Bournemouth, Christchurch & Poole Urban Regeneration Company

Commissioning Plan

BCP Council

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Urban Regeneration Company Commissioning Plan

1.   Introduction

In May 2021, BCP Cabinet supported the establishment of an Urban Regeneration Company (URC), in order to achieve a step change in the scale, pace and ambition of regeneration across the BCP city region – the 10th largest urban authority in the UK.

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 sets out five key aims that, if achieved, would deliver changes across the whole area supporting the creation of over 13,000 jobs across the local economy, promoting the growth of businesses and the prosperity of local communities.

One of the aims of the Big Plan is to **act at scale** and deliver more than 15,000 new homes for people of all incomes. This target can only be achieved through direct investment by the Council and by enabling third parties, within the market, to build a sustainable mix of housing from affordable homes to high-end, apartments and houses.

The Council is proposing to move towards a Commissioning Model for regeneration with an internal client team providing strategic direction and support to key delivery partners. The Council recognises the opportunity that the long-term stewardship of regeneration sites provides to provide better outcomes to our residents. As new developments proceed, it will be vital that they create places that are sustainable, attractive, liveable communities and reflect current best practice in placemaking.

1.1.   Purpose

Welcome to the **Regeneration Commissioning Plan** for Bournemouth, Christchurch, and Poole.

The purpose of the **Commissioning Plan** is to provide a framework of **strategic guidance and direction** to guide and oversee the delivery of placemaking and regeneration services by the newly formed urban regeneration company, BCP FuturePlaces Limited.

The URC has been established as a Teckal company which is wholly owned by BCP Council. It will drive place making, regeneration and property market transformation to support the aspirations set out in the Council's *Big Plan* – both across sites owned by the Council and across the wider area. The URC vehicle will take a long-term view of value creation. It will use patient financial capital to enhance value across a range of measures and to seek the best outcomes over the medium / long term. This will include looking beyond the creation of new homes to investing in public realm, access to open space and public transport to create sustainable communities for the future.

An internal **Client Team** reporting to a Service Director has been set up by the council to guide, enable and oversee the work of the **URC**, ensuring that its activities are aligned to the objectives of the council's *Big Plan* and its **Corporate Plan**.

The Client Team will be responsible for ensuring that the intended **regeneration and placemaking outcomes** are delivered in terms of housing delivery, economic, social, environmental, and cultural improvements.

The URC will be required to achieve **best value** from the Council's land and property assets (defined broadly across a range of value measures) and to develop enhanced assets and revenue streams to support the Council's core services. A broad aim will be to secure local property market transformation and unlock high quality placemaking with enhanced delivery, measured in terms of pace and quality, across the conurbation.

The Council's Client Team will oversee delivery and fulfil the role of **Intelligent Client**, ensuring the effective programming of work, prioritisation, and appraisal of projects through Gateway **Approval** processes. It will also ensure that high standards of governance and appropriate oversight are maintained. Finally, it will act as a key conduit to relevant council departments to ensure coordination, collaborative working and the ability to unlock blockages to development.

The Council will provide an early warning to the URC of developing policy and strategy initiatives to ensure that the URC's placemaking efforts remain fully aligned to Council goals.

This **Commissioning Plan** sets out the Council's strategic objectives and its requirements in commissioning the Urban Regeneration Company. The plan is divided into five main sections:

1) **COUNCIL REQUIREMENTS**

   The Council's aims and objectives in undertaking the commissioning approach, the scope and scale of the services and the desired outcomes. It also identifies key roles, relationships and interfaces between the council and the URC; Key Performance Indicators (KPI's) and measures for assessing value for money.

2) **ORGANISATION AND GOVERNANCE**

   How the Council's governance and Commissioning team will be structured to support an efficient and effective approach to delivery.

3) **FINANCE**

   The financial strategy and implications anticipated to apply to the Urban Regeneration Company.

4) **COMMUNICATIONS**

   The communications protocols and guidance for the company.

5) **RISK MANAGEMENT**

   The Council's expectations in terms of risk management processes and control of risks.

1.2. Background

The formation of BCP Council in 2019 brought together the land and property assets of the three composite, predecessor authorities. This merger created a pool of land and property assets that are of sufficient size and value to underpin a significant programme of regeneration and growth. This portfolio of sites also offers the opportunity to create valuable income streams that can help to support the medium and long-term funding needs of council services.

In recent history the BCP area property market has been characterised by stalled sites and schemes that often fail to meet the 'place potential' of the setting. The local economy also has a strong element of seasonality and is possibly over reliant on a relatively small number of sectors. BCP Council recognises the need to diversify and grow the economy and to intervene to secure the wider potential of the place, both as a destination and as a high-quality place in which to live and work.

The challenge of growth, and the opportunity to develop a significant portfolio of Council-Owned sites, led the Cabinet at its meeting of 26 May 2021, to support the establishment of an Urban Regeneration Company (URC) which will aim to achieve a step change in the scale, pace, and ambition of regeneration across the BCP city region.

The URC will bring additional placemaking and stewardship investment/development expertise to bear to ensure that we make the most of our City Region's potential. The URC will aim to build strong relationships with local stakeholders, the local property market, and other partner organisations involved in regeneration such as the Bournemouth Development Company and Boscombe Towns Fund Board.

The URC will be wholly owned by BCP Council. Its work will be overseen by a **Regeneration Client Team** whose purpose will be to ensure that the projects progressed by the URC adhere to the scope and specification agreed with the Council; align with its objectives and priorities and achieve value for money.

2. Section One: Council Requirements

2.1. Corporate Strategy and The Big Plan
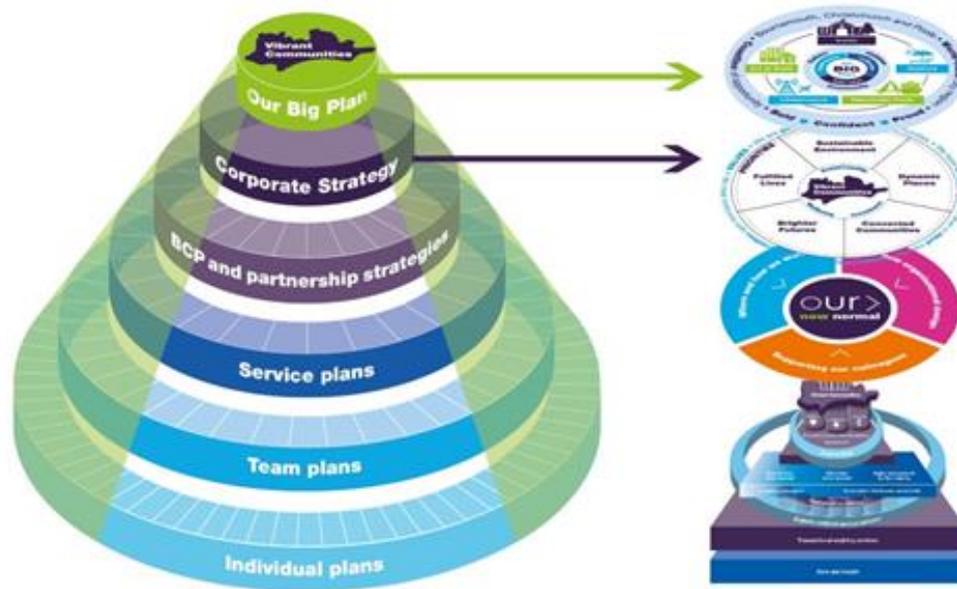
Figure 1: The relationship between corporate strategy and the Big Plan

BCP Council's Corporate Strategy was created in Summer 2019 following the formation of the new unitary authority. The Corporate Strategy aims to deliver vibrant communities with outstanding quality of life where everybody plays an active role. The strategy focuses on five priorities which are summarised below:

- **Sustainable Environment** - Leading our communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come
- **Dynamic Places** - Supporting an innovative, successful economy in a great place to live, learn, work and visit
- **Connected Communities -** Empowering our communities so everyone feels safe, engaged and included
- **Brighter Futures** - Caring for our children and young people; providing a nurturing environment, high quality education and great opportunities to grow and flourish
- **Fulfilled lives** - Helping people lead active, healthy, and independent lives, adding years to life and life to years.

The Corporate Strategy also sets outs how the Council will contribute to the vision set out in the Council's Big Plan:

"We want our city region to be world class – one of the best coastal places in the world in which to live, work, invest and play. A *coastline of opportunity* where people and businesses want to be."

The *Big Plan* has 5 key aims: the creation of an iconic **cityscape**; investment in our **seafront**; the rejuvenation of **Poole**; investment in our **physical and digital infrastructure**; and **acting at scale** to deliver more than 32,000, new homes over the next 16 years. This level of housing development is needed to cope with population growth and changes in household structure as forecast by the Council's strategic housing market assessment (SMHA).

The **Urban Regeneration Company** (URC) will provide strategic advice and development management expertise, supplementing the Council's in-house capability and enabling the Council to accelerate the delivery of key sites, unlocking their full value through best practice in urban design and placemaking.

Figure 2: The Big Plan aims

Drawing on the principles of **sustainability and stewardship** the URC will facilitate a legacy of safe, attractive, well connected, walkable neighbourhoods, low carbon buildings, sustainable infrastructure, and new sporting, cultural, health and education facilities, boosting **jobs, prosperity, and quality of life** for residents, supporting the growth of local businesses, and attracting new investment and visitors to the city region.

2.1.1. Our Big Plan

The key aims of the Big Plan are linked to the delivery of tangible **outcomes** such as new infrastructure, facilities, homes, transport services and public realm improvements.

Together, the **Big Plan** and the Council's Corporate **Plan** set out the Council's vision, mission, ambition, and key priorities, and create a strategic framework for our regeneration activity.

The **Regeneration Commissioning Plan** therefore connects directly to the Corporate Plan objectives and especially those concerned with the Environment, Places and Communities.

The broader strategic context for regeneration is set by the **Local Plan** for the conurbation which provides a framework of policies and site allocations to guide future development. A new Local Plan is currently under development and will set out the need for new homes, jobs, infrastructure, natural and cultural amenities, and other supporting services within BCP Council area.

The **Local Plan** will provide a framework of land use and planning policies for the city region supplemented in some areas by **Neighbourhood Plans** which will express the aspirations of local communities.

The new URC will assist BCP Council to deliver the objectives set out in the Local Plan through deploying its skills in land assembly, project delivery and place making. It will also support neighbourhood plans at a local level, by ensuring that community consultation and a placemaking-led response to sites respond to the local needs of the area.

The **Commissioning Plan** sets the framework within which the URC will operate and sets out its operating method and governance.

2.1.2.   Supporting Strategies

A '**Golden Thread'** of common objectives links the **Commissioning Plan** to the *Big Plan* and **Corporate Plan** and to related Council strategies for Economic Development, Housing, Regeneration, the Seafront and High Streets, the Local Plan and Local Transport Plan. The Commissioning Plan will be developed to take account of strategy and policy changes in service areas as they occur ensuring that the URC is finely attuned to changes in policy and works in harmony with Council Services through a jointly developed 'Ways of Working' protocol.

There are several Council related strategies that will impact upon and influence the work of the URC. The key ones and their status are summarised below.

2.1.2.1. Economic Development Strategy

The Economic Development Strategy will set out the Council's commitment to enabling economic growth and productivity, whilst also protecting the environment and quality of life and will be published in late 2021.

2.1.2.2. Regeneration Strategy

A Regeneration Strategy will be produced in spring 2022 to set out the Council's priorities for regeneration and placemaking and provide a framework for delivering key elements of the Big Plan.

2.1.2.3. Seafront Strategy

The BCP Council Seafront Strategy, currently under consultation, will be adopted towards the end of 2021 setting out the vision for the future of our coastal leisure and resort offer for the next 20 years, supported by a 5-year investment programme to help establish a world class seafront destination.

2.1.2.4. Destination Strategy

The Destination & Culture directorate is working closely with the Destination Management Board and the Cultural Compact partnership for the BCP area to develop a vision for the potential of our natural, cultural, and human resource assets to provide a year-round quality visitor destination. This strategy will recognise the major impact that COVID 19 has had on the visitor economy and the need to return to growth through the development of traditional and new markets including the move towards 'staycations'. By 2025, the strategy will be targeting a sector valuation of at least £1.4bn a year.

2.1.2.5. Housing Strategy

The aim of the Housing Strategy is to ensure that housing, planning, economic development, and regeneration work seamlessly together to deliver high quality housing at the volumes and types the market needs taking full account of affordability and lifestyle choice. Its vision is "*To provide a safe, secure and sustainable home where it is needed and thereby enabling people the opportunity to live well*".

2.1.2.6. High Streets Strategy

This strategy will be published in autumn 2021 to support High Streets across the conurbation to recover from the Coronavirus Pandemic and the transition to online shopping. It will aim to rebalance and intensify the occupation of the conurbation's high streets and district centres; secure new catchments and build upon the distinctive character and quality of local centres to serve residents within walking distance and attract others through the distinctive nature of their offer.

2.1.2.7. Capital Investment Strategy (Non-Treasury)

The Council's Capital Investment Strategy guides the use of borrowing for residential and regeneration projects and will be an important document in relation to investment in projects that will be developed by the URC.

2.2. Objectives & Outcomes

The **Commissioning Plan** translates the strategic context of the Corporate Plan, the Big Plan and related Council strategies and policies into objectives and targets for the URC, ensuring that the Council commits its limited resources to support agreed priorities.

The URC will be required to produce detailed business plans articulating their contribution to these priorities, while the Commissioning Plan will set out the processes and procedures that will be used to measure their performance and monitor delivery.

The proposed controls will aim to ensure that:

- A robust process for project inception is created that considers the project fit with strategic objectives and value for money
- Projects are consistently reviewed and appraised at each key stage of development
- Audit trails are documented, and the public interest is protected
- Projects and programmes are delivered on time and to budget
- Public money is invested in projects that are aligned to Council objectives and value for money is achieved
- Projects are designed and delivered to a high standard
- Planned regeneration and place making outcomes are delivered.

Major URC projects will be supported by a **Project Initiation Document (PID)** and a **Business Case process.** Smaller scale, or early-stage projects, will be supported by a mini PID and Project Brief that sets out the business justification for the project.

For larger programmes it may be necessary for the URC to develop a **Theory of Change model i**n line with HM Treasury guidance to define key issues, specify intended outcomes and the project outputs required to deliver those outcomes, as shown in the example.
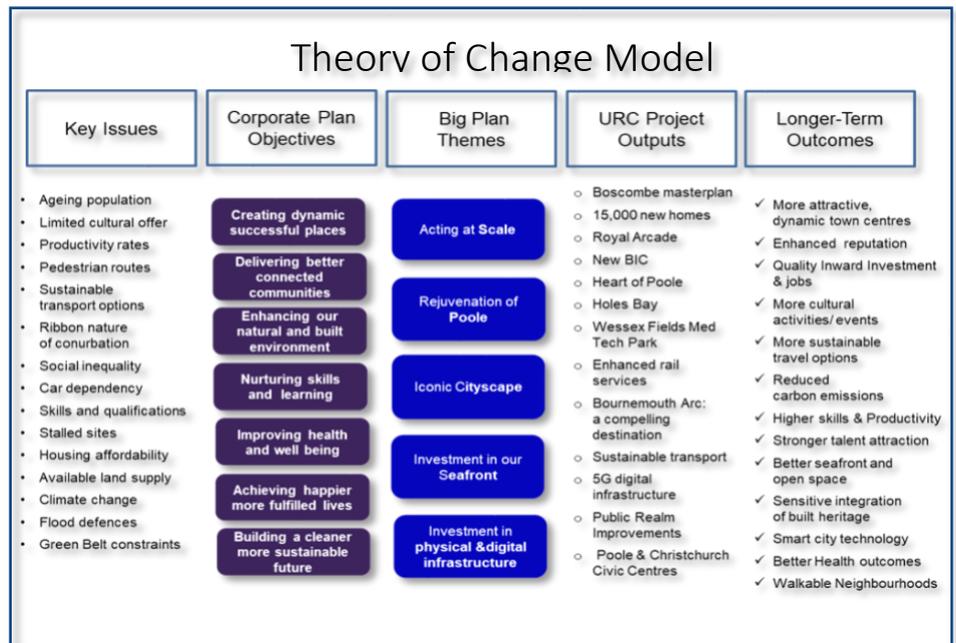
Figure 3: The Theory of Change Model for the Urban Regeneration Company

The **Commissioning Plan** is informed by the Council's commitment to bringing about real and lasting change across our local communities. It will do so by: investing sustainably in the development and stewardship of sites and properties in public ownership; drawing upon best practice in placemaking, stewardship development & investment (patient capital) practices; and delivering 'smart growth'.

2.2.1. Smart Growth

Smart Growth connects social, economic, and environmental aspirations. It creates places that attract investment, and support economic vitality, environmental health, and quality of life by creating:

- Liveable neighbourhoods – safe, convenient, attractive, and affordable places
- Walkability through foot-printing the city to be more self-contained and less dependent on unnecessary commuting
- Better access to public transport and less congestion
- A thriving urban realm
- Shared benefits – jobs, education, healthcare for all social groups
- Economic viability
- Access to gardens; space for growing and high-quality green space
- Cleaner water, waste, and energy solutions
- Fewer environmental impacts arising from growth.

The concept of **Stewardship** which has emerged following the *Building Better Building Beautiful* Commission complements smart growth. It takes a longer-term perspective to placemaking by using patient capital to create enduring value, rather than building developments without the necessary investment in physical and community infrastructure that is needed to create attractive, sustainable places.

By adopting a stewardship-based approach to investment, the URC will enable the delivery of more complex mixed-use communities by: taking a more patient approach to returns on investment; contractually building-in controls on design quality and place making; and applying a sequential/incremental approach to delivery to capture value uplift into the project.

2.3.   Embedding Corporate Goals
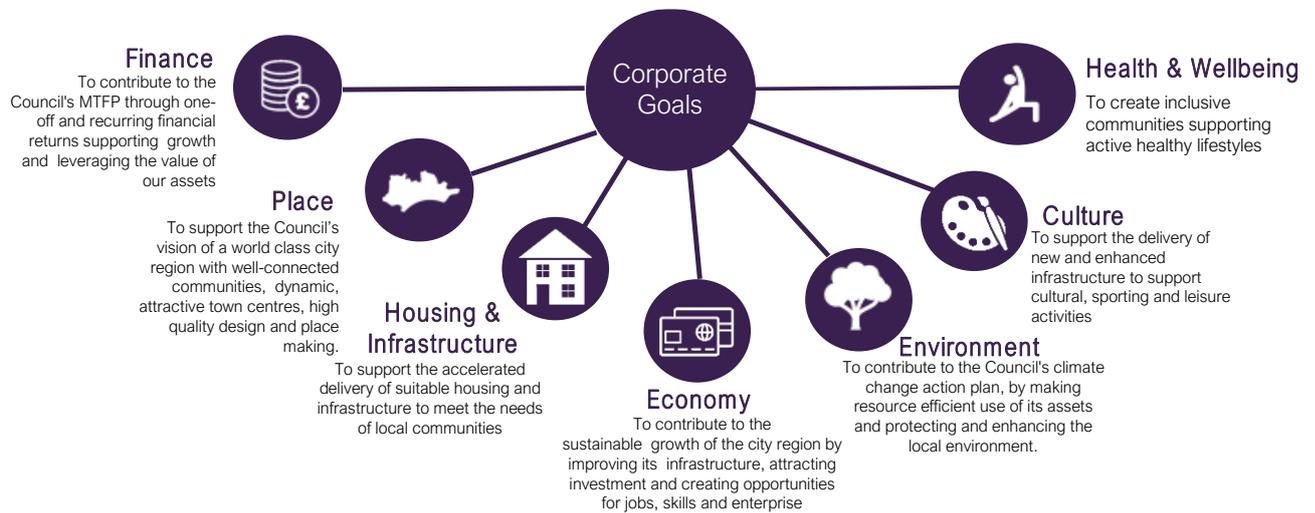
Figure 4: Corporate Goals for the URC based upon the Council's objectives

The URC will be expected to contribute to a range of the Council's corporate goals as highlighted in the above schematic diagram and explained below.

2.3.1.   Finance

The URC will unlock value from regeneration sites to create new sources of revenue to support the Council's core services.

2.3.2.   Place

The URC will develop schemes that are contextually appropriate to each location in terms of height, massing, and architectural and landscape references, and support the Council's vision of creating a world class city region.

2.3.3.   Housing & Infrastructure

The URC will contribute to the Council's aims to provide residents with safe, secure, and sustainable homes where they are needed. It will also invest in the necessary community infrastructure to support attractive, sustainable neighbourhoods.

2.3.4. Economy

The URC will contribute to the city region's economic growth by improving local infrastructure, attracting investment, and creating new employment locations and opportunities for new jobs, skills, and enterprise.

2.3.5. Environmental resilience and Climate Emergency

The URC will contribute to the Council's Climate Emergency action plan. It will ensure new developments are resource efficient, adopt low carbon technology, and lead to sustainable communities which are resilient to climate change and contribute to Biodiversity Net Gain either on site or through natural capital and landscape strategies.

The Council has statutory duties and powers that shape the local area through its buildings, transport systems, waste services and natural environment. The URC will use its role in place shaping to work closely with the Council to support these functions.

URC schemes will be developed with resilience in mind, and layouts and designs will be tested to consider key threats such as flood; drought; extreme heat/cold; security; public health; resilience and to build in robustness.

The URC will play a key role in ensuring that opportunities are taken to reduce our city region's carbon footprint by providing sustainable transport choices and delivering low-carbon, energy efficient buildings. They will lead by example, developing cleaner supply chains and building local capacity to take forward the carbon reduction agenda. The URC will also champion cleaner supply chains and work to build the capacity to deliver carbon reduction locally.

Within the constraints of commercial viability and value for money, the URC will aim to deliver the best possible standards of low-carbon, energy efficient buildings taking account of the established BREEAM classifications shown below:

Mandatory minimum standard:
- New-build projects to achieve as a minimum BREEAM 'Excellent' rating.
- Major refurbishments to achieve as a minimum BREEAM 'Very Good' rating.

Best practice standard:
- New-build projects to achieve BREEAM "outstanding" rating.
- Major refurbishment projects are to achieve as a minimum BREEAM "excellent" rating
- A *Towards Zero* water, waste and energy plan will be adopted for each scheme.

2.3.6. Culture and Sport

Culture and sport play a pivotal role in community life. The URC will work to develop cultural and sporting facilities where there are opportunities to do so. It will also use cultural and sporting activities to support place making e.g., through encouraging 'Meanwhile' uses on sites such as music events, food festivals and art installations. The URC will aim to develop parks and spaces for community recreation, grassroots sport participation and leisure activities.

2.3.7. Health & Wellbeing

The URC will work with the Council to build healthy neighbourhoods that support physical wellbeing by designing places that encourage walkability, cycling and active leisure. Urban design will take account of mental health and well-being by creating opportunities for social contact and community activity. Following the Coronavirus pandemic, access to green space (including balconies, gardens, communal gardens, parks, or open space) is recognised as particularly important to well-being and will be provided for in development proposals.

2.3.8. Equalities

The URC will adopt a conscientious approach to considering how schemes will be used and occupied by a range of user groups and interests to ensure that a diverse range of needs are accommodated, and developments are suitable for groups including the elderly and those with health limiting and mobility restrictions. At the inception stage of new scheme development proposals, there will be systematic stakeholder and community consultation engagement with a view to achieving a good balance of gender, age, ethnicity, and other equalities perspectives. Proposals for emerging schemes will be reviewed against an agreed Equalities Framework.

2.4. Scope

The URC will initially review and aim to accelerate the development of 14 major sites, the bulk of which are in Council ownership. The URC business plan will set out a phased programme for the preparation of these sites for development. In the case of those sites not earmarked for immediate redevelopment, disposal, or alternative use, plans will be developed in conjunction with appropriate BCP Council departments, including opportunities for 'Meanwhile' uses until the local property market can viably support their development.

The 14 sites identified for regeneration are estimated to have a gross development value of over £2bn, and the potential to deliver around 3,500 new homes, together with associated business space, community infrastructure and amenities.

The initial research undertaken by the URC has identified the need for specific research to support the delivery of key council objectives. Areas where the URC proposes to commission work include: research on retail and support for the renaissance of High Streets; a coordinated approach to land use intensification across the BCP area building on the concept of '15 minute neighbourhoods'; and work with the local plan team on the development of a natural capital investment strategy to support carbon and biodiversity offsetting together with a structured approach to Suitable Alternative Natural Greenspace (SANG) and water catchment improvement.

As its programme of work and range of expertise develops, the URC may also offer placemaking support to the Council in other areas of policy development.

The URC will aim to become an exemplar of best practice in urban design and sustainable development; pursuing leading edge placemaking practices; design quality processes; and taking advantage of digital and low carbon technologies to create attractive, liveable, connected neighbourhoods.

2.5.   Definition of Services

The services that the URC will provide to the Council will be set out in its Business Plan. Individual work packages will be specified within the Commissioning Contract between the Council and the URC. These may be added to as new opportunities arise when it is agreed that the URC is best placed to manage these projects. The primary services that will be provided by the URC will be **development management** activities such as:

- **Project scoping work** on council owned sites including project inception, briefing, capacity studies, masterplans and project viability testing and financial modelling.
- **Commissioning professional and technical work** from architects, quantity surveyors, civil engineers, planning consultants, master-planners, urban/landscape designers, and other professionals necessary to prepare designs from the early concept stage through to detailed planning and contractor procurement.
- **Preparing business cases** ensuring that schemes are **developer/investor ready** and the necessary market studies, budgets, contractor procurement routes, delivery strategy, design quality management and, if appropriate, exit routes have been clarified.
- **Design and Review of proof-of-concept due diligence process**
- **Providing commercial advice and interpretation to the Council** on market demand and investor appetite across key property sectors and segments e.g., residential, commercial, retail, leisure, industrial.
- **Providing urban development and place making advice** and best practice guidance to the Council to ensure that schemes optimise place potential; have a low carbon impact; provide sustainable returns; create attractive, walkable; liveable communities and are resilient to climate change.
- **Promoting development opportunities** on BCP Council sites to the investment market including Institutional Funders and private investors and developers.
- **Providing advice to the Council on suitable exit routes for sites** e.g., disposal, retention, and direct build., development with a JV partner.
- **Preparing 3rd party funding bids** on behalf of the Council to external bodies such as Homes England and MHCLG.
- **Managing assets on behalf of the Council** in cases where it has been agreed that assets should transfer to the URC.
- **Identifying asset acquisition** strategies in support of regeneration, income generation and other policy objectives.
- **Managing community consultation and stakeholder engagement work** on behalf of the Council to support the advancement of agreed schemes through planning.
- **Representing the Council, where agreed, in meetings with Government and public agencies.**
- **Supporting efforts to attract inward investment to the BCP region** and managing investor relations, where agreed.
- **Contributing placemaking input to departmental strategies** (e.g., Marketing & Inward Investment; Destination Proposition & Hotels Strategy; High Streets Strategy; Green Infrastructure Strategy, Cultural Strategy etc.)
- **Developing thematic place-based projects** to support market transformation proposition - bringing key URC inputs of place making, enabling, collaborative project

definition, design quality management, agile delivery, strategic investment - subject to corporate agreement via PID.

- **Providing urban development and place making advice to the council** to support the regeneration of local areas drawing upon identified best practice.
- Identifying **leading edge planning and development practices** to develop the BCP area as a national centre of excellence in stewardship driven development.

2.6.   Key Performance Indicators and Outcomes

An initial suite of key performance indicators and outcomes have been identified below. The nature of built environment interventions means that there can often be several year lead times before tangible deliverables are produced. In the early years of the URC's operations, many of the key proxy indicators that measure progress will be focussed on improving the understanding of the potential of key sites and defining options for development. Progress of the URC will be measured through the achievement of key milestones in the process, such as business cases and design development.

As part of the Annual Business Planning cycle, indicators will be applied to specific schemes and projects along with targets to measure performance and contribution towards the Council's Big Plan ambitions:

- **Site technical studies** completed e.g., ground investigation reports, flood risk assessments, structural engineering studies
- **Site masterplanning and architectural studies**
- **Site feasibility and viability** reports e.g., property appraisals for various use forms – residential, commercial, retail, leisure
- **Site enabling works completed** (Flood defences, new access roads; SUDS etc**)**
- **Public realm enhancements delivered (by Sq. M)**
- Biodiversity net gain and **landscape** enhancement
- **Hectares of derelict and contaminated land cleared**
- **Other infrastructure improvements completed**
- **Option assessments** and projects briefs
- **Business cases completed for key sites and projects**
    - o Strategic outline cases
    - o Outline business cases
    - o Full business cases
- Stakeholder and public **engagement exercises** undertaken
- Number of Press mentions of "Stewardship", 'BCP', Bournemouth, Christchurch and Poole, Regeneration – in the **national and professional press**
- **3rd party funding leverage achieved**
    - o Other public sector investment (e.g., Homes England)
    - o Private sector investment
- **Successful site development outcomes**
    - o Direct development by £ GDV
    - o Joint Venture Development by £GDV
    - o Sales to developers by £ purchase price achieved
- **Quantum of new or improved commercial floorspace** delivered (Sq. M)
- Quantum of **new residential units** delivered (number of homes)
- Quantum of **new sporting, leisure and cultural amenities** developed (Sq. M)

- Annual £ Value achieved from **revenue producing assets** developed by URC
- Annual £ value of **capital receipts** achieved from disposals
- Placemaking and **architecture and design awards** achieved.

2.7.   Programme of Work

The URC's initial delivery plan will cover three key areas of work: an initial portfolio of sites to support the regenerative development within the BCP conurbation; a series of thematic workstreams which will enable better placemaking across the area; and contribution to the formulation of key strategies to support placemaking and regeneration across the region.

The URC priority projects for the remainder of 2021/22 and 2022/23 are summarised in the table below and detailed in an Appendix to the URC Business Plan along with proposed deliverables and performance metrics:

Table 1: The URC's Initial Workplan

	Site	Present Use	Working Hypotheses
1	Beach Road Car Park	Car Park	Asset optimisation
2a	BIC/ARC	Conference centre & surroundings	Redevelopment & regeneration of key site
2b	Winter Gardens Revision	Car Park	Place making input
3	Boscombe	Area Based - High Street; Sovereign Centre; Royal Arcade & surroundings	Area based regeneration
4	Poole Old Town & Quay	Area Based - High Street; Between the Bridges; West Quay & surroundings	Area based regeneration
5	Christchurch	Area Based & Former Civic Centre Asset and car parks	Area based regeneration & asset optimisation
6	Heart of Poole	Council assets: Dolphin Centre; Dolphin Leisure Centre; Seldown Road Car Park & public realm	Area based regeneration & asset optimisation
7	Holes Bay	Brownfield site	Area based regeneration & asset optimisation
b	Carters Quay Design Quality Exercise	Vacant site	Design quality management and place making
8	Poole Civic Centre	Former Civic Buildings & Car Park	Area based regeneration & asset optimisation
9	Turlin Moor	Housing Estate	Place making inputs & development strategy
10	Wessex Fields	Greenfield site	Place making inputs & development strategy
11	Port of Poole	Partnership opportunity	Capacity and connectivity issues; optimisation of asset
12	Constitution Hill	Redevelopment site	Asset optimisation
13	Extra Care Village	Partnership Opportunity	Extra Care provision strategy

| 14 | Cotlands Road[1] | Car Park site | Area based regeneration & asset optimisation |

Thematic Projects

15	High Streets Renaissance (leading to investment proposition)
16	Hotel Regeneration Portfolio (Initially Poole CC, Christchurch CC)
17	Greener Car Parks
18	SuperLoos (architectural competition and delivery)
19	Natural Capital Investment Fund & Strategy
20	Railway Station Refurbs and East-West Metro Route

Cross -Cutting Strategic Initiatives (with BCP Council via Council-led Governance)

Place Potential Study
Property market & place SWOT/Comparators/GAP Analysis
Office & Commercial Proposition
Destination
Cultural & creative
Sport, Leisure & Recreation
Food, Retail & Entertainment
Economy, Jobs, Skills & Local Economic Capture
Balanced neighbourhoods
Green Infrastructure & Towards Zero approach
Place Branding
Property Market Performance - baselining and monitoring; all property categories; supple chain issues & skills
Feasibility East-West Rail Service
Walkability Movement & Parking
Strategic Integrated Transport strategy based on multi modal analyses
East-West MetroLink Feasibility
Strategic Parking Review
Smart footprinting to enhance walkability
Smart Growth
Integrated Urban & Infrastructure Model
Land use intensification mapping and study
Small sites search

2.8.   Quality Management, Monitoring & Evaluation

Excellent quality management process will be critical to the delivery of schemes and, ultimately, to the achievement of the Council's objectives for the URC.

Two key areas will enable quality management within the company:

1. Monitoring and Evaluation
2. Clarity over critical success criteria and key performance indicators to be used for measuring success.

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[1] BDC site, with options and viability to be determined in cooperation

2.9.   Monitoring and Evaluation

The following section describes how the objectives and outcomes in the URC Business Plan will be measured, monitored, and evaluated to assess the impact of the URC in achieving its stated aims; and considering the extent to which investment provides value for money.

Monitoring aims to review progress against planned targets, by providing information and evidence to check that programme expenditure and outputs are successfully delivered and agreed milestones are met.   This is in contrast with **evaluation which assesses effectiveness and efficiency,** during and after the implementation of specific project interventions and aims to measure whether anticipated benefits have been realised.

2.9.1.   Baseline

The Theory of Change Model, set out earlier in this document, summarises the key issues the URC Business Plan aims to address, the proposed interventions and projects, and the intended outputs and longer-term outcomes.

Before projects can be monitored and evaluated, there is a need to establish a starting point or baseline against which progress, and the eventual effectiveness of the completed project can be assessed. The baseline for projects will be agreed with the URC in Year 1 of the service.

2.9.2.   Regular Reporting

Monitoring and evaluation will support the quality management of day-to-day activities. It will provide the Council with ongoing assurance that the activities being undertaken by its wholly owned company are in line with the Council's priorities and objectives.

The URC will be required to provide a monthly highlight report update on its programme of works in order to inform Council officers and Members of its progress towards the Council's objectives. The format of this report will be agreed between the URC and the Council, however, is expected to contain:

- The key priority projects for the Council
- The progress against forecast timescales
- The progress against forecast costs
- The progress against forecast quality
- Likelihood of achieving expected benefits
- Key risks and issues
- Lessons Learned.

This reporting also enables a systematic, regular opportunity for senior leadership within the URC to raise concerns and request the support of Council stakeholders in removing barriers for individual projects.

2.9.3. Annual Performance Reporting

As part of the ongoing business planning cycle, the URC will be required to compile an Annual Performance Report which outlines the progress made over the last year. It is envisaged that this should be undertaken in conjunction with forward business planning.

2.9.4. Evaluation

There are three main types of evaluation. <u>Process evaluation</u> considers whether an intervention is being implemented as intended; whether its design is working; what aspects are working well or less well, and why. <u>Impact evaluation</u> tests what changes have occurred as a result of the intervention, the scale of those changes, and assesses the extent to which they can be attributed to the intervention, while any comparison of the benefits and costs of the intervention is usually referred to as a <u>value-for-money evaluation</u>. These types of targeted evaluations are important for the Council to undertake as they build a track record of delivery and analysis that is increasingly critical for successful Central Government bidding.

However, it is equally important that the scale and scope of specific evaluation work is pragmatic and commensurate with the scale of the project and the associated level of risk. Undertaking duplicative or unnecessary evaluation will create capacity challenges for both the URC and the Council. Our requirement will be to ensure that any evaluations are useful, credible, robust, and proportionate.

When undertaking impact evaluation work, the Client Team will address questions including:

- What measurable outcomes, both intended and unintended, occurred?
- How much of these outcomes can be attributed to the project /intervention?
- Have different groups been impacted in different ways, how and why?
- How has the local context influenced outcomes?
- Can the benefits of the project/ intervention be reproduced?

3. Section Two: Organisation & Governance

3.1. Contractual Framework

This Commissioning Plan provides a framework that sets out how the URC and Council's Client Team will be expected to work together to advance the development of agreed sites and projects. The plan will be supported by a formal Commissioning Agreement specifying the works packages the URC will be asked to deliver on behalf of the Council. This will provide a framework for monitoring the URC and its performance in delivering the agreed works packages and outcomes.

The Commissioning Plan will be refreshed each year alongside the URC's Business Plan which will set out a forward rolling programme of development.

The contractual arrangements for the URC will be incorporated within a series of formal documents. These will include:

3.1.1. Shareholder Agreement

The Council will be the sole shareholder of the URC. The Shareholder Agreement will set out the Council's expectations concerning the governance and strategic direction of the URC and the development management services and outcomes it requires the company to deliver. The Shareholder Agreement will also set out a series of Reserved Matters covering issues on which the URC will require to obtain approval from the Shareholder (the Council) before progressing.

3.1.2. Articles of Association

The articles of association are a statutory requirement and specify the regulations for the company's operations including the process for appointing directors and the handling of financial records.

3.1.3. Strategic Commissioning Agreement

The Commissioning Agreement is the overarching contract between both parties and will set out the detailed working practices between the parties including key factors for a successful relationship including schedules that cover insurance, work packages, approval process, payment, obligations, etc. The success of the URC will depend upon the parties' ability to effectively co-ordinate and combine expertise, manpower, and resources to accelerate the delivery of key sites and unlock their full value through best practice urban design and placemaking.

3.1.4. Resource Agreement

The Council will provide a range of services to the URC to assist with its operation. The Resource Agreement sets out the obligations of both parties in relation to those services.

3.1.5. The Teckal Exemption

The URC will be a council owned company set up within the terms of the so called Teckal exemption. In general, public contracts are subject to competition in accordance with the Public Contract Regulations 2015 (PCR). However, where a Local Authority undertakes work in-house, it does not have to follow the competition procedures set out within the PCR.

The Teckal exemption extends the 'in-house' principle to entities which meet the relevant criteria, allowing contracts to be awarded without following a tender process, in accordance with the PCR, in circumstances where the entity is utilising the Council's own administrative, technical, and other internal resources.

For the URC to benefit from the Teckel exemption, it must comply with a three-stage test under Reg 12(1) of the Public Contract Regulations.

> *(a) the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;*
> *(b) 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*
> *(c)there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person."*

3.1.5.1. Safeguarding the Teckal Exemption

In relation to Reg 12(1)(a), the test that needs to be satisfied concerns whether the Council will have control over the URC as it would if the URC was one of its own internal departments.

The Council must be able to show it exercises a decisive influence over both strategic objective and significant decisions:

> *"(3) A contracting authority shall be deemed to exercise over a legal person a control similar to that which it exercises over its own departments within the meaning of paragraph (1)(a) where—*
> *(a) it exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person, or*
> *(b) the control is exercised by another legal person which is itself controlled in the same way by the contracting authority, and references to "control", "controlled" and "controlling" in paragraphs (1) to (3) shall be interpreted accordingly."*

There are several ways in which the Council can demonstrate that it is exercising control over the URC and thereby safeguarding the Teckal status. These include:

- Utilising an extensive list of Reserved Matters within the Shareholder Agreement. The Reserved Matters are matters which require the company to obtain approval of the shareholder before being in a position to move forward,
- Requiring the URC to adopt the same policies and procedures used by the Council including its Financial Regulations, scheme of delegation, and its Mandatory Training programme.

- In relation to Reg 12(1)(b), it has been determined that the purpose of the URC is to provide regeneration services back to the Council with no intention of completing in the wider market which satisfies the second test.
- Finally, in compliance with the third test Reg 12(1)(c), it is the intention that the Council will be the sole shareholder of the URC, without any external private investors.

Should any of the above change, such as the possibility of the URC providing services to the open market, or seeking private investment, the URC must liaise with the Council's Client Team to instruct Legal Services to consider any implications so that the URC's Teckal status can remain safeguarded.

3.2.   Governance

3.2.1.   Approval Process & Investment Gateways

The operations of the URC will be governed at varying levels.   The work of the URC Senior Management Team will be overseen by a Company Board. In conformance with the requirements of the Companies Act and best practice in corporate governance, this will include independent non-Executive Directors with relevant subject matter expertise.

The Council's Regeneration Commissioning Team will receive regular reports on URC activities and performance to ensure progress is being made in line with the URC's Annual Business Plan and to enable coordination and collaborative working.

Each year the URC's Business Plan will be refreshed and updated, and the URC will bid for resources to be considered as part of the Council's annual budget setting process.

As part of this process, the Council's Regeneration Commissioning Team will undertake an Annual Review of the business plan. This review will validate, and recommend the approval of, the draft URC Annual Performance Report and Business Plan before these progress through Cabinet and Council.

On a day-to-day basis the Client Team within the Council will employ a contract manager who will act as point of liaison and support for the URC. It will also monitor its progress in achieving the objectives set out in its business plan and formalised within the Commissioning Contract.

In addition to the corporate governance of the URC as a company, it will be important to ensure that governance of new projects and investment proposals is properly managed.

A portfolio control system will provide a robust mechanism for the URC and the Council to conduct a balanced evaluation of all projects at key points in their lifecycle and is designed to ensure that the URC meets the objectives set out in the business plan and contributes effectively to the ambitions of the Council's Big Plan.

The system adopted has been based on HM Treasury Green Book guidance and corresponds to the key stages of the Royal Institute of British Architects (RIBA) Plan of Work scheme. This includes a series of **project stages** and decision **gateways** including control/approval points to govern specific investment decisions.

The system provides a control framework through which strategic interventions and negotiations are enabled while protecting the public interest and ensuring there is an audit trail behind key decisions.

The system will provide assurance to the FuturePlaces Board and BCP Council that:

- Projects are carefully and consistently reviewed at key project stages
- Public money is invested in projects that are aligned to the objectives set out in the BCP Council Regeneration Commissioning Plan and the FuturePlaces Business Plan
- Projects and programs are delivered on time and to budget
- Projects are designed and delivered to a high standard, and
- Socio-economic benefits are achieved.

3.2.2. Investment Gateway System Overview

The Investment Gateway System includes six project stages alongside seven control points, of which five are decision points and two (completion and benefits realisation) are outcome points. A decision point is a strategic decision to proceed with an investment; an outcome point is a reporting point to validate outcomes.
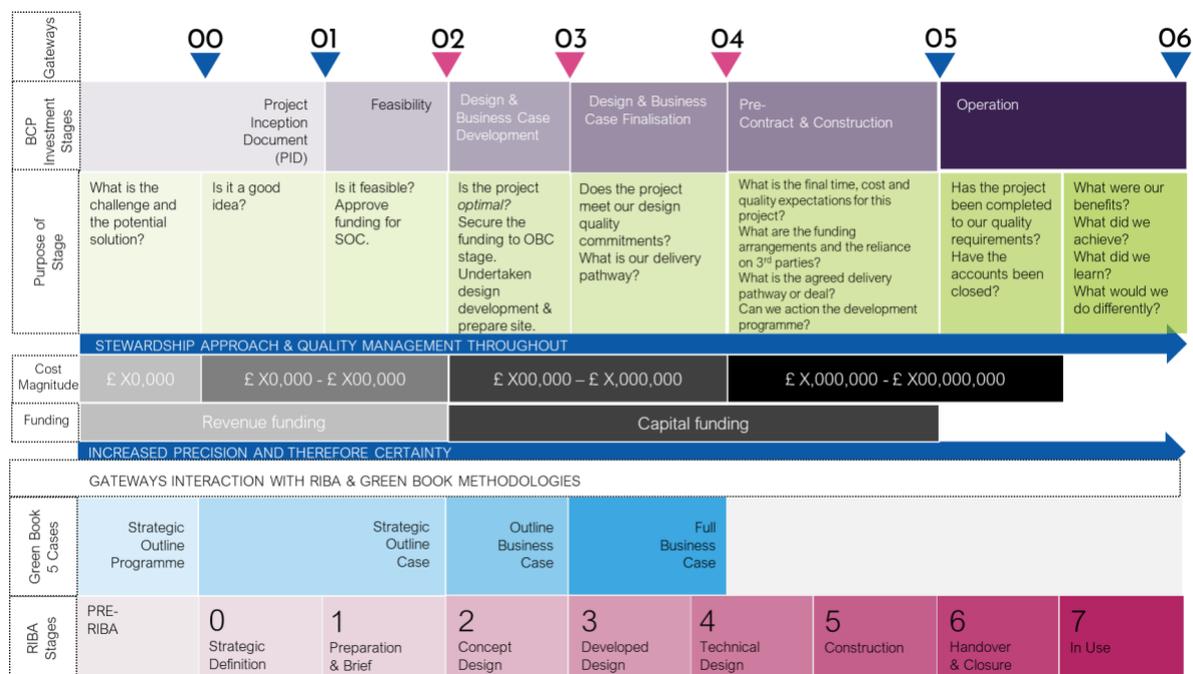

Figure 5: A summary of the Investment Gateway process for the URC

The system:

- Covers the full project lifecycle, from inception, through operation and to completion.
- Provides a level of project appraisal and assurance proportionate to the scale and risk associated with projects and the URC's overall portfolio.

A project must gain approval at each point before moving forward to the next stage. There are various approval bodies depending upon the control point. The process and the various approval bodies who are involved at each point are explained below.

Within the system there is a distinct separation between those who manage projects (such as Development Managers or Construction Managers) and those who approve projects to proceed through a control point (Senior Management).

3.2.3. Approval Bodies

Two Gateway approval bodies are identified in the diagram below:

- **The BCP FuturePlaces Gateway Board**, which is comprised of the FuturePlaces' Senior Management Team.
- **BCP Council.** Depending upon the size and scale of the projects coming forward, it is likely that this will be either the Cabinet or the Council providing approvals at this Gateway.
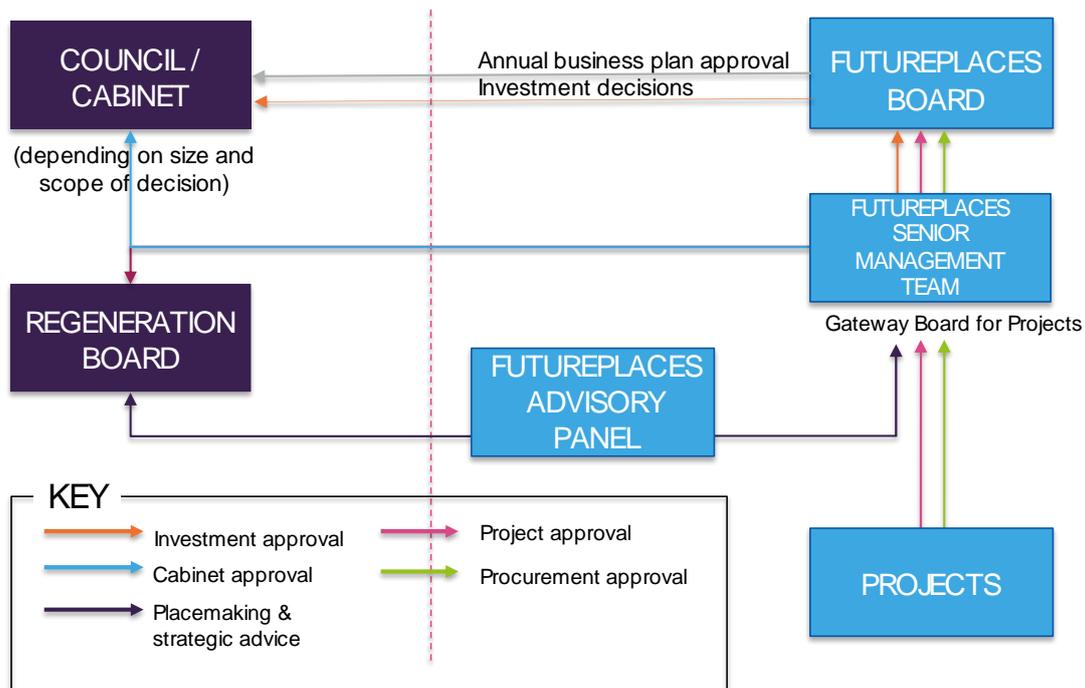

Figure 6: The project approval and commissioning pathways for the URC.

While not part of the formal decision-making process, it is expected that the URC Senior Management Team will undertake early engagement with the Regeneration Commissioning Team to ensure that the Council is involved in the scheme development process. Any report that is taken for Council decision-making will be required to move through the normal Council clearance process, which involves officer review and sign off.

3.2.4. Detailed Guidance for Gateway Stages

This section provides guidance for each gateway stage, setting out in more detail the purpose and procedures for each stage and its corresponding control point. The URC will be responsible for assembling and managing a core project team tasked with the delivery of the development projects. The delivery of each project will require input from both the URC and BCP Council. The process below identifies who will need to be involved in shaping the project and at which stage.

Each section contains guidance on the steps required to ensure successful progression through the relevant control point.

For those on the Gateway Board, further guidance will be provided setting out suggested lines of questioning and the evidence expected to fully appraise each project's progress.

The guidance for each stage includes:

- The purpose of the stage
- Considerations, documents, and other inputs that should be taken into consideration when completing the tasks for the stage
- Control point
- Approval body
- Template(s) to use for the control point review
- Other core information required.

The Investment Gateway process has six key stages, at the end of each a gateway must be passed in order to progress to the next stage.

Table 2: The Investment Gateway Process

Stage	Gateway	Decision-Maker	Key Consideration	Required Product (end of Stage)
Project Inception / PID	0	FuturePlaces Gateway Board	• *What is the challenge and the potential solution?* • *What is the triple-bottom line value to the Council?*	
	1	FuturePlaces Gateway Board	• *Is it a good idea?*	Project Inception Document
Feasibility	2	BCP Council	• *Is it feasible, and potentially financially viable?*	Strategic Outline Case
Design and Business Case Development	3	BCP Council	• *Does the project meet our design quality commitments?* • *Does the financial case meet minimum return and maximum investment conditions?* • *What is the delivery pathway?*	Outline Business Case
Design and Business Case Finalisation	4	BCP Council	• *What are the final time, cost and quality expectations for the project?* • *What is the agreed delivery pathway or deal?* • *Can we action the development programme (e.g., award contractor; enter JV; etc).*	Full Business Case
Pre-Contract & Construction	5	FuturePlaces Gateway Board	• *Has the project been completed to our quality requirements?* • *Have the accounts been closed off?* *For retained assets:* • *Is a plan for ongoing operation and asset management in place?* • *Are sufficient resources in place to allow long term stewardship of*	Completion Ongoing asset management

			the site to retain and increase value?	
Operation	6	FuturePlaces Gateway Board	• *What were our benefits?* • *What did we achieve?* • *What did we learn?* • *What would we do differently?*	Benefits & Evaluation Report

3.2.4.1. Stage 0 Pre-Project Inception

Given the complexity of the sites and the company's intrinsic placemaking aims, a Pre-Project Inception stage has been included in the Investment Gateway process. This stage is particularly critical for complex programmes or schemes where multiple projects may exist but may not initially be easily defined. It is the stage where a project is initially expected to define its quality criteria and to develop a sense of the key challenges that the programme is trying to address. It provides the opportunity for a Strategic Outline Programme (in line with the Treasury Green Book process) to be created, if required. It also allows for appropriate studies to be undertaken that inform the later project development process.

Note that for less complex schemes, or schemes where the challenges and requirements are already well understood, the scheme may progress directly to Stage 1 – Project Inception Document, without the need for a Strategic Outline Programme to be created.

Purpose	To ensure that the opportunities and challenges for the area – and potential intervention – are understood.
Considerations	Corporate strategies and objectives, market knowledge, networks, statutory development plan and other material considerations, planning obligations, relevant legislation, funding opportunities, planning applications/monitoring, Portfolio performance data, any available due diligence information affecting deliverability, possible commercial partners.
Control Point	Gateway 1 Project Inception
Approval Body:	FuturePlaces Gateway Board
Template to use:	• Strategic Outline Programme (if required).
Other core information required:	• Site Information – strategic and local context, photos, site constraints etc. • Initial Client brief – a short statement setting out what the Council might want from the site or options for FuturePlaces to appraise / discount.

3.2.4.2. Stage 1 Project Inception

Purpose	To confirm that an *idea* is a good one prior to FuturePlaces investing significant levels of resource into developing the *idea* with further feasibility work during the next stage. This stage should provide an initial feasibility review of the site and provide an answer as to whether the project is worth pursuing by FuturePlaces with its own working capital.

Considerations	Corporate strategies and objectives, market knowledge, networks, statutory development plan and other material considerations, planning obligations, relevant legislation, funding opportunities, planning applications/monitoring, Portfolio performance data, any available due diligence information affecting deliverability, possible commercial partners.
Control Point	Gateway 1 – Approval to Move to Feasibility
Approval Body:	FuturePlaces Gateway Board
Template to use:	• Project Inception Document • Site Viability Appraisal, including planning feasibility
Other core information required:	• Site Information – strategic and local context, photos, site constraints etc. • Initial Client brief – a short statement setting out what the Council might want from the site or options for FuturePlaces to appraise / discount. • A simple massing and capacity study outlining site, wider context, development principles, indicative heights and massing and resulting development capacity (floorspace and unit numbers). • At least 1 viable development option tested using available cost information to ascertain if a viable development scheme can be achieved on the site. • Initial site review by Planning Consultancy as to site's redevelopment potential in planning, including development principles and guidance on policy implications and planning strategy. • Consideration as to how the scheme might best be delivered (direct delivery, JV, disposal etc).

3.2.4.3. Stage 2 Feasibility & Strategic Outline Case

Purpose	• To validate that a project is feasible and worth pursuing into developed design • To obtain commitment to invest and approval to fund the project's pre-development costs to contract award (G4) and starting construction. • This may also include seeking approval to purchase land/property.
Considerations	Gateway 1 Pre - Feasibility feedback/actions, site feasibility information, site constraints, commercial viability, planning policy and other material considerations, planning obligations, planning strategy risks and mitigation.
Control Point	Gateway 2 – Approval to Develop Design and Business Case
Approval Body:	FuturePlaces Gateway Board Full Council / Cabinet (Depending upon scheme size and existing delegations)
Template to use:	• Strategic Outline Case, including Site Viability Appraisal (SVA) • Risk Register • Programme (Project Plan / Gantt Chart)
Other core information required:	• Project brief • Full Due Diligence Information (Report on Title, initial survey information etc.) • Full Feasibility Study undertaken by Architect and reviewed by Planning Consultant • Feasibility Cost Plan undertaken by a QS

	• Scheme valuation information – local sales/lettings info • Scheme viability and funding proposals • Planning Strategy Note prepared by Planning Consultancy • Communications and Stakeholder Engagement Strategy • Heads of Terms and any legal agreements (if purchasing land/property from a third party) • Procurement Strategy and timetable for appointing contractor

3.2.4.4. Stage 3 Outline Business Case

Purpose	• Design a scheme which optimises the site and is acceptable in principle in planning terms. • To validate that the project is optimal in terms of the balance of costs, benefits, and risks. • To approve the scheme be submitted for planning approval. • To approve the procurement strategy and commencement of contractor tender process.
Considerations	Gateway 2 Commitment to Invest supporting documents and comments, planning information, stakeholders and community engagement, site technical information and survey outputs
Control Point	Gateway 3 – Approval of Outline Business Case & Design and to Progress to Stage 4.
Approval Body:	FuturePlaces Gateway Board Full Council / Cabinet (Depending upon scheme size and existing delegations)
Template to use:	• Outline Business Case, including a Site Viability Appraisal, • Risk Register • Programme
Other core information required:	• Pre- application advice • Planning application and supporting documentation • Procurement Strategy and draft tender documentation (ER's and specifications) • Valuation report • Pre-tender Cost Plan • Statutory approvals / permissions

3.2.4.5. Stage 4 Determination of Planning Application & Full Business Case

Purpose	• To assure the Full Business case and verify final commitment to invest from all investors and draw down funds to enable the construction and delivery of the scheme. • To Award Contract to preferred bidder and commence construction period • To secure planning permission
Considerations	Gateway 3 supporting documents and comments, procurement strategy, tender information and supplier engagement, payment schedule
Control Point	Gateway 4 – Commitment to Invest
Approval Body:	FuturePlaces Gateway Board Full Council / Cabinet (Depending upon scheme size and existing delegations)

Template to use:	• Full Business Case • Risk Register • Programme
Other core information required:	• Pre-tender cost plan • Tender documentation • Post-tender cost plan and evaluation • Final Contract awaiting authorisation and execution • Other statutory approvals required • Planning Decision Notice

3.2.4.6. Stage 5 Handover

Purpose	• To review and approve the final account (or equivalent) for a project, confirming that the project is complete and any formal project close and handover activities have been completed and lessons learned documented. • For retained assets, to ensure that a plan for ongoing operation and asset management is in place and supports the long-term stewardship approach to a site.
Considerations	Gateway 3 Sign off supporting documents and comments; Gateway 4 Contract Award supporting documents and comments.
Control Point	Gateway 5 – Completion of Project
Approval Body:	FuturePlaces Gateway Board
Template to use:	• Programme • Handover Summary Report • Curation Plan (for retained assets) • Project Closure Report
Other core information required:	• PC Certificate • Final account • Defects list and resolution • Warranties and certificates

3.2.4.7. Stage 6 Benefits Realisation

The benefits realisation stage occurs at the end of a project once handover has been completed. It is possible that there may be a time delay between the end of a project and the benefits realisation assessment, depending upon the benefits that were expected to be created through the scheme. It is also possible that a Project Sponsor may request that two rounds of benefits realisation are undertaken: the first as construction and handover is completed; and the second sometime after the project completion to assess the wider benefits of the scheme.

Purpose	To confirm that the benefits stated in the Full Business Case are being / have been achieved, the benefits and outcomes feed into the Portfolio monitoring and project approvals processes.
Considerations	Gateway 5 Sign off supporting documents and comments
Control Point	Gateway 6 – Realisation of Benefits
Approval Body:	FuturePlaces Gateway Board
Template to use:	• Benefits Realisation Report
Other core information required:	• Resident satisfaction surveys • Defect completion update • Management and maintenance performance review

3.3. The Role of the Regeneration Client Team in Commissioning

The objective of commissioning is to ensure that the scope and specification of services are clearly articulated and built into contract specifications from the outset; and managed throughout the lifetime of the entity.

Commissioning staff need to be skilled in several areas including project planning, financial analysis, communication, stakeholder management, project management, contract management, resource allocation and management, performance monitoring and risk management.

The commissioning team will be responsible for ensuring that:

- The key policy objectives of the council are embedded within each project
- A high standard of project management and performance is adhered to
- A high standard of project due diligence is adhered to
- A high standard of oversight and governance is adhered to through the life of the project
- Risk management is actively put in place and monitored on an ongoing basis
- Key obstacles to delivery sitting on the BCP Council side are positively and effectively addressed.

3.3.1. Regeneration Client Team Structure

The intended client team structure is outlined below.
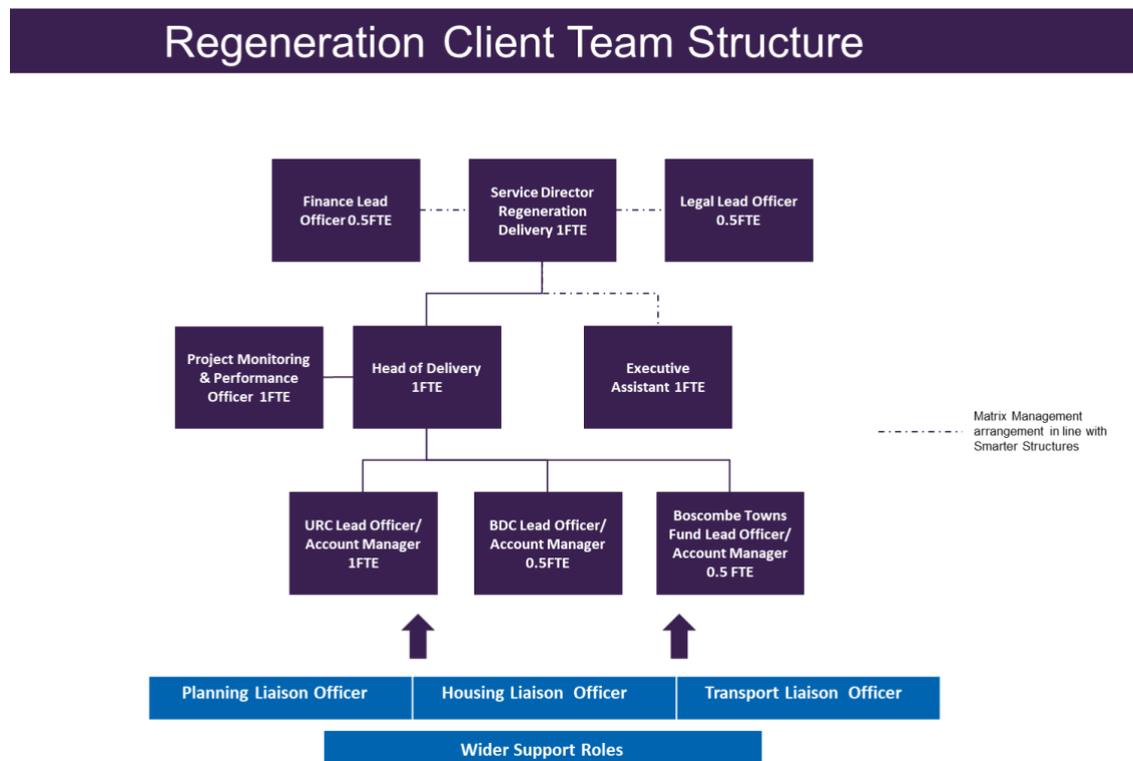
Figure 7: The proposed team structure for the Regeneration Client Team
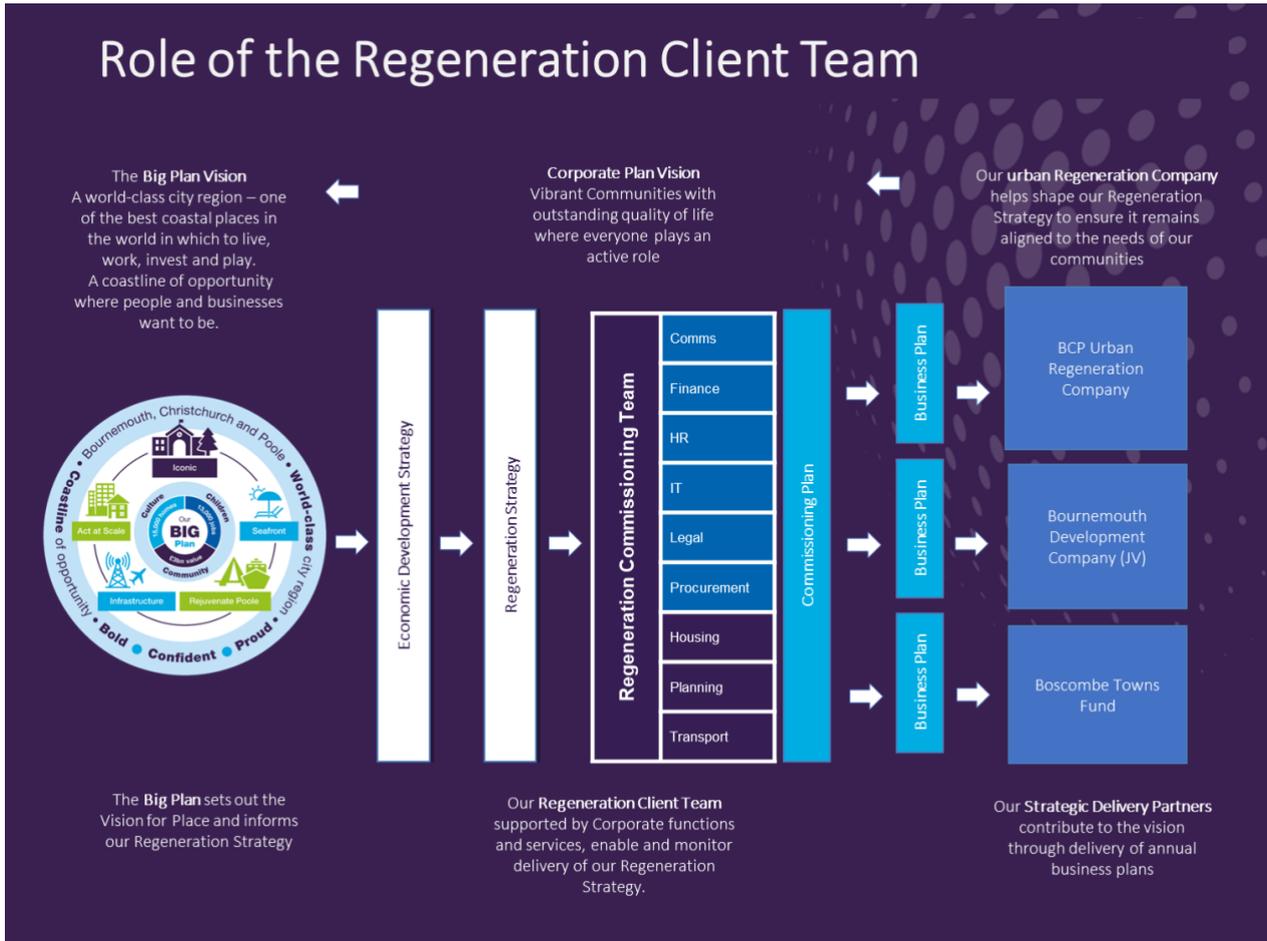
Figure 8: The Role of the Regeneration team and key partners

In the short term there is not expected to be any transfer of assets to the URC. As such, the Client Team will operate as the key interface to the Council's real estate, legal, and finance functions and will ensure that these are adequately resourced to support the deal flow anticipated by the URC programme.

The Client Team will provide the right resources at the right time to ensure project success and to minimise bottlenecks and pressure points occurring across a portfolio of projects.

The team will carry out a variety of monitoring functions including receiving data about project progress; producing performance reports; developing standards and processes; and ensuring the use of agreed standards and processes to:

- Ensure projects are aligned to organisational strategy
- Engage senior leadership and stakeholders
- Develop a culture of collaboration between the client body and its delivery partners, customers, and stakeholders
- Demonstrate the value that the Client Team brings to the organisation
- Simplify project processes
- Remove/negotiate barriers to delivery.

3.3.2. The PMO Function

The Regeneration Client Team, will incorporate a Programme Management Office (PMO) function to guide, enable and oversee the work of the **URC**, ensuring that its activities are aligned to the council's **Big Plan** and **Corporate Plan** objectives.

PMO duties include:

- Acting as a critical friend to provide independent challenge to the senior leadership team.
- Managing the Gateway process to ensure that projects are consistently reviewed at key project stages and decisions are taken at the right time by the right people to ensure that the public interest is protected
- Establishing regular and accurate project reporting to provide early warning management information that ensures projects and programmes are delivered on time and to budget

Figure 9: The key roles of the Regeneration Client team.

- Monitoring monthly Highlight Reports to confirm that key milestones for the period in question are on track to deliver the outputs and outcomes specified in the PID and that adequate mitigation measures are being implemented to resolve issues
- Reviewing Risk and Issue Logs to provide assurance that appropriate risk mitigation is in place and issues are escalated when necessary.
- Monitoring the URC's common data environment which provides a documented project audit trail.
- Compiling a regular dashboard report capturing key project performance information from the URC and other delivery partners
- Recording project change requests and ensuring that associated documentation is updated accordingly.
- Tracking and recording project closures and maintains a Lessons Learned library
- Channelling and mediating issues arising between the URC and key departments to remove blockages and ensure alignment of interest where possible.

The PMO will also be responsible for evaluating project success including process evaluation, impact evaluation and value-for-money evaluation. Details are set out in the Monitoring and Evaluation Strategy section.

3.4.   Ways of Working

For the URC to be a success, an environment of productive partnership working between the URC and relevant Council Service Departments and the Client Team will need to be established. This will require careful investment in staff induction, team building, and regular communications focused on development sites and desired outcomes. Several measures are being put in place to enhance partnership working arrangements between Council Officers and URC staff and these are summarised below.

3.4.1. Common Data Environment (SharePoint)

The need for commercial confidentiality on the part of the URC is well understood. It is the Council's expectation that the URC will make finalised documents available on a Common Data Environment (CDE), which the Council will be able to access as required to enable efficient, collaborative working between the two organisations.

3.4.2. Continuity of Service

To enable the continuity of service in the event of the termination of the URC or an unforeseen resourcing event, the Council will require the URC to make the following documents accessible for each project as they become available in final format:

- Overall programme management and phasing plans
- Project Inception meeting records
- Project Inception Documents
- Strategic Outline Programme
- Strategic Outline Case
- Outline Business Case
- Full Business Case
- Site Development Plans
- Masterplans and Related Documents
- Project Roles and Responsibilities (e.g., via RACI or project organograms)
- Building Handover Logs
- Post-Handover Activity Reports (e.g., Post-Occupancy Surveys).

In the event of the termination of the URC, or as required by the Council, the company will also require access to all project-based information, including but not limited to:

- Project Highlight Reports
- Project Budget Forecasts and Spend Reports
- Risk Registers and Issue Logs
- Programme Audits
- Change Control Records
- Request for Information Logs
- Project Closure Reports
- Post Completion Reviews / Snagging Reports.

4. Section Three: Financial Strategy & Budgetary Control

4.1. Overview of Financial Strategy

The 2021/22 budget set by the Council is a bold, creative, dynamic, responsible, and robust budget which included £1.75m investment in regeneration, a Council priority. The budget includes revenue resources for the internal client team and development management advice procured via the URC.

The Council's five-year Capital Investment Programme (CIP) represents an ambitious strategic medium-term programme of investment in each of the council's priorities. It includes all capital projects for which funding has been secured, including key strategic and regeneration schemes and will develop further as new capital projects are approved.

Any new capital projects not already included within the CIP will require separate approval in line with BCP Council financial regulations and following the URC Investment Gateway Process set out in the Governance Section of this Commissioning Plan.

The URC's advice and guidance will be key to determining the best course of action for regeneration opportunities, ensuring they are realised and value for money is achieved.

4.1.1. 3rd Party Funding

As noted above, subject to BCP Council approval, the URC will consider the most appropriate source of funding (both debt and equity) for URC projects. Although capital may be available from internal or central government sources, it may be desirable to source external capital, e.g., for relationship reasons, operational expertise, or speed of execution. These options will be considered as part of the business case for all URC developments.

4.1.2. Treasury Management Strategy

Cash levels are likely to be modest, but Treasury Management services will be procured from BCP Council and will be invested in line with the BCP Council Treasury Management Strategy.

4.1.3. Financial Regulatory Landscape

It is worth highlighting the changing regulatory landscape that the Council and therefore the URC will have to abide to when making decisions on capital investments and borrowing. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital financing, which governs the system of LA capital financing is introducing the overarching rule that an authority must not borrow to invest primarily for financial return. For this reason, all URC projects have been carefully assessed against a requirement to provide either enhanced public realm, increased dwellings or other public good. All are designed to improve the quality of place and provide badly needed homes or facilities for the community. As such they meet this requirement.

In addition the UK government's rules for access to Public Works Loans Board (PWLB) lending at the date of this publication require statutory Chief Finance Officers to certify that their Local Authority's capital spending plans do not include the acquisition of assets primarily for yield,

reflecting a view that Local Authority borrowing powers are granted to finance direct investment in local service delivery (including housing, regeneration and local infrastructure) and for cash flow management, rather than to add leverage to return-seeking investment activity. Again, this is not the primary driver of any of the URC projects – they all meet a social, economic regeneration or housing need for the community. The fact that many are expected to be value-accretive is a measure of the perceived value to the community and not the primary driver for the projects.

The government are also consulting on changes to the Local Authority Capital Finance Framework which will see further regulation of Councils' capital and borrowing plans and the potential introduction of debt caps if authorities continue to operate outside of the regulations. The Department for Levelling Up, Housing and Communities also plan to better constrain the risks associated with complex capital transactions. This includes credit arrangements, such as PFI deals or income strips, and financial derivatives. These types of arrangement can, if not properly managed and understood, carry more risk than traditional forms of financing. The URC has been carefully resourced to ensure it has the right expertise to support effective decisions and risk management should such financing become necessary or desirable in the future.

4.2. Financial Regulations

As a Teckal Company, the URC will adhere to the prevailing BCP Council financial regulations which are defined in Part 5 of the Council's Constitution. This is reviewed annually when consideration can be given to any specific conditions or exceptions the new company may require.

4.3. Scheme of Delegated Authority

The URC will follow the same delegation parameters as BCP Council. The Managing Director will have the equivalent status as a Service Director with the Managing Director's direct reports having the equivalent Head of Service status.

4.4. Internal Audit

The URC has Teckal status and, as such, will be subject to the Public Sector Internal Audit Standards (PSIAS).

The Internal Auditing Function is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The detailed work of Internal Audit is set out within the risk based Internal Audit Plan (IAP) which is designed to support the Chief Internal Auditor's Annual Internal Audit Opinion and Council's Annual Governance Statement (AGS).

Both the URC and the role of the Client Team will feature in the IAP in the same way as any Council service and may or may not therefore be audited on an annual basis. The IAP is aligned to the financial year so any *planned* audits will be built into the annual business plan for the URC. However, the IAP is a dynamic document, based on risk, so there may be a

requirement for additional unplanned audits. Should this be the case then the Internal Audit Team will liaise with the Client Team as early as possible to prevent duplication and make best use of limited resources.

5. Section Four – Communications & Stakeholder Engagement

5.1. Communications

As part of the Annual Business Plan approved by Cabinet, the URC will produce a Communications and Marketing Strategy to support the delivery of the aims and objectives of the Council's Big Plan and will include:

- Details of its proposed programme of work for the year ahead
- A summary of its achievements over the preceding yea.
- Opportunities for joint working with the Council on inward investment and the promotion of place
- any support it may require from the Council's Communications Team to enable it to pursue its business objectives.

The URC will be required to follow the specific requirements below.

5.1.1. BCP Council's Media Relations Protocol

All media enquires received by officers must be referred to the Council's press office via press.office@bcpcouncil.gov.uk.

Officers should always be mindful of comments made when attending public meetings, as these may be recorded by the public or press, attended by the media and legitimately quoted as on the record comment. Likewise, comments made via social media can equally and legitimately be used by the media. Officers should be mindful that there remains scope for these comments to be used out of context by others.

5.1.2. Pre-election periods

During the 'purdah' period between the notice of an election and the election itself, local authorities must not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members.

5.1.3. Branding
A set of brand guidelines for the URC are being developed in consultation with the Council's Communications and Marketing Directorate which will set out the brand hierarchy between the Council and the URC in relation to URC activities.

5.2. Stakeholder Engagement

The Client Team will work closely with the URC to ensure that strategically important relationships with partner agencies are managed in such a way as to optimise strategic alignment and operational efficiency.

The URC will be committed to stakeholder-led engagement on strategic schemes to involve communities and stakeholders in the inception, briefing and design development of projects:

- Where there is a Neighbourhood Forum the URC will work with the Neighbourhood Forum as an ongoing partner in scheme development
- As proposals for individual sites evolve the URC will engage with local communities and stakeholders through a variety of consultation and engagement techniques. (Charettes, 360-degree engagement, design workshops, on-line tools, exhibitions)
- The URC will be able draw on the Research & Consultation team for support in running stakeholder engagement and workshops.

5.3.   Consultation

It is anticipated that the URC will provide advice to the Council in relation to any statutory consultation for development projects and sites, as outlined in its business plan.

The URC will be expected to follow the principles of the BCP Council's Research and Consultation Governance Framework which is available on the Council's intranet.

6. Section Five: Risk Management

The URC will be required to maintain an updated risk register for each of the sites it is responsible for delivering and a high-level corporate risk register that deals with those risks which if they were to crystallise could imperil the Company's overall operations. Risk categories should include strategic/existential, operational, financial, external market risks, planning risks, and reputational risks.

Risks should be assessed by the probability/ likelihood of their occurrence and the impact at project and corporate level that would arise in the event that they were to crystallise. The mitigation and management of risks will be pivotal to the success of the URC's operations. A process by which risks are identified and sorted by consequence and probability is a first necessary step. Once this is in hand, then mitigation strategies for those that can be reduced or eliminated can be implemented, and management strategies can be put in place for those that cannot.

The exact form of the URC risk register will be for its Board to determine and set out in its business plan. For projects that proceed through business case development into implementation it is expected that for each identified risk a sensitivity analysis will be performed covering quantifiable outcomes or estimated for non-quantifiable outcomes, considering the break-even magnitude of impact required to reduce project return to zero, and consideration of the size of this outcome relative to the size of maximum likelihood outcome.

6.1. Conflict of Interest / Commercial Sensitivity

The URC and its staff will necessarily have access to commercially sensitive information, which may be of significant value to other market participants. As such, both conflict of interest will need to be appropriately managed.

With regard, to information management, BCP Council IT will be responsible for ensuring that URC systems are secure, and that access can be controlled to strictly authorised staff on a timely basis. All staff will be required to sign an appropriate NDA, reminding them of their responsibilities and obligations on a periodic basis. Although such an agreement could be embedded in an employment contract, the real value is in the "nudge" and "reminder" of re-signing periodically.

All engagement with the press and digital channels will be managed by the URC communications and engagement team, in coordination with the BCP Council Communications Department.

It is recognised that members of the URC team will of necessity and by virtue of their relevant experience have extensive relationships within the developer community. A conflict-of-interest policy will need to be developed in conjunction with the BCP Council's Legal and HR departments (see Ways of Working) to address this. Similarly, it is likely that some URC staff will have outside interests in real estate – ranging from family dwellings within the BCP area, to other property interest further afield. Any dealings in property within the BCP area will be strictly controlled, and subject to a requirement to declare interests beyond a family home. The URC Board will be required to include declarations of potential conflicts of interest as a standing item at the start of each Board Agenda. Individual Board members may be excluded from the Board for the purposes of discussing and reaching decisions on items where members have declared such a conflict of interest.

7. Appendix

7.1. Model Documentation (Templates & Checklists)

- Theory of Change Model
- Project initiation Document
- Strategic Outline programme
- Strategic Outline Case
- Outline Business Case
- Full Business Case
- Highlight Report
- Risk & Issue Logs
- Project Change Request
- Project Closure Report
- Post Completion Review
- Annual Review Checklist
- Annual Performance Report