

Report subject	<b>South Part of Beach Road Car park</b>
Meeting date	10 January 2024
Status	Public Report
Executive summary	<p>Beach Road Car Park is a public pay and display surface car park in Canford Cliffs with c.316 car spaces currently marked out. Many of these spaces are not compliant with BCP Parking Standards and due to land slips, tree encroachment and related surface breakage, they are unusable.</p> <p>The whole of the car park is under-utilised and closed for six months of the year (30th September to 1st April) and the south section of the car park, fronting Pinecliff Road was declared surplus, most recently by Cabinet on 8 March 2023.</p> <p>This report seeks approval to dispose of the south part of the site, shown outlined red in Appendix 1, subject to a future Cabinet resolution to appropriate the site for planning purposes, retaining the rear in its existing use as a car park.</p> <p>It is the council's intention to make improvements to the retained rear car parking area, including consideration of the scope to increase current capacity and provide more compliant spaces. This will be subject to a separate business case and cabinet report, to be led by the Director of Infrastructure in consultation with the Director of Commercial Operations.</p>

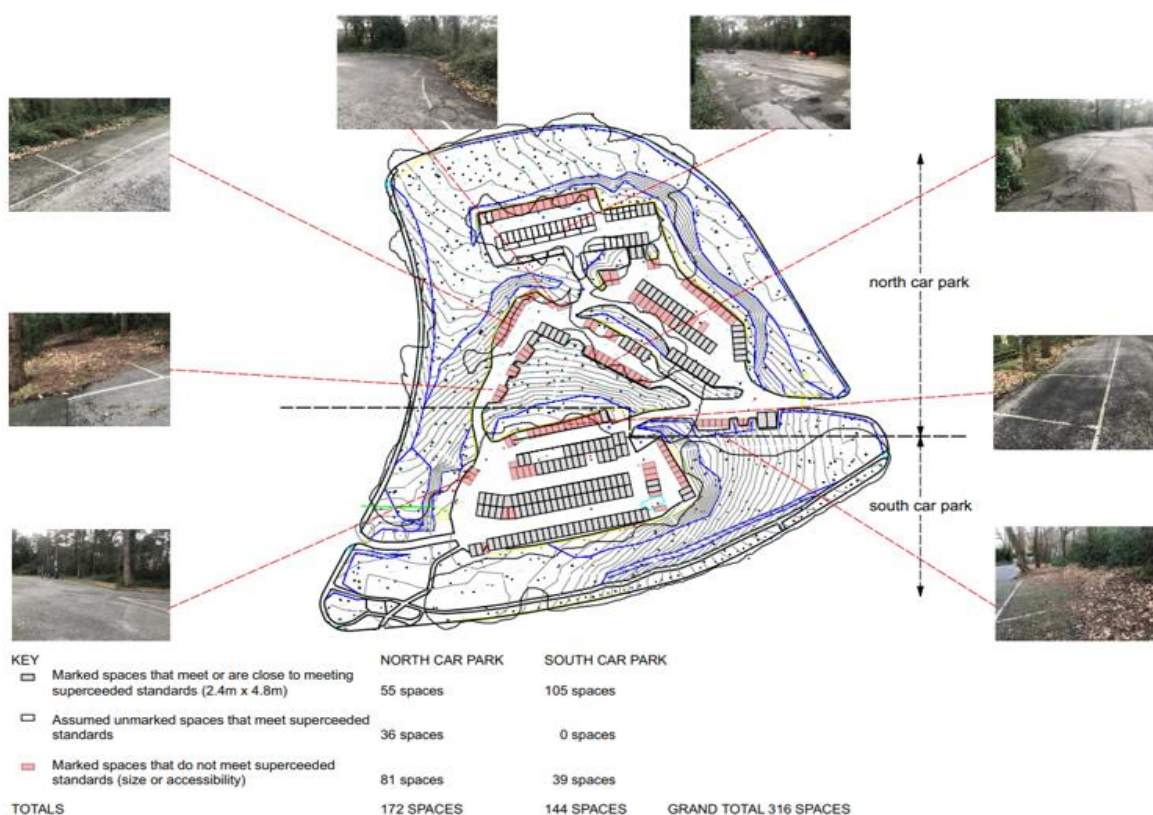
<b>Recommendations</b>	<p><b>It is RECOMMENDED that Cabinet recommend to Council:</b></p> <ol style="list-style-type: none"> <li><b>a. the disposal of the south section of the car park on the open market, subject to a future Cabinet resolution to appropriate the site for planning purposes once the South Car Park is formally closed.</b></li> <li><b>b. to delegate authority to the Corporate Property Officer, in consultation with the Director of Finance, the Director of Law and Governance and the Portfolio Holder for Dynamic Places to select the preferred offer and finalise the detailed terms of the disposal.</b></li> <li><b>c. to support the reprovision of the car park and the development of a business case by the Director of Infrastructure for the modernisation and improvement of the retained car parking area, based on the use of prudential borrowing, in consultation with the Director of Commercial Operations, the Ward Councillors and the relevant Portfolio Holder.</b></li> </ol>
<b>Reason for recommendations</b>	<p>Offering the front part of the site for sale as a residential redevelopment opportunity on the open market will:</p> <ul style="list-style-type: none"> <li>• Contribute to the council's corporate strategy priorities.</li> <li>• Optimise the use of a public land asset in accordance with its allocation in the Local Plan and ensure best value is achieved.</li> <li>• Encourage more sustainable forms of travel.</li> <li>• Generate a capital receipt to support the funding of the council's Transformation Investment Programme.</li> </ul>

<b>Portfolio Holder(s):</b>	Cllr Vikki Slade - Leader of the Council and Portfolio Holder for Dynamic Places
<b>Corporate Director</b>	Jess Gibbons Chief Operations Officer
<b>Report Author</b>	Irene Ferns Senior Strategic Estates Manager
<b>Contributor</b>	Sarah Good Head of Delivery Regeneration Paul Feehily Interim Director of Place
<b>Wards</b>	Canford Cliffs;
<b>Classification</b>	For Recommendation

## Background

1. Following a vote of full Council on 23 May 2023, the new administration, t undertook a review of the BCP FuturePlaces Ltd project list with a view to focussing on those sites which are in most need of strategic regeneration. As a result, Officers have been instructed to review the earlier project proposal and consider alternative approaches, including the option to expedite the sale of the south part of Beach Road Car Park alongside the development of a separate business case for the refurbishment of the rear car park.
2. It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. Section 3 of the Local Government Act 1999 provides (among other things) that a best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
3. Beach Road Car Park is a public pay and display surface car park in Canford Cliffs with c.316 car spaces currently marked out. However, many of these spaces are not compliant with BCP Parking Standards and due to land slips, tree encroachment and related surface breakage, they are unusable, resulting in a current estimated capacity of around 196 compliant spaces across the whole of the existing site. Figure 1 illustrates that the south part of the car park provides 105 compliant spaces and 39 spaces that are non-compliant in terms of size and accessibility, 144 in total. The north car park, to the rear, provides 91 useable spaces and 81 non-compliant spaces, 172 in total.

**Figure 1**



4. The south part of the site, shown outlined red in Appendix 1, has been identified as having re-development potential given its relatively flat developable area, residential location and proximity to nearby shops and services in Haven Road, Canford Cliffs.
5. The whole of the car park is under-utilised and closed for six months of the year (30th September to 1st April) and the south section of the car park, fronting Pinecliff Road was declared surplus by Cabinet on 8th March 2023.
6. The existing surface car park on the south section of the site is a low value use of a high value site, close to the beach. In addition, in line with its Corporate Strategy, the council is aiming to discourage the use of the car and encourage the use of more sustainable forms of transport including walking, cycling and travel by public transport.
7. The redevelopment potential of this site was first identified in the Sustaining Poole's Seafront Supplementary Planning Document, adopted in December 2015, which highlighted that there was spare parking capacity that could enable a release of the southern section of Beach Road Car Park for other uses such as residential. This was then reviewed during the Poole Local Plan process and the site was subsequently put forward for allocation in the Poole Local Plan and accepted as a suitable site through the Poole Local Plan examination process. The southern part of the site is therefore formally allocated for residential development in the Poole Local Plan (adopted 2018) and specified as suitable to provide approximately 60 homes.

### **Retained Car Park**

8. A BCP wide Selective Parking Study commissioned by BCP Future Places in May 2023, identified that ticket data for the whole of Beach Road car park shows a much lower usage than locally reported but income data is very low per space. In normal circumstances, the low yield would suggest that a weak business case for replacement of the whole number of car park spaces. However, the report confirmed that it is difficult to make any firm conclusions about usage from the available data, given the number of resident permits and the fact that the car park is closed for six months of the year from 30 September to 1 April. To inform the data collection for the site further, the parking consultant undertook a follow up analysis during the peak summer period, in August 2023. This looked at the number of cars parked in the whole of the car park on three days in August when the weather was good, and an analysis of the results is shown in the table below. This information can help to inform the number of spaces to be considered for retention in the retained rear car park, following a sale of the south section of the site, albeit the occupancy levels will be much lower outside of the peak summer period.

<b>August 2023: Average no of occupied spaces: Good weather</b>			
<b>Time of day</b>	<b>Thursday</b>	<b>Saturday</b>	<b>Sunday</b>
<b>9am to 1pm</b>	<b>65</b>	<b>77</b>	<b>112</b>
<b>1pm to 5pm</b>	<b>87</b>	<b>135</b>	<b>227</b>

9. The need for some parking at this site has been specifically identified as part of the Parking Management Strategy required by the planning consent for the recent refurbishment of the Rockwater establishment at Branksome Chine.

10. Building on the initial work carried out by BCP FuturePlaces Ltd, it is the council's intention to make improvements to the retained car parking area, including consideration of the scope to increase current capacity and provide more compliant spaces. This will be subject to a separate business case and cabinet report, to be led by the Director of Infrastructure in consultation with the Director of Commercial Operations. This will capture the opportunity to modernise and improve the rear car park for use by the elderly, disabled, and families with children, as well as improving signage and wayfinding to the car park. The scope to improve the landscape/ecology aspects of the site, with a considered approach to planting and other management aspects, will also be considered.
11. Subject to the approvals for the disposal and appropriation and to mitigate against any loss of income and car spaces, the business case for the rear car park will consider the need, if any, for Parking Services and Traffic Management to consult on the creation of a local traffic management scheme which could include for further on-street pay and display in nearby roads.
12. A new access/egress will be needed for the remaining public car park area to the rear, and this will be secured either as a condition of the disposal or the council will undertake the works itself.

## **Consultation**

13. Public consultation was undertaken on a draft development brief for the site by the Borough of Poole in 2016. The issues raised were focused on the principle of redevelopment and highlighting the restrictive covenants that exist in relation to the land title which are considered in the legal implications section.
14. The principle of redevelopment has now been established through the Poole Local Plan process which saw the site allocated for residential development in 2018.
15. The Ward Councillors for Canford Cliffs have been consulted. Whilst it is accepted that the car park is underutilised for most of the year, there remains concern that the car park should remain as an overflow facility, particularly for when Sandbanks car park is full, i.e., in those peak summer days when the weather is hot, and an increased number of visitors and tourists come to the beach. Further comments received were that car parking is in short supply and this reduction in car parking is at odds with the council's ambitions to be a world class resort. In addition, feedback to Ward Councillors is that local residents are very concerned with the level of inappropriate and inconsiderate parking that takes place on busy days and the loss of part of Beach Road car park would exacerbate this. These comments will be considered, and mitigation measures are proposed as detailed in paragraphs 9 and 10. Parking and Traffic Management Officers have been consulted, and subject to Cabinet decisions to dispose and appropriate the site for planning purposes, will consult on the creation of a local traffic management system, to include on-street pay and display in nearby roads, if such a requirement is established in the forthcoming business case for the rear car park.
16. It is important to note that a further approval to appropriate the site for planning purposes, will be sought. This process will involve public consultation, the results of which will be brought back to Cabinet for final approval.

17. Appropriating the land, to be sold, for planning purposes, will facilitate the development by overriding third party rights, if any, that could otherwise impede development, subject to the payment of compensation, where a claim can be proven. Further detail is included within the legal implications section of this report.

## **Options Appraisal**

### **Site options for the south section of the car park.**

#### **Option 1**

18. To retain the whole of the car park to provide additional capacity on the peak summer days of the year, accepting that the rest of the time it will be largely unused and producing minimal income. This does not deliver best value for the council but would provide extra capacity for peak visitor days to the beach, should it be needed.

#### **Option 2**

19. To sell the land with planning consent. The council could seek outline or detailed planning consent and market the site with the benefit of that consent, seeking unconditional offers. However, this will result in additional costs and a delay in bringing the site to market.
20. An application is likely to be controversial and would best sit with the private sector to ensure transparency. In addition, any developer will want its own bespoke design to maximise value. A Planning Development Brief has been prepared which will help to promote the site and provide potential developers with more certainty, improve efficiency of the planning and development process, and improve the quality of development by setting out expectations from the outset.

#### **Option 3**

21. For the council to directly develop housing on this site, either for market /affordable sales or as a private rented sector (PRS) scheme. In this option the council would be taking on all of the financial and reputational risk associated with direct development, from planning through to construction management and unit sales, and there would be an associated delay in securing the capital receipt.
22. The council's priorities balance a range of outcomes which are not purely commercial. Whilst it is attractive to have the amount of control this option affords, the council's ability to capture value from a scheme is impeded by its statutory duties, public procurement regulations and an inability to operate in the same way as a commercial developer. A joint venture approach would reduce the development risk but necessitate a public procurement process that would result in delay in bringing the site to market and realisation of the capital receipt. This is a very high value site, close to the beach and not in an area where development is likely to stall, or where council/joint venture intervention is required to facilitate regeneration.

#### **Option 4 (Recommended)**

23. This is the recommended option of inviting unconditional offers for a direct sale of the site, subject to paragraph 24 below.

24. Presently there is only one way access entering the car park from Western Road (south part that is proposed to be sold) and exiting from Beach Road (rear part to be retained).
25. Access arrangements for the rear car park will be addressed either as part of the disposal whereby the works will be made a condition of sale or, subject to the timing of the forthcoming business case for the rear car park, the council will undertake the works itself.
26. The implications of both conditional on planning and unconditional disposals are detailed in paragraphs 26 to 30 below.

### **Conditional Sale**

27. Whilst conditional on planning offers would result in a delay in securing the capital receipt, the planning development brief would help expedite the planning process and generate interest and demand for the site, which would, in turn, help to achieve best value and consideration.
28. There is, however, additional risk attached to conditional offers should the developer be refused planning permission and fail to complete on the sale.
29. The installation of the new two-way access to Beach Road could be made an obligation through the planning application process.

### **Unconditional Sale (Recommended)**

30. The acceptance of unconditional offers would mean that the council would have no control over the timing of the residential development but would allow for an earlier capital receipt. An overage provision can also be introduced so that the council may benefit from any future uplift in value and to ensure best consideration.
31. The council must own the land that it is appropriating for planning purposes and therefore an unconditional sale of the freehold would require the council to appropriate the land prior to the sale and necessitate an early short-term closure of the whole car park whilst the new two-way access works required to the rear car park were being carried out.
32. Overall, it is considered that a private sector development will meet the council's objective of securing an early capital receipt, whilst minimising risk and achieving best consideration. The council is, of course, exploring PRS schemes and affordable housing developments on sites elsewhere in BCP and, therefore, disposal of the site to generate a capital receipt is consistent with a mixed approach across the council's portfolio.

### **Next Steps**

33. Following a Council decision to dispose of the south section of the car park on the open market, and subsequent Cabinet approval for an appropriation of the land for planning purposes, agents will be procured, and the site would be marketed as a residential redevelopment opportunity on the open market.

34. The preferred bidder will be scored so as to ensure best consideration and demonstration of a record of delivering good quality and sustainable development. It will also be required to demonstrate that it has the necessary resources to progress the development.
35. To retain a long-term interest in the site, the council will offer a 150-year development lease rather than transfer the freehold. However, this may change following negotiation of the detailed terms. The council's external registered valuer has advised that this will not impact the price achievable.
36. An open market sale by informal tender will ensure best consideration is achieved for the council and the marketing material will include the Planning Development Brief. This will set out the planning expectations for the site and will help to guide future developers and other interested parties on the quantum and quality of any future development.
37. In relation to the retained north section of the car park, initial work undertaken by FuturePlaces will be reviewed and a business case developed to modernise and improve the facility.

### **Summary of financial implications**

38. The gross income for the whole car park has fluctuated between 2013 to 2022, although it has increased during and since the pandemic. The average of the gross income over the last ten years was £25,500 pa. This equates to £80.70 per space (including non-compliant spaces). On the face of it, the income for the loss of 144 spaces (including non-compliant spaces) would equate to £11,600 pa. However, given the actual occupancy levels in the whole car park, in reality, the majority of the existing average income is likely to be met from refurbishing and reconfiguring the retained rear car park to provide the current number of spaces used at peak times across the whole car park as highlighted in paragraph 8. The business case for the rear car park will consider this in detail, including any requirement for the introduction of further pay and display in neighbouring streets, if appropriate, subject to consultation on a local traffic management scheme.
39. The business case for the modernisation and improvement of the retained car parking area will be based on the use of prudential borrowing, with no call on the capital receipt realised from the disposal.
40. Current expectations are that the sale could attract high value bids, substantially above the estimated existing use value of the south part of the Car Park. The guide price, if any, will be set once agents are procured and appointed.
41. Avison Young were commissioned in September 2023 to produce a red book valuation of the site for disposal and summary details of the valuation are attached at confidential Appendix 4.
42. A prudent estimate for the capital receipt has been reported to the Director of Finance, taking account of sensitivity analysis of the sales rates and development cost inputs.
43. The progression of the recommended option will incur agents and legal disposal fees. The purchaser will be required to pay the council's legal costs associated with



the transaction. However, the costs of the appointed agent's disposal fee, would be a first call on the capital receipt, and site marketing costs would also have to be paid to the agent in the financial year 24/25 regardless of completion. These costs are outlined in confidential appendix 4.

### **Summary of legal implications**

44. The appropriation of the site for planning purposes under Section 226 of the Town and Country Planning Act 1990 will enable development to be undertaken, notwithstanding the covenants which burden the land, due to the interplay with the provisions of the Housing and Planning Act 2016.
45. Section 122 of the Local Government Act 1972 gives the council a general power to appropriate council-owned land that is no longer required for the purpose for which it is held, for any other purpose for which the council has statutory power to acquire land. The tests which must be satisfied for appropriation will be considered in the further Cabinet report seeking approval to appropriate the land for planning purposes.
46. Section 226 of the Town and Country Planning Act 1990 ("TCPA") authorises the council to acquire land for planning purposes where the council believes the acquisition will facilitate development or improvement of the land and achieve or promote the economic, social or environmental well-being of any part of its area.
47. The Council need not undertake the development itself as Section 233 of the TCPA permits the disposal of such land to a third party to secure the best use of the land provided that the council receives the best consideration reasonably obtainable for the land. This will be assured by undertaking marketing of the site.
48. Sections 203-206 of the Housing & Planning Act 2016 enables development in accordance with planning permission, notwithstanding that it involves interference with an interest or right to which these provisions apply, or a breach of a restriction as to the user of land arising by virtue of a contract, as compensation for the loss of value of affected properties would be payable.
49. Where a site appropriated for planning purposes is disposed of the new owner/developer would pay any compensation. However, the liability can be enforced against the Council in any event so the transfer should include an indemnity from the purchaser to enable recovery of any sums paid in default.
50. Whilst Section 122 of the Local Government Act 1972 contains no prescribed procedure to be adopted when an authority wishes to appropriate land, prior to a final report being brought forward, it is intended to advertise the appropriation and representations made will be considered at that time.
51. The Electronic Telecommunications Code applies to the lease of the telecommunications mast and provides the operator with statutory protection. This imposes an 18 month notice period before termination of the lease. However, it is noted that the operator has indicated a willingness to negotiate a new code agreement with a purchaser following a relocation of the mast to a less prominent position.

52. A disposal by way of informal tender means that there will be an opportunity to finalise the terms of the legal documentation before the parties enter a contractual commitment.

### **Summary of human resources implications**

53. Sufficient staff resource from Estates will be made available to progress the advertisement of the Appropriation, assess and report the results to Cabinet, procure agents and oversee the transaction from negotiation to completion of the legal documentation.

### **Summary of sustainability impact**

54. The council has signed up to the climate change emergency and as such it is critical that decision makers consider the sustainability impact of their decision.
55. A Decision Impact Assessment (ID 328) has been completed for this project which identifies both positive and minor impacts. A copy of this assessment is attached at Appendix 2. At its stage of completion, it had been assessed that there were 138 spaces in the south section of the car park, but more detailed work has since been carried out that confirms that there are 144 spaces of which only 105 are compliant in terms of size and accessibility.
56. The DIA recognises that the use of this land as a surface-level car park does not make a significant contribution to the local environment. Its redevelopment will allow high-quality, energy-efficient housing to come forward in a sustainable location from a public transport perspective. This is likely to be a positive contributor.

### **Summary of public health implications**

57. By accelerating development and investment there will be a better prospect of sustaining jobs and prosperity across the BCP area, improving housing and high-quality open spaces, with well designed, walkable, inclusive neighbourhoods that help promote health and well-being.
58. An Equality Impact Needs Screening Tool has been completed (Appendix 3). This shows that a decision to dispose of the south site has no implications and the proposed improvements to the northern section will have positive effects for service users.

### **Summary of risk assessment**

59. An initial risk assessment has been completed and key risks include:
- Prevailing economic conditions dampen demand for the site and a disposal is not achieved.
  - No acceptable bids may be received.
60. The council's exposure to risk is limited and if the sale does not complete then it will be able to review its options for the site, including potentially remarketing the site, approaching under-bidders, or developing the site itself.

## **Background papers**

### **Appendices**

Appendix 1	Location Plan
Appendix 2	Decision Impact Assessment (ID 328)
Appendix 3	Equality Impact Needs Screening Tool
Appendix 4	Confidential - Summary of land valuation by the council's external Registered Valuer.