

OVERVIEW AND SCRUTINY BOARD



Report subject	BCP Regeneration Update
Meeting date	13 May 2024
Status	[Public / Exempt] Report
Executive summary	This report provides an update on activity carried out by the Investment & Development directorate since it was formed in November 2023, with a particular focus on the three priority regeneration projects of Holes Bay, Dolphin Leisure Centre and Bournemouth International Centre & Winter Gardens.
Recommendations	It is RECOMMENDED that: members of the Overview & Scrutiny Committee note the contents of the report and provide feedback to the Investment & Development directorate where desired.
Reason for recommendations	To ensure the Investment & Development programme of work continues with support from Councillors and benefits from the engagement with a diverse range of elected members.

Portfolio Holder(s):	Cllr. Vikki Slade (Leader and Portfolio Holder for Dynamic Places) Cllr. Mark Howell (Lead Member for Regeneration)
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Rob Dunford, Interim Director of Investment & Development Emily Cockle, Regeneration, Planning and Corporate Project Manager James Cheyne, Development Manager
Wards	Poole Town Hamworthy Bournemouth Central
Classification	For Information

Background

1. The Investment & Development Directorate was created in November 2023 following the decision of BCP Cabinet in September 2023 to wind up BCP FuturePlaces Ltd and bringing activities related to investment, development and regeneration back into the Council.
2. The directorate brings together the existing Smart Places, Housing Delivery and Regeneration teams with a new Community Investment team. The Community Investment team comprises five former BCP FuturePlaces staff and has been tasked with bringing forward the development of three key priority projects.
3. The priority projects are Holes Bay, Dolphin Leisure Centre, and the Bournemouth International Centre and Winter Gardens. These projects were identified in the Cabinet paper in September 2023 as the focus for the new directorate. The Dolphin Leisure Centre has the shortest potential delivery timeframe of the three projects and is therefore at the most advanced stage in terms of project development. The progress with work on each project is set out below.
4. There is an ongoing restructure in progress in order to finalise the roles and responsibilities within the Community Investment team and to migrate all roles onto BCP job profiles and terms and conditions, in line with the Pay and Reward programme.
5. Due to a recent resignation, the team will be reduced to four in May.
6. A new structure has been implemented in order to ensure the activities of the directorate fits seamlessly within the overall BCP Council governance arrangements. This includes the creation of an Independent Advisory Panel to retain the expertise of the former FuturePlaces Non-Executive Directors in an informal advisory capacity. Their advice will focus on the commercial and funding aspects of schemes,

identifying best practice nationally and providing connections to relevant third-party investors and developers. The structure is included in Appendix A.

7. The currently agreed budget for the Community Investment team for 2024/25 is £1,060,500, which includes an expectation that £326,700 of that will come via capitalising project development costs. £185,300 is included for internal recharge costs to other departments. An overview of the budget is included in Appendix B.

Project update – Holes Bay

8. BCP Council, as landowner, has set up the Holes Bay Project to redevelop the former power station site in Poole, along with other adjacent land in Council ownership. The site is the largest brownfield development opportunity in the south west of England and extends to some 40 acres (16 hectares) and sits within the designated Twin Sails Regeneration Area of Poole Town Centre.
9. A key motivation for acquiring the freehold interest in 2020, was to influence the site's redevelopment, principally to support strategic housing targets. Other brownfield opportunities, as allocated or permitted sites on both sides of the Backwater Channel, are currently in private ownership. In their entirety, they present a wider opportunity to support a vibrant, mixed-use waterside community within the Poole Quays area.
10. A Report on Title was obtained in 2020 to inform the purchase of the former power station site. A revised report has been commissioned to include the wider site and to take account of the emerging development proposals. This will provide up to date information to support the upcoming work.
11. Extant and emerging planning policy supports the comprehensive redevelopment of the Holes Bay area. The Poole Local Plan (2018) identifies the Holes Bay site within the Twin Sails Regeneration Area (Policy PP5 and Site T7). These policies support residential-led mixed use development, to include commercial, community, cultural and meanwhile activities. The site is the most significant housing allocation identified in the adopted Borough of Poole Local Plan, 2018 and emerging BCP Local Plan, promoting approximately 900 homes: <https://www.bcpCouncil.gov.uk/planning-and-building-control/planning-policy/bcp-local-plan/have-your-say-on-the-draft-local-plan-consultation>
12. A Planning Statement will be produced under a Planning Performance Agreement (PPA), which will include a comprehensive review of all relevant work to date. The Planning Statement will help to guide the planning approach for the site and inform a package of supporting information for the project.
13. A formal pre-application enquiry will initiate a consultation exercise within the council and with relevant government or statutory consultees.
14. The council will be scoping an Environmental Impact Assessment, in preparation of a planning application, as well as identifying any ecological investigations required for this purpose.
15. Independent planning advice has been obtained as to a suitable planning strategy for the site. A preferred planning approach will be guided by a variety of factors, and which will need to reflect any pre-application advice received from the local planning authority.

16. Significant technical due diligence regarding site conditions has been progressed since the council acquired the site. This ongoing work is informing a better understanding of the issues, risks and opportunities relating to the site's development potential.
17. A draft vision, set of urban design principles, reference masterplan and a design code for the Poole Quays area (which includes the site's waterfront) has been developed, as part of the initial design work. These draft design documents do not currently have planning status. The reference masterplan indicates the capacity and proposed layout of new infrastructure, to support future development. A detailed masterplan will come forward in due course, in consultation with stakeholders and the local community.
18. A comprehensive, site based risk assessment has been produced and will be maintained to reflect current conditions.
19. The operational electrical switching station, located to the north-west of the site, forms part of the freehold of the site for redevelopment. It is acknowledged, due to the estimated cost of relocating the switching station, that it will likely remain in situ for the time being.
20. Consultation and engagement with the community and stakeholder interests on the project has been undertaken by the council and its representatives in recent years. A workshop with stakeholder representatives, including council departments, will be held by early summer, to develop the vision, test the initial design work, and to update stakeholders on proposed next steps. A public exercise with the local community will be held later in the year.
21. The costs associated with bringing forward a large, brownfield site will require a substantial commitment of funding. Although the council does not have the ability to support these costs in full, it wishes to retain an ongoing role in the site, likely enabled through a partnership.
22. To help to move the project forward through its next stages, the council are exploring various funding options and are regularly engaging with Homes England, who have provisionally allocated revenue funding support for the site in 2024/25. A specific opportunity is the Brownfield Infrastructure Land Fund, with the potential to submit bids for future funding rounds. Early dialogue with potential funders is helping the council to explore a range of opportunities to help address some of these viability challenges.
23. Partnering with a private sector organisation (which may be subject to formal council approval), is likely to be key to unlocking the council's wider aspirations for the site. A partnership will leverage additional investment, skills, resources and expertise, in addition to any government investment, in realising the site's full potential. A partnership would enable risks to be assigned to the party best equipped to manage and control them and share the rewards of bringing forward development, to deliver a range of benefits.
24. Procurement of a partner will likely be preceded by the Council's Procurement and Contracts team formerly issuing a Prior Information Notice (PIN). This will trigger preliminary market consultation and enable introductory or market sounding discussions with third parties interested in working in partnership with the council, to help bring forward a viable and exciting proposal for the site.

25. To support this approach, the council are undertaking soft-market testing with a handful of developer and investor interests. Womble Bond Dickinson, acting for the council, will be advising on preferred partnering options, prior to any procurement process.

Project update – Bournemouth International Centre and Winter Gardens

26. Work was carried out by BCP FuturePlaces to examine whether a multi-site approach could be taken to bring forward the redevelopment of the Bournemouth International Centre. This would potentially include construction of a new Conference & Exhibition facility on the Winter Gardens site and options for development of the Winterborne Hotel site as part of a phased campus development.
27. Although this approach would be feasible, the costs involved would be very challenging in the current climate and so the decision has been taken by the Investment & Development Strategic Programme Board, with the agreement of the Portfolio Holder and Lead Member, to “decouple” the BIC and Winter Gardens sites in order to pursue more achievable development outcomes in current market conditions.
28. The current administration views the Winter Gardens site as a high priority regeneration opportunity in Bournemouth town centre. The site is currently subject of an option held by the Bournemouth Development Company, with a current planning consent for a large-scale, mixed-use scheme. That scheme has been proven to be unviable for a variety of reasons.
29. There is the opportunity to look at redesigning a new scheme, subject to confirmation from BCP on a range of subjects including;
 - a. Percentage of affordable housing
 - b. Inclusion of any element of build to rent
 - c. Confirmation of height precedent created by current consented scheme (up to 15 storeys)
 - d. The level of parking requirement
30. Work is ongoing to clarify these items internally in order to provide an agreed basis for bringing the site forward on viable basis that is compatible with the emerging Local Plan.
31. A twin track approach has been agreed by the Investment & Development Strategic Programme Board in order to take forward the potential redevelopment/modernisation of the BIC;
 - a. Working with BH Live to produce a range (max.3) of options for redevelopment of the existing site.
 - b. Creation of an investor pack to capture the opportunity for a large-scale investment in the redevelopment of the site, to potentially include the packaging of a number of sites across BCP to achieve the scale of opportunity that will be of (inter)national interest.

32. There is high-level interest from investors and developers in Bournemouth town centre that is being explored in order to identify the scale of development that would form a compelling investment opportunity across a range of sites. This activity is being logged and shared with the Portfolio Holder, Lead Member and senior officers during the course of regular progress meetings.

Project update – Dolphin Leisure Centre

33. As part of the September 2023 Cabinet decision to close BCP FuturePlaces, the re-provision of the Dolphin Leisure Centre was designated a priority project by the current political administration.
34. The existing leisure centre is at the end of its design life, having been constructed in the early 1970's. It is a resource-intensive facility with high running costs and poor carbon footprint. Recent parking studies have demonstrated that the existing car park is underutilised, with circa 25% being the highest utilisation figure recorded. The high-level principles are to re-develop the entire site to provide new homes and a new leisure centre, the aim being that the residential element will subsidise a proportion of the new leisure facility.
35. The Dolphin Leisure Centre has been a topic of discussion for many years and has not made great progress to-date. Since the formation of the new Investment and Development Directorate and transfer of FuturePlaces staff into the Council, good progress has been made evolving an initial concept into a live project.
36. A series of internal stakeholder meetings were organised to ascertain and confirm the current requirements for the project. Unfortunately, there were some differences between the current and previous requirements, therefore the project team reverted to RIBA Stage 0 – Strategic Definition, building on the work previously undertaken by FuturePlaces. From the work undertaken with stakeholders, the project team were able to create a 'Scoping Document' which was approved by the Investment and Development Strategic Programme Board. This document provides a fixed scope and supports the effective management of the project and programme going forward. It also ensures all parties are aligned, maximises efficiency and avoids scope creep/change without change orders being formally agreed.
37. As the project had previously progressed towards RIBA Stage 1 – Preparation and Briefing, it was deemed appropriate to continue progressing the project utilising internal skills and experience, thus limiting disruption to the initial project programme. The aim was that through a series of workshops the project team could identify a set of principals in which stakeholders could support, limiting the number of potential options and reducing the amount of consultant input required. This approach was paramount due to there being no project budget enabling the procurement of external consultants to complete feasibility and appraisal work in the initial months following transfer of staff and project from FuturePlaces.
38. As part of the above process an internal document was prepared to aid internal discussions and help formulate a set of key requirements and project direction, following which it can be utilised in the creation of a project brief, including project outcomes, sustainability outcomes, quality aspirations and spatial requirements. The document contains indicative concept sketches and ideas developed through discussions with internal teams, however it does not constitute a proposed design,

design advice, outline proposals or alike. All parties have reached an agreement on a set of principals/direction which will inform the next steps in the process.

39. The project is now rapidly approaching the stage in which professional consultants will need to be procured to undertake market research, design work, feasibility studies and viability assessments to assess and review the project holistically before making a recommendation on how to proceed. The design consultant has been selected and is soon to be appointed. The appointment of a cost consultant and commercial agent are to follow imminently.
40. Held a series of introductory meetings with internal teams to discuss the project, establish how things can collaboratively move forward and confirm how best to take advantage of regeneration projects being brought in house.
41. Engaged with internal stakeholders through a series of workshops to discuss the works completed prior to the formation of the new investment and development directorate and to establish/re-confirm client requirements. (Due to differences between previous and current client requirements it was necessary for the project team to revert to Stage 0 RIBA – Strategic Definition, utilising the work completed by FuturePlaces to define a new project strategy and set of requirements.)
42. Creation of a Scoping Document following work undertaken with stakeholders.
43. Creation of an Indicative Concepts document utilising internal skills and experience to establish project direction and the design consultant brief. The document contains indicative conceptual ideas/sketches which will evolve, aid internal discussions and assist in preparing a set of key requirements and project direction. This document will later be utilised in the creation of the detailed project brief, including project outcomes, sustainability outcomes, quality aspirations and spatial requirements.
44. Secured support from internal stakeholders and members in regard to a set of design principals which an external design consultant will evolve.
45. Prepared procurement briefs for consultants to complete relevant feasibility and viability works.
46. Engaged with the relevant parties to agree an ODR decision to reallocate the remaining Poole Town Centre budget to the Dolphin Leisure Centre project. The reallocated capital budget will be used to progress the project through the various gateway stages.
47. A capital budget to support the delivery of regeneration in Poole Town Centre - including the reprovision of the Dolphin Leisure Centre - was approved by Poole Borough Council in 2018.
48. £772,173 remains allocated in BCP's capital programme. An ODR has been approved for the reallocation of the remaining capital budget to the newly formed Investment and Development Directorate, focusing its use on progressing a scheme for the reprovision of a leisure centre, commercial space, and residential units on the site currently occupied by the Dolphin Swimming Pool and car park. This will align with the regeneration aspirations of the current administration. The ODR has been signed by all relevant parties and forwarded to Democratic Publication.

49. Indicative Programme

Indicative Programme	Period	Start Date	End Date
Option appraisal to reach decision on preferred design direction with client sign off	6 weeks	22 nd January 2024	29 th February 2024
Procure Design Team and Commercial agent	2 months	1 st March 2024	30 th April 2024
Production outline scheme	6 weeks	1 st May 2024	16 th June 2024
Undertake high level Feasibility and soft marketing (commercial agent)	6 weeks	17 th June 2024	31 st July 2024
PROJECT GATEWAY DECISION	1st August 2024		
Feasibility work for Pre-Application Planning	6 weeks	2 nd August 2024	16 th September 2024
Pre app process	8 weeks	17 th September 2024	18 th November 2024
Work up Full Planning Application	3 months	19 th November 2024	15 th February 2025
Formal Planning Process	3 months	16 th February 2025	15 th May 2025
Planning Committee/ Planning and highways legals	2 months	16 th May 2025	15 th July 2025
Validate viability of consented scheme / Finalise Cabinet Report	1 month	16 th July 2025	15 th August 2025
GATEWAY – CABINET DECISION TO PROCEED	September 2025		
<u>TBC: Subject to Options Appraisal</u>	~ 9 months	1 st October 2025	30 th June 2026
GATEWAY – Contract Signature	July 2026		
Stage 4 Technical Design	6 months	1 st August 2026	30 th January

			2027
Stage 5 Construction	24 months	1 st January 2027	30th December 2028
Lessons Learnt Report and Review	3 months		

Summary of financial implications

50. Cabinet approved in September 2023 the option to bring development delivery back into the Council.
51. The decision included the requirement to establish a new Council Investment & Development service. The maximum annual additional revenue cost from 2024/25 was estimated as follows, acknowledging the impact of not knowing the final number of staff transferring under TUPE;
 - £720k Direct staffing
 - £446k Indirect staffing costs (central support costs)
 - £175k Project delivery (15%)
 - £185k Loss of BCP income from recharged support costs via the resource agreement
 - £1,526k Total additional annual costs from 2024/25**
 - £636k Total cost for the period 1 November 2023 to 31 March 2024.**
52. The cost was agreed to be combined with those of the development commissioning team and the housing delivery team to create the new Investment and Development directorate.
53. Since the creation of the directorate it was decided to also include the Smart Places team within the new directorate. The Smart Places team is currently part funded by the Boscombe Towns Fund and BCP base budgets. It is expected to become full cost recovery by 2025/26, so this does not impact on the budget.
54. The allocated budget for the Community Investment team for 2024/25 is as follows;
 - £731k Direct staffing
 - £185k Indirect staffing costs (central support costs)
 - £144k Project delivery (14%)
 - £1,061k Total**
55. There is an expectation that £327k of these costs will be capitalised against project delivery.

Summary of legal implications

56. The Council is empowered to undertake development for various purposes by virtue of existing legislation. The work to support a programme of development and investment can be undertaken by an in-house team.
57. The Council will need to comply with all relevant legislation in undertaking the proposals contained within this report and will seek further specific procurement and legal advice at the appropriate stages.

Summary of human resources implications

58. TUPE Regulations were applied to the transfer in of employees working for FuturePlaces. Employees were eligible to transfer to BCP Council, regardless of their length of service with FuturePlaces (unless separate agreements were reached with any individual employees to end their employment prior to the date of transfer).
59. All transferring employees were subject to formal consultation under TUPE and this process was concluded after full approval was given to the transfer by Cabinet in September 2023.
60. Further HR work was required to determine which sections of the Council transferees would move to. Of the 11 employees who transferred into the Council, 6 moved into the new directorate and 5 moved into central Council services (2 into Finance, 1 into Communications, 1 into the Executive Assistant team, 1 into Procurement).
61. Work was also required to align posts with appropriate Korn Ferry role profiles from the existing suite of profiles and, if necessary, create new Korn Ferry role profiles if no suitable profiles exist. This process is required, as all transferees are subject to the outcome of the Pay & Reward review.
62. It was recognised that not all FuturePlaces officers would want to transfer into the Council and there could be vacancies created because of this. Of the 11 employees who transferred into the Council, 2 have left for alternative employment and a further 2 will be leaving in May, which creates 2 vacancies within the Community Investment team. The Head of Delivery: Regeneration will also leave the Council in May, creating an additional vacancy.
63. A restructure process was initiated by the previous Interim Director of Place and is currently under review in order to take account of these new vacancies and design the service structure appropriately to meet the Council's investment and development objectives.

Summary of sustainability impact

64. Whilst there may be some impact in terms of sustainability as a result of this decision, the Council has declared a climate and ecological emergency and as such all its development and investment projects, whether delivered in-house or via a partner, are required to contribute to the Council's Climate Emergency action plan by ensuring new development is resource efficient, adopts low carbon technology and leads 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.

Summary of public health implications

65. The council remains committed to development and investment and providing these services via an in-house team will ensure that development projects remain aligned to council priorities.
66. A more focused programme of development and regeneration will contribute to creating and 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.

Summary of equality implications

67. An EIA conversation/screening document was completed for the previous Cabinet report setting out the Council's intention to close its urban regeneration company – FuturePlaces Ltd – and to progress its development plans at key sites via an in-house team to ensure that projects remain aligned to council priorities. It is not, therefore, anticipated that service users (residents or visitors) will be affected by the change.

Summary of risk assessment

68. The key risks associated with the delivery of the three priority projects in the new Investment & Development directorate are as follows;
- a. Financial – ability of the Council to meet the costs of developing the schemes to the point of delivery, mitigated by the provision of an agreed budget for 2024/25
 - b. Financial – ability of the Council to provide funding to support the delivery of the schemes (either in full, in part, or through enabling works) is limited, mitigated by an active approach to securing alternative investment through ongoing discussions with public and private sector organisations.
 - c. Operational – ability for the Smart Places team to become full cost recovery by 2025/26, mitigated by current negotiations for private sector investment, subject to Cabinet approval in June 2026
 - d. Commercial – ability for schemes to be delivered through identifying suitable partnerships through PCR 2015 compliant procurement processes, mitigated by early and ongoing engagement with BCP Procurement and potential delivery partners (public and private sector)

Background papers

Published works:

BCP Cabinet paper, September 2023 - [The future of Future Places regeneration and development.pdf](#) ([bcpcouncil.gov.uk](#))

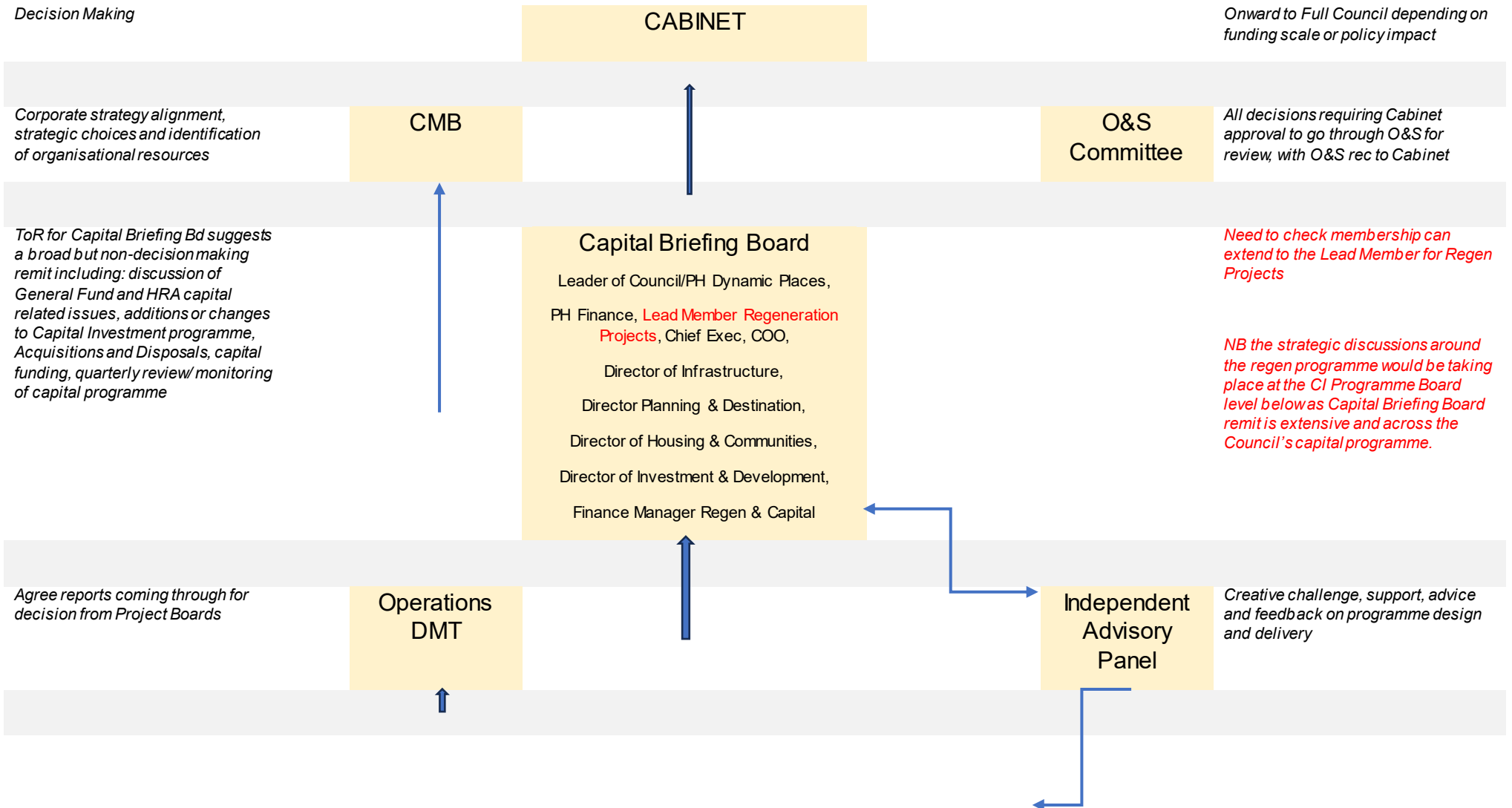
Appendices

Appendix A – Community Investment Governance Structure

Appendix B - Investment and Development Directorate budget 2024/25

Appendix A

Investment & Development Directorate: Community Investment Governance Structure



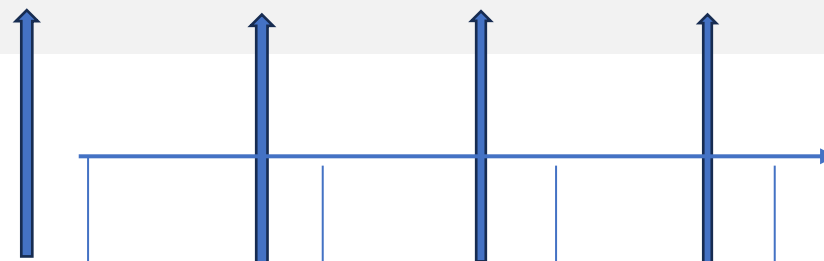
Board has two functions and membership reflects each

1. CIPB -Management: Oversight and ownership of project deliverables, monitoring work of the project teams, monitoring of CI service plan; 2. CIPB -Strategy: conversations about direction of travel, partnerships, funding

Investment and Development Programme Board (1 & 2)

1. SRO, HoS, PMO, Project Leads, Finance, Legal, Client Directors ('Tactical' Board)
2. As above but also CX (Chair), COO, S151, Monitoring Officer ('Strategy' Board),

New role for Community Investment Tactical and Strategy Groups, monthly reporting by exception interspersed with regular strategic discussions about programme direction, (e.g. strategic alignment, new projects, funding options etc). Attendance flexes around Board agenda (1 & 2)



Lead Member/PH Briefing

SRO, PMO, Project Leads and relevant Members

Monthly or greater frequency as needed by the Project to keep Lead Member PH informed of progress, emerging issues and opportunities to provide policy and strategic steer.

Responsible for identifying project deliverables, project delivery/meeting the agreed objectives and outcomes of the project (deliverables)

Project Board

Holes Bay

HoS, Project Lead, PMO, Destination and other subject matter experts

Project Board

Dolphin LC

HoS, Project Lead, PMO, Leisure (client), subject matter experts

Project Board

BIC/Winter Gdns

HoS, Project Lead, PMO, Leisure (client), Destination and other subject matter experts

Project Board

BAU (e.g. Wessex Fields, Beach Rd Car Park etc)

HoS, project lead, subject matter experts

Weekly meetings led by Project Leads to track and manage progress and agree on escalations

Appendix B

[illegible]