construed accordingly".

Thus, employers are "associated" if one is a company controlled by the other or if both are companies over which a third person (company or individual) has direct or indirect control.

The URC model can mitigate this risk by clear articulation of roles, responsibilities and accountabilities. If the roles do not exist in BCP Council there is a reduced equal pay claim.

Equal pay applies to all contractual terms, not just pay. This includes:

- basic pay
- non-discretionary bonuses
- overtime rates and allowances
- performance-related benefits
- severance and redundancy pay
- access to pension schemes
- benefits under pension schemes
- hours of work
- company cars
- sick pay
- fringe benefits such as travel allowances
- benefits in kind

There are three kinds of equal work:

- **like work** is the same or broadly similar. It involves similar tasks which require similar knowledge and skills, and any differences in the work are not of practical importance.
- **work rated as equivalent** has been rated under a valid job evaluation scheme as being of equal value in terms of how demanding it is.
- **work of equal value** is not similar and has not been rated as equivalent but is of equal value in terms of demands such as effort, skill and decision-making.

The employer can show that a ‘material factor’ explains the difference in pay between protected characteristics, like gender, to justify the difference.

A material factor must:

- be a genuine reason for the difference in pay
- cause the difference in pay
- be significant and relevant
- explain the pay difference with ‘particularity’ - this means the employer must be able to show how each factor was assessed and how it applied in the woman’s specific case
- not be tainted by direct or indirect sex discrimination

In summary, the equal pay risk, is a significant factor in the ability of the URC and Local Authority to work with agility unless there is a clear material factor for differences.

T.U.P.E.

A transfer of undertakings occurs in one of two situations - either a business transfer or a service provision change. When a business moves to a new owner in one of these 'relevant transfers', the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) currently protect the entitlement of UK employees to the same terms and conditions, with continuity of employment, as they had before the transfer.

The current situation of internal seconded employees and an accelerated program running alongside the establishment of the URC does expose some risk to a service provision change, where TUPE could apply to some roles within BCP Council. This would restrict our ability to employ on new terms and conditions and could result in a two-tier workforce of direct hires into the URC model and TUPE'd staff, that would result in a greater exposure to equal pay claims and potentially risk the ability for the URC to attract the required skills to deliver the desired outcomes.

This risk can be mitigated by clear role definition and separation between the requirements of the URC and the accountabilities of BCP Council employees. As the URC is established we can restrict the use of internal resources to specific tasks that will not be transferring and use interim resources for a fixed term that are not employed by BCP Council to deliver time bound outcomes prior to the permanent establishment of the URC entity.

Reputational Risk

Poor performance and lack of delivery will impact negatively on the Council's reputation, therefore it is recommended that there is a strong client-side communications direction, responsibility and capacity within the Communications and Marketing Directorate. Appropriate management controls including brand hierarchy and sufficient communications strategy will mitigate reputational risk on the council and the company.

Public perception around the council divulging regeneration delivery and key sites to a third party could impact negatively on the council's reputation. Therefore a clear link within the council's brand hierarchy setting out 'direction not possession' will mitigate reputational risk on the council and the company.

There is a risk that the successes achieved are not sufficiently linked to the council, as the decision-making accountable body in the eyes of local people. It is recommended this is mitigated both through strong brand governance and a URC focus on B2B / sector comms and marketing activity, with resident-facing work closely linked to the local authority.

Portfolio Risk

The establishment of an external organisation to provide development management services will enable the dedicated leadership and focus required to accelerate the pace of regeneration within the BCP Council area.

With any large capital delivery portfolio, there is an exposure to key macroeconomic risks that will cumulatively constitute a substantial risk to the Council should unexpected economic shocks occur which impact upon the entire industry, for example, the Covid-19 pandemic. The emergence of such risks could impact upon the pace and cost across the portfolio.

However, the portfolio approach to regeneration also provides the ability to take a whole-portfolio approach to development, decreasing the risk of unviability across the portfolio and allowing the appropriate mix of social versus financial outcomes to be achieved in line with the Council's objectives.

This risk can be mitigated by continuous monitoring of the portfolio through internal company and Council governance and appropriate portfolio management controls that would enable decision-making to manage the risks for the Council and the company.

Expected Outcomes

The key difference between an in-house model and a wholly-owned company model is the ability of the latter to provide dedicated leadership and focus (that occurs through structurally ringfencing the resource and making it difficult to divert onto other priorities) and attract and retain the very best talent (that occurs through the creation of a unique employment offer targeted specifically into that talent pool). The impact of these two key factors acting in unison will have a profound effect on the pace and quality of delivery. For the purposes of comparing the two models it has been assumed that the pace of delivery is accelerated by only two years. The calculated benefits have been limited to a ten-year period.

High quality regeneration creates multiplying benefits across an area, direct financial benefits for the Council and wider economic benefits for communities. With the help of the Inner Circle Consulting Community Impact Model (CIM), the Council has been able to estimate the long term direct and indirect benefits of accelerated development of the target sites which are realised within the BCP area.

The CIM model uses open source, peer reviewed data to forecast the social and economic benefits that may be generated from new developments. Furthermore, in line with Treasury Green Book guidance, the model monetises social benefits so they can be compared on a level with development viability information to understand the full return on investment.

The model is broken down into two sections which calculate the direct and indirect impacts of a proposed development.

- Direct Impacts into the local economy, through the provision of construction and long-term jobs and disposable income of the new occupiers.
- Indirect Impacts are intangible impacts, for example building regulations leading to household energy savings; additional jobs leading to a reduction in unemployment related benefits claims and reduced crime and construction apprenticeships leading to increased productivity.

The variables modelled within this assessment focus on the economic benefits of delivering additional homes and commercial (office/retail/other) space to the BCP region. These variables include:

- Construction skills training benefits;
- Construction Work Experience;
- NEET Benefits;
- Crime Reduction;
- New Resident Spending;
- Energy Savings;
- Health & Employment and Support Allowance (ESA) Savings;
- New local spending from jobs;
- CIL and s106 contributions; and
- Council tax and business rates.

Potential Impacts

The benefits listed above have been modelled to assess and quantify the expected community impacts using the in-house model as the base case and the accelerated wholly-owned model. This will show the potential increase in benefits over a 10-year period between what could be achieved through an in-house team and what can be achieved through the establishment of a wholly-owned company.

As previously stated, a 2-year acceleration has been assumed and for consistency, we have assumed the same developments (in size and nature) are undertaken in each scenario. However, it is highly likely that additional benefits could be achieved through improved optimisation of construction period delivery timescales, better optimised tenure mix etc that would be more likely through a wholly-owned company.

The delivery programmes assumed for the base case and the accelerated case are shown in the diagrams below.

Base Case Programme	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Chapel lane	Pre-Con					Construction			Operations	
Christchurch 1	Pre-Con					Construction			Operations	
Christchurch 2	Pre-Con						Construction			Operations
Christchurch 3	Pre-Con							Construction		
Boscombe 1	Pre-Con							Construction		
Boscombe 2	Pre-Con									Construction
Boscombe 3	Pre-Con									
Constitution Hill	Pre-Con					Construction			Operations	
Beach Road	Pre-Con					Construction			Operations	
Seldown	Pre-Con					Construction			Operations	
Dolphin	Pre-Con							Construction		
Holes 1	Pre-Con							Construction		
Holes 2	Pre-Con									Construction
Holes 3	Pre-Con									
BIC	Pre-Con					Construction			Operations	
Wessex 1	Pre-Con					Construction			Operations	
Wessex 2	Pre-Con							Construction		
Poole CC	Pre-Con					Construction			Operations	
Turlin Moore 1	Pre-Con					Construction			Operations	
Turlin Moore 2	Pre-Con							Construction		
Broadwaters	Pre-Con					Construction			Operations	

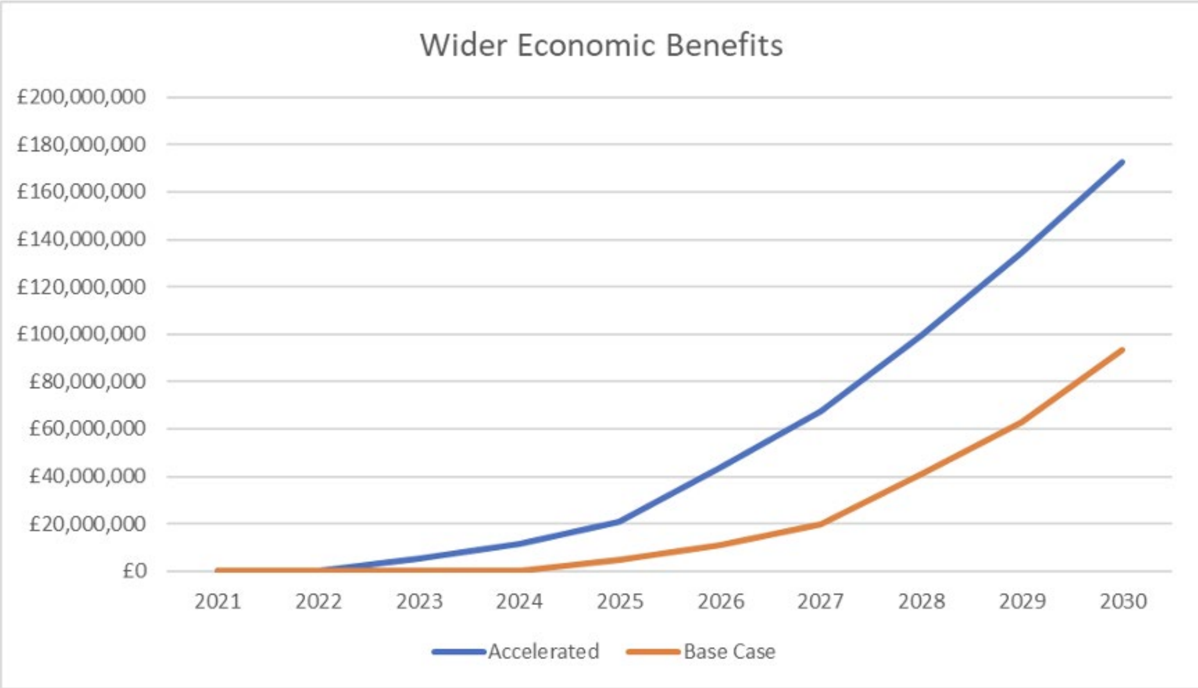
Figure [1]: Base case delivery programme

URC Programme	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Chapel lane	Pre-Con			Construction			Operations			
Christchurch 1	Pre-Con			Construction			Operations			
Christchurch 2	Pre-Con				Construction			Operations		
Christchurch 3	Pre-Con					Construction			Operations	
Boscombe 1	Pre-Con					Construction			Operations	
Boscombe 2	Pre-Con							Construction		Operations
Boscombe 3	Pre-Con									Construction
Constitution Hill	Pre-Con			Construction			Operations			
Beach Road	Pre-Con			Construction			Operations			
Seldown	Pre-Con			Construction			Operations			
Dolphin	Pre-Con					Construction			Operations	
Holes 1	Pre-Con					Construction			Operations	
Holes 2	Pre-Con							Construction		
Holes 3	Pre-Con									Construction
BIC	Pre-Con			Construction			Operations			
Wessex 1	Pre-Con			Construction			Operations			
Wessex 2	Pre-Con					Construction			Operations	
Poole CC	Pre-Con			Construction			Operations			
Turlin Moore 1	Pre-Con			Construction			Operations			
Turlin Moore 2	Pre-Con					Construction			Operations	
Broadwaters	Pre-Con			Construction			Operations			

Figure [2]: Accelerated delivery programme:

The cumulative economic benefits over the 10-year period are represented in the table and graph below. The orange line represents the benefits that will be achieved in the base case.

The blue line represents the benefits that will be achieved should the delivery be accelerated by two years. It shows that over the 10-year period, an additional **£80m** of wider economic benefits are generated.



NPV	Wider Economic Benefits
Base Case	£93m
Accelerated Case	£173m
Additionality	**£80m**

Figure [3]: Cumulative Wider Economic Benefits

The impact on completion of housing units and commercial space can be seen in the graphs below.

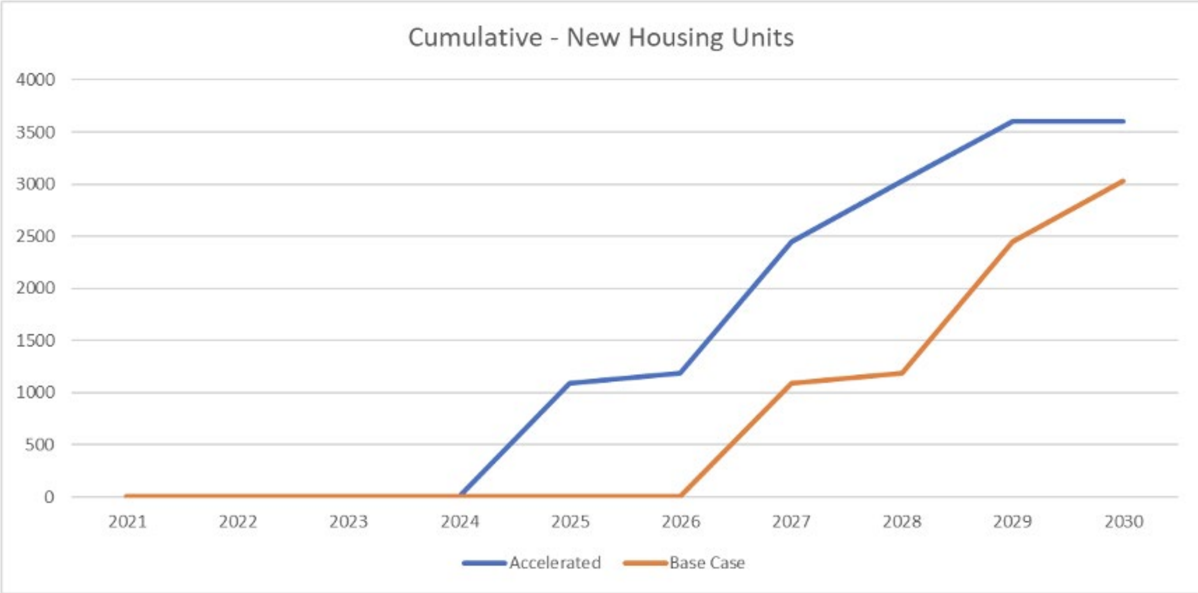


Figure [4]: Cumulative Housing Completions

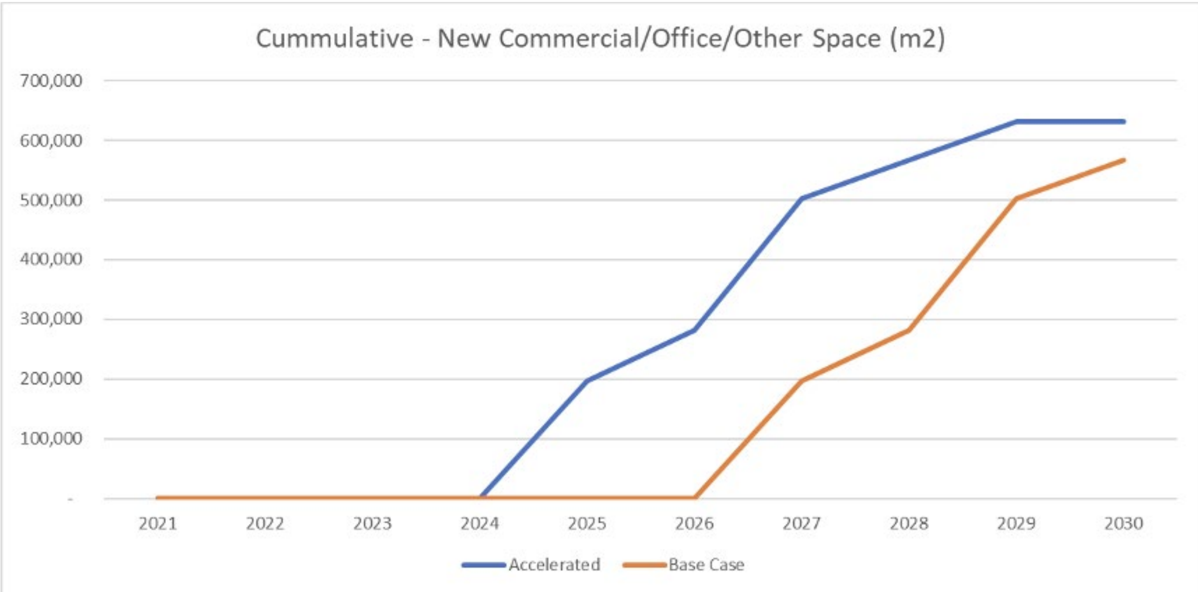


Figure [5]: Cumulative New Commercial/Office/Other Space

Financial Benefits

In addition to the wider economic benefits identified above; this section of the report quantifies the additional revenue that could be generated by the delivery of these developments through additional Community Infrastructure Levy (CIL), council tax revenue and National Non-Domestic Rates (NNDR). In turn, this will also deliver greater tax revenues for the HM Treasury (SDLT and direct taxes) through sustained economic growth.

The potential additional revenues (which are a mixed of revenue and capital) over the 10-year period are outlined in the table below. However, it is not prudent at this stage to assume that these could be directly used by the Council to finance the costs of operating a wholly owned urban regeneration company. This is on the basis that the Council will incur costs in delivering services to the residents that occupy these homes and will be required to deliver associated public infrastructure.

NPV	Council Tax	CIL (Community Infrastructure Levy)	National **Non-Domestic Rates**
Base Case	£1.9m	£14.3m	£6.2m
Accelerated Case	£6.1m	£16.6m	£12.9m
Additionality	**£4.2m**	**£2.3m**	**£6.7m**

Note: New Homes Bonus has not been included at this stage as the Government is undertaking a consultation process to inform its development of a New Homes Bonus regime going forward. However, this could be material additional value to BCP Council.

The wholly owned company will also take a key role in the delivery of the Councils property rationalisation plans, enabling it to realise approximately £1.1m in financial savings already identified within the MTFP as part of the transformation savings target and where a delivery route has yet to be finalised.

Appendix A: Investment Comparison Budgets

Appendix A: Investment Comparison Budgets – URC

WORKING DRAFT **Confidential** **28th MAY 2021**

URC 2022 onwards

RESOURCES

Role				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MD	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Head of Development	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development Finance Manager/ Analyst	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
EA Support															
Admin support															
Finance Director	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Financial controller	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Legal and Commercial Director	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Commercial officer	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Assistant DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
URC Pipeline manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Head of Construction	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior Project Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior Project Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Project manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Marketing/ comms/ pr / trademark /licences															
Sundry expenses															
HR services															
IT hardware/ software															
Other consultancy support															
Accountancy fees including annual returns															
Support for governance for the Vehicle (Board, Support, Independent Non Excecutive Directors, Board training etc)															
Office accommodation															
BCP Client															
Programme Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Admin support	days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development Lead	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Procurement	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Legal Services	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Finance	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Development Services/Estates	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Housing	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Planning				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Highways and transportation				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT

URC 2022 onwards

COSTS

	Day Rate (£)	Package costs	Monthly employment cost												
MD		212340	17695	17695	17695	17695	17695	17695	17695	17695	17695	17695	17695	17695	17695
Head of Development		141560	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797
Development Finance Manager/ Analyst		84936	7078	7078	7078	7078	7078	7078	7078	7078	7078	7078	7078	7078	7078
EA Support		31692	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641
Admin support		31692	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641
	Day Rate (£)	Package costs	Monthly employment cost	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Finance Director		106170	8848	8848	8848	8848	8848	8848	8848	8848	8848	8848	8848	8848	8848
Financial controller		92014	7668	7668	7668	7668	7668	7668	7668	7668	7668	7668	7668	7668	7668
Legal and Commercial Director		141560	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797	11797
Senior DM		107058	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Commercial officer		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Senior DM		99092	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258
Assistant DM		49546	4129	4129	4129	4129	4129	4129	4129	4129	4129	4129	4129	4129	4129
URC Pipeline manager		70780	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898
Head of Construction		127404	10617	10617	10617	10617	10617	10617	10617	10617	10617	10617	10617	10617	10617
Senior Project Manager		99092	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258
Senior Project Manager		99092	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258	8258
Project manager		70780	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898	5898
Marketing/ comms/ pr / trademark /licences		60000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Sundry expenses		50000	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167
HR services		50000	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167
IT hardware/ software		20000	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667
Other consultancy support		100000	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333
Accountancy fees including annual returns		12,000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Support for governance for the Vehicle (Board, Support, Independent Non Excecutive Directors, Board training etc)		60000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Office accommodation		24000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
BCP Client															
Programme Manager		73600	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133
Admin support		35000	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917
Strategic Development Lead - Service Director Role		110000	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167
Corporate Capacity - Procurement		60750		5063	5063	5063	5063	5063	5063	5063	5063	5063	5063	5063	5063
Corporate Capacity - Legal Services		66965		5580	5580	5580	5580	5580	5580	5580	5580	5580	5580	5580	5580
Corporate Capacity - Finance		81807		6817	6817	6817	6817	6817	6817	6817	6817	6817	6817	6817	6817
Corporate Capacity - Development Services/Estates		140000		11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667
Corporate Capacity - Housing		70000		5833	5833	5833	5833	5833	5833	5833	5833	5833	5833	5833	5833
Corporate Capacity - Planning		140000		11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667
Corporate Capacity - Highways and transportation		153000		12750	12750	12750	12750	12750	12750	12750	12750	12750	12750	12750	12750
	Monthly Total			257328	257328	257328	257328	257328	257328	257328	257328	257328	257328	257328	257328
	Running Total			257328	514655	771983	1029310	1286638	1543965	1801293	2058620	2315948	2573275	2830603	3087930

Appendix B
: Investment Comparison Budgets – BCP Council

WORKING DRAFT **Confidential** **28th MAY 2021**

BCP 2022 onwards

RESOURCES

Role				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MD	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Head of Development	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development Finance Manager/ Analyst	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
EA Support				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Admin Support				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Finance Director	Days per month			PT	PT	PT	PT	PT	PT	PT	PT	PT	PT	PT	PT
Financial controller	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Legal and Commercial Director	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Commercial officer	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Assistant DM	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
URC Pipeline manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Head of Construction	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior Project Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Senior Project Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Project manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Marketing/ comms/ pr / trademark /licences															
Sundry expenses															
HR services															
IT hardware/ software															
Other consultancy support															
Recruitment consultant															
Support for governance for the Vehicle (Board, Support, Independent Non Excecutive Directors, Board training etc)															
BCP Client															
Programme Manager	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Admin support	days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Development Lead	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Procurement	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Legal Services	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Finance	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Development Services/Estates	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Housing	Days per month			FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Planning				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT
Corporate Capacity - Highways and transportation				FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT	FT

Appendix B
: Investment Comparison Budgets – BCP Council

BCP 2022 onwards

COSTS

	Day Rate (£)	Package costs	Monthly employment cost	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MD		171136.8	14261	14261	14261	14261	14261	14261	14261	14261	14261	14261	14261	14261	14261
Head of Development		126768	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564
Development Finance Manager/ Analyst		107058	8921.5	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922
EA Support		31692	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641
Admin Support		31692	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641	2641
	Day Rate (£)	Package costs	Monthly employment cost												
Finance Director		76061	6338.4	6338	6338	6338	6338	6338	6338	6338	6338	6338	6338	6338	6338
Financial controller		79230	6602.5	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603
Legal and Commercial Director		126768	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564	10564
Senior DM		107058	8921.5	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922	8922
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Development manager		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Commercial officer		54000	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Senior DM		79230	6602.5	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603
Assistant DM		76470	6373	6373	6373	6373	6373	6373	6373	6373	6373	6373	6373	6373	6373
URC Pipeline manager		79230	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603	6603
Head of Construction		137646	11471	11471	11471	11471	11471	11471	11471	11471	11471	11471	11471	11471	11471
Senior Project Manager		63384	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282
Senior Project Manager		63384	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282
Project manager		63384	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282	5282
Marketing/ comms/ pr / trademark /licences		50000		4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167
Sundry expenses		60000		5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
HR services		50000		4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167
IT hardware/ software		20000		1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667
Other consultancy support		100000		8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333
Support for governance for the Vehicle (Board, Support, Independent Non Excecutive Directors, Board training etc)															
BCP Client															
Programme Manager		73600	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133	6133
Admin support		35000	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917	2917
Strategic Development Lead - Service Director Role		110000	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167
Corporate Capacity - Procurement		60750		5063	5063	5063	5063	5063	5063	5063	5063	5063	5063	5063	5063
Corporate Capacity - Legal Services		66965		5580	5580	5580	5580	5580	5580	5580	5580	5580	5580	5580	5580
Corporate Capacity - Finance		81807		6817	6817	6817	6817	6817	6817	6817	6817	6817	6817	6817	6817
Corporate Capacity - Development Services/Estates		140000		11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667
Corporate Capacity - Housing		70000		5833	5833	5833	5833	5833	5833	5833	5833	5833	5833	5833	5833
Corporate Capacity - Planning		140000		11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667	11667
Corporate Capacity - Highways and transportation		153000		12750	12750	12750	12750	12750	12750	12750	12750	12750	12750	12750	12750
0															
	Monthly Total			237276	237276	237276	237276	237276	237276	237276	237276	237276	237276	237276	237276
	Running Total			237276	474552	711828	949105	1186381	1423657	1660933	1898209	2135485	2372761	2610038	2847314

Appendix C: Equality Impact Assessment: conversation screening tool

[Use this form to prompt an EIA conversation and capture the output between officers, stakeholders and interested groups. This completed form or a full EIA report will be published as part of the decision-making process]

Policy/Service under development/ review	Decision to set up a wholly owned Urban Regeneration Company (URC)
What changes are being made tothe policy/service?	The decision to create a URC will enable the Council to procure commercial property development skills and expertise to supplement in-house staffing resources. This will ensure a sharper focus on the delivery of regeneration sites than is possible within the constraints of the Council's staffing resources, given the demands it faces across its key Service areas. The URC will focus solely on accelerating the pipeline of local sites to deliver sustainable development outcomes that will contribute to the objectives of the Council's Big Plan.
Service Unit:	Chief Executive's Office
Persons present in the conversation and their role/experience in the service:	Graham Farrant - Chief Executive Dave Anderson - Interim Director of Delivery Adam Richens – Chief Finance Officer and Director of Finance Susan Zeiss – Director and Monitoring Officer Lucy Eldred - Head of HR Chris Twigg – Director of Urban Regeneration Katie Randall – Programme Manager Sarah Good – Programme Manager Cllr Drew Mellor – Leader of the Council Cllr Phil Broadhead – Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council
Conversation dates:	A number of conversations where equalities – including equal pay in relation to the company employees and the company outcomes including social and economic impact on our communities - have taken place over the past few months resulting in two Cabinet reports to-date. The first (in March 2021) agreed in principle to exploring the best delivery route to accelerate the Council's regeneration plans, and the second (May 2021) to develop a business case in support of creating a URC. This second report delegated the decision to proceed to the Chief Executive in consultation with the Leader and Deputy Leader following consideration of the business case. This EIA covers the decision to proceed with setting- up the company.
Do you know your current or potential client base? Who are thekey stakeholders?	The company will be set up as a Teckel company, wholly owned by the Council, providing development expertise and skills solely to the Council.
Do different groups have different needs or experiences in relation tothe policy/service?	The company will consider regeneration sites across the conurbation and recommend the best development option and delivery route for each site. Each scheme will have an accompanying business case and EIA which will consider the differing needs of BCP residents and visitors.
Will the policy or service change affect any of these service users?	The creation of the URC itself will not affect any services users and wherever possible will adopt the Council's policies which have already been subject to the EIA process. The company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will

	consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored by the Council's commissioning team against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation. Each scheme will be subject to a Cabinet report, options appraisal, business case, and require individual EIAs to be completed in support of any decisions taken as projects come forward. Additional information will be added to this document as the Target Operating Model and supporting commissioning document are developed over the coming months.
[If the answer to any of the questions above is 'don't know' then you need to gather more evidence and do a full EIA. The best way to do this is to use the Capturing Evidence form]	
What are the benefits or positive impacts of the policy/service change on current or potential serviceusers?	No equality impacts have been identified as arising directly from the proposed formation of the URC. However, consideration will need to be made to equalities legislation and good practice when recruiting to the company. As its role evolves, there will also be opportunities to address equalities issues, for example, through social value clauses to encourage training and employment opportunities for disadvantaged groups. Equality impacts will need to be assessed as major projects are promoted and taken forward by the company.
What are the negative impacts of thepolicy/service change on current or potential service users?	There are no negative impacts envisaged. However, as described above the company will advise and lead on development across the conurbation and each scheme will be subject to a Cabinet report, options appraisal, business case, and require individual EIAs to be completed in support of any decisions taken as projects come forward.
Will the policy or service changeaffect employees?	There may be TUPE implications for some employees. This will be monitored as the target operating model evolves and this document will be updated to reflect any impacts identified.
Will the policy or service changeaffect the wider community?	The creation of the company itself will not result in any changes for the wider community. However, individual schemes will impact our communities and each project will be subject to a Cabinet report, options appraisal, business case, and require individual EIAs to be completed in support of any decisions taken.
What mitigating actions are plannedor already in place for those negatively affected by the policy/service change?	It is not anticipated that there will be any negative impacts as a result of creating the URC. However, there may be opportunities to address equalities issues, for example, through social value clauses to encourage training and employment opportunities for disadvantaged groups. Equality impacts will need to be assessed as major projects are promoted and taken forward by the company.
Summary of Equality Implications:	There are no equality implications as a result of the decision to create the URC. However, this document will be updated as the Target Operating Model and supporting commissioning document are developed over the coming months.

Impact Summary

Climate Change & Energy	**Green - Only positive impacts identified**
Communities & Culture	**Green - Only positive impacts identified**
Waste & Resource Use	**Green - Only positive impacts identified**
Economy	**Green - Only positive impacts identified**
Health & Wellbeing	**Green - Only positive impacts identified**
Learning & Skills	**Green - Only positive impacts identified**
Natural Environment	**Green - Only positive impacts identified**
Sustainable Procurement	**Green - Only positive impacts identified**
Transport & Accessibility	**Green - Only positive impacts identified**

Major negative impacts identified

Minor negative impacts identified / unknown impacts

Only positive impacts identified

No positive or negative impacts identified

Answers provided indicate that the score for the carbon footprint of the proposal is: **1**	The Carbon Footprint is banded as follows: 0-4 **Low** — 5-9 **Moderate** — 10-14 **High**

Proposal ID: **251**

Proposal Title: **Creation of an Urban Regeneration Company (URC)**

Type of Proposal: **Service**

Brief description:
The creation of a wholly owned URC will enable the Council to procure commercial property development skills and expertise to supplement in-house staffing resources. The proposed Urban Regeneration Company will focus solely on accelerating the pipeline of local sites to deliver sustainable development outcomes that will contribute to the objectives of the Council's Big Plan.

This approach will boost the Council's capacity, provide a sharper focus on its development priorities and introduce subject matter development expertise strengthening the Council's capability and accelerating the pace and scale of regeneration across priority sites.

Proposer's Name: **Sarah Good**

Proposer's Directorate: **Regeneration & Economy**

Proposer's Service Unit: **Development**

Estimated cost (£): **Above OJEU threshold**

If know, the cost amount (£): **£1.75m**

Ward(s) Affected (if applicable):
All Wards

Sustainable Development Goals (SDGs) supported by the proposal:
3. Good Health and Well Being 8. Decent Work and Economic Growth 9. Industry, Innovation and Infrastructure 11. Sustainable Cities and Communities 13. Climate Action 15. Life On Landction 15. Life on Land

Climate Change & Energy

Is the proposal likely to have any impacts (positive or negative) on addressing the causes and effects of climate change? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Has the proposal accounted for the potential impacts of climate change, e.g. flooding, storms or heatwaves? **Not Relevant**

2) Does it assist reducing CO2 and other Green House Gas (GHG) emissions? E.g. reduction in energy or transport use, or waste produced. **Not Relevant**

3) Will it increase energy efficiency (e.g. increased efficiency standards / better design / improved construction technologies / choice of materials) and/or reduce energy consumption? **Yes**

4) Will it increase the amount of energy obtained from renewable and low carbon sources? **Not Relevant**

How was the overall impact of the proposal on its ability to positively address the cause and effects of climate change rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself wil not have any direct impact on climate change. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring
(inc. timescales, responsible officers, related business plans etc):
N/A

Communities & Culture

Is the proposal likely to impact (positively or negatively) on the development of safe, vibrant, inclusive and engaged communities? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will it help maintain and expand vibrant voluntary and community organisations? **Yes**

2) Will it promote a safe community environment? **Yes**

3) Will it promote and develop cultural activities? **Yes**

How would the overall impact of the proposal on the development of safe, vibrant, inclusive and engaged communities be rated?
Green - Only positive impacts identified

Reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any impact on the development of safe, vibrant, inclusive, and engaged communities. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc):

Waste & Resource Use

Is the proposal likely to have any impacts (positive or negative) on waste resource use or production and consumption? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will it prevent waste or promote the reduction, re-use, recycling or recovery of materials? **Yes**

2) Will it use sustainable production methods or reduce the need for resources? **Yes**

3) Will it manage the extraction and use of raw materials in ways that minimise depletion and cause no serious environmental damage? **Yes**

4) Will it help to reduce the amount of water abstracted and / or used? **Yes**

How would the overall impact of the proposal on the sustainable production and consumption of natural resources be rated? **Green - Only positive impacts identified**

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any impact on the production of waste or resource use. However, the company will advise and lead on development across the conurbation, accelerating the rate of regeneration. The framework of regeneration delivery followed will consider the environmental impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring
(inc. timescales, responsible officers, related business plans etc):
As above

Economy

Is the proposal likely to impact (positively or negatively) on the area's ability to support, maintain and grow a sustainable, diverse and thriving economy? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will the proposal encourage local business creation and / or growth?
   Yes

2) Will the proposal enable local jobs to be created or retained?
   Yes

3) Will the proposal promote sustainable business practices?
   Yes

How would the overall impact of the proposal on it’s potential to support and maintain a sustainable, diverse and thriving economy be rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps)
The creation of the URC itself will not have any impact on the economy. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc)
N/A

Health & Wellbeing

Is the proposal likely to impact (positively or negatively) on the creation of a inclusive and healthy social and physical environmental for all?
Yes

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will the proposal contribute to improving the health and wellbeing of residents?
   Yes

2) Will the proposal contribute to reducing inequalities in health between different communities or groups?
   Yes

3) Will the proposal contribute to a healthier and more sustainable physical environment?
   Yes

How would the overall impact of the proposal on the creation of a fair and healthy social and physical environmental for all be rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any direct impact on the health and wellbeing of residents or staff. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation all of which will contribute to the overall health and wellbeing of residents.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc):
N/A

Learning & Skills

Is the proposal likely to impact (positively or negatively) on a culture of ongoing engagement and excellence in learning and skills? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will it provide and/or improve opportunities for formal learning?
   Yes

2) Will it provide and/or improve community learning and development?
   Yes

3) Will it provide and/or improve opportunities for apprenticeships and other skill based learning?
   Yes

How would the overall impact of the proposal on the encouragement of learning and skills be rated? **Green - Only positive impacts identified**

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any direct impact on learning and skills. However, the company will advise and lead on development across the conurbation which may include community or educational facilities and opportunities for apprenticeships. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc):
N/A

Natural Environment

Is the proposal likely to impact (positively or negatively) on the protection or enhancement of local biodiversity or the access to and quality of natural environments?
Yes

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

1) Will it help protect and improve biodiversity i.e. habitats or species (including designated and non-designated)? **Yes**

2) Will it improve access to and connectivity of local green spaces whilst protecting and enhancing them? **Yes**

3) Will it help protect and enhance the landscape quality and character?
Yes

4) Will it help to protect and enhance the quality of the area's air, water and land?
Yes

How would the overall impact of your proposal on the protection and enhancement of natural environments be rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any impact on the natural environment. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan and other key documentation.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc):
N/A

Sustainable Procurement

Is the proposal likely to involve the procurement of goods or services which risk negative impact on resources (including power, water, raw material extraction), natural environment or labour markets (e.g. welfare standards)?
Yes

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):

Has or is it intended that the Strategic Procurement team be consulted?
Yes – planning to discuss

If the Strategic Procurement team was not consulted, then the explanation for this is:

1) Do the Government Buying Standards (GBS) apply to goods and/or services that are planned to be bought?
   Not Relevant
2) Has sustainable resource use (e.g. energy & water consumption, waste streams, minerals use) been considered for whole life-cycle of the product/service?
   Not Relevant
3) Has the issue of carbon reduction (e.g. energy sources, transport issues) and adaptation (e.g. resilience against extreme weather events) been considered in the supply chain?
   Not Relevant
4) Is the product/service fairly traded i.e. ensures good working conditions, social benefits e.g. Fairtrade or similar standards?
   Not Relevant
5) Has the lotting strategy been optimised to improve prospects for local suppliers and SMEs?
   Not Relevant
6) If aspects of the requirement are unsustainable then is continued improvement factored into your contract with KPIs, and will this be monitored?
   Not Relevant

How is the overall impact of your proposal on procurement which supports sustainable resource use, environmental protection and progressive labour standards been rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any impact on sustainable procurement. However, the URC will be wholly owned by BCP Council and as such will be committed to delivering sustainable outcomes through its procurement activity. It will expect the supply chain to support the Council in achieving continuous improvement in its environmental performance both internally and across the conurbation.

Details of proposed mitigation/remedial action and monitoring (inc. timescales, responsible officers, related business plans etc):
N/A

Transport & Accessibility

Is the proposal likely to have any impacts (positive or negative) on the provision of sustainable, accessible, affordable and safe transport services - improving links to jobs, schools, health and other services? **Yes**

If the answer was No, then the explanation is below (there are no answers to subsequent questions in this section):
.

1) Will it support and encourage the provision of sustainable and accessible modes of transport (including walking, cycling, bus, trains and low emission vehicles)?
   Yes

2) Will it reduce the distances needed to travel to access work, leisure and other services?
   Yes

3) Will it encourage affordable and safe transport options?
   Yes

How would the overall impact of your proposal on the provision of sustainable, accessible, affordable and safe transport services be rated?
Green - Only positive impacts identified

The reasoning for the answer (details of impacts including evidence and knowledge gaps):
The creation of the URC itself will not have any impact on transport and accessibility. However, the company will advise and lead on development across the conurbation. The framework of regeneration delivery followed will consider the environmental, social, and economic impact of activities including design, materials, manufacture, construction, and disposal and each development will be reviewed in terms of its impact. The company will also be monitored against its contribution towards several strategic outcomes including the creation of enhanced opportunities for local employment and skills, accelerated delivery of suitable housing, a comprehensive cultural offer and the achievement of the Council's commitments as set out in the climate change action plan which includes transport and accessibility.

Details of proposed mitigation and monitoring (inc. timescales, responsible officers, related business plans etc):