



BournemouthDevelopmentCompany

The Bournemouth Development Company LLP

Partnership Business Plan 2025 - 2030

Report Prepared by: BDC (Muse & the Council)
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Appendix A – Indicative development programme

Appendix B – Key communication messaging

Glossary of terms

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

Executive Summary

We are pleased to present a new partnership business plan for the period April 2025 to March 2030, covering the next five financial years.

This is the first new plan since 2021 and follows a period of uncertainty since the completion of the most recent scheme at Durley Road, in parts due to the impact of the COVID 19 pandemic on the wider economy, staffing and structural changes within the Council and a change of political administration in May 2023.

By mutual agreement, work had been paused on the preparation of a new Partnership Business Plan, subject to a Strategy Day taking place with the new political leadership at the Council.

Summary of activity since 2021

Having commenced construction at Durley Road in January 2021, the development was completed in September 2022 and we exchanged contracts for sale on all 44 apartments at prices well above our business plan budget. The scheme was delivered by Poole-based contractor, Parsons & Joyce, who despite continuing challenges in managing the supply of labour and materials, maintained quality and delivered an excellent scheme.

At Eden Glen we produced outline proposals for a residential-led scheme to comprise circa 50-60 homes, with interest from the Council in retaining ownership of the completed scheme through their Seascope Homes platform and offering the apartments for open market rental. This followed on from the success of the Treetops scheme which BDC delivered in February 2021. The work did not progress due to viability issues associated with planning policy, specifically related to building heights, build costs and reprovision of public parking on the site. There was a workshop on 28 April 2022 to discuss routes forward, but this coincided with the financial challenges being faced by the Council and was subsequently put on hold.

We also held a workshop on 29 April 2022 to look at how to progress the Central option site. Options were reviewed which included variations of two and three block developments that could deliver up to 250 new homes with heights up to 13 storeys. The scheme had viability challenges and in order to close the gap the removal of the 315 on site public car parking spaces would be required. The emerging BCP Local Plan proposals did not support redevelopment of scale on this site with proposed heights limited to 7 storeys. The Public off-street car parking study in the Local Plan evidence base did however provide for two (of three) scenarios which supported development of the site without any reprovision of public parking.

At Cotlands we made significant progress in developing a strategy to bring forward this critical and strategic employment site. Over the previous 10 years within the conurbation approximately 1 million sq. ft of office accommodation has received planning permission for a change of use. Some of this stock has already been redeveloped, and some is at risk of redevelopment to another use in the future.

Working with the Council, BDC were looking to make a significant investment in the delivery of new, Grade A office accommodation to meet the needs of our corporate partners in the conurbation. The scheme stalled due to issues arising from the COVID pandemic and changes to the way businesses are prioritising office space versus hybrid working. The proposed pre-let anchor tenant for the first phase cited this uncertainty as reason for not progressing their interest.

There have also been issues with unlocking the development through consolidating car parking in a new multistorey car park (MSCP) at York Road. The Council was unable to continue with a commitment to provide £10.6m to fund the MSCP. There was an agreement in place with the Council to use Public Works Loan Board borrowing to assist with funding the project, but this was subject to securing the anchor tenant (pre-let). The impact of the September 2023 government Budget on interest rates also proved to be a significant issue, with PWLB borrowing rates rapidly increasing and rendering the business case for borrowing undeliverable.

The Council has undergone some significant change since 2022, including establishing and then deciding to close the urban regeneration company, BCP FuturePlaces Ltd. This had some implications for work on the Winter Gardens scheme, which had become unviable due to sharp increases in construction costs since the pandemic, as well as shifts in demand and values for commercial and leisure space in the town centre. The opening of the BH2 leisure complex immediately opposite the site has absorbed the latent demand and there is little evidence to support the creation of over 5,000m² of new leisure, retail and food and beverage space. Furthermore, the Council found itself in a position of no longer being able to support the funding of the replacement public parking or forward acquisition of over 100 apartments for private sector rent.

We fed into work with the Council and FuturePlaces to consider an alternative masterplan proposal for the wider Bournemouth ARC, the land holdings comprising the Winter Gardens site, Winterborne Hotel and Bournemouth International Centre (BIC). Recognising that the BIC no longer meets the needs of the conferencing market, emerging proposals included a new state of the art conference facility to meet the needs of the market today, alongside a new conferencing hotel, that could potentially have been built on the Winter Gardens site.

Since the decision to close BCP FuturePlaces Ltd, the new administration leading the Council has resolved to “decouple” the Winter Gardens from any aspirations to redevelop the BIC, giving rise to the opportunity to return to exploring a new solution for the site, responding to new strategic objectives and current market conditions. This was confirmed to BDC in Q1 2024.

Following the closure of BCP FuturePlaces Ltd and the creation of the new Investment & Development directorate within the Council, the Leader asked BDC in early 2024 to focus on the delivery of Winter Gardens as a key regeneration objective for the Council, alongside the in-house focus on Holes Bay and Dolphin Leisure Centre.

At our December 2024 Strategy Day, we reviewed aspirations for bringing forward a new Winter Gardens scheme. There is a desire for a new housing-led scheme at Winter Gardens, with the potential to drive regeneration in Bournemouth town centre and make a significant contribution to the delivery of the Council's new Corporate Strategy. Bringing forward a new scheme for Winter Gardens will form the core focus of this new PBP, which will need to identify plans for approaching the planning and funding strategies.

Across the other BDC optioned sites, BDC will continue to work with the Council to agree a strategy in relation to development options that will enable it to accelerate the pace and scale of delivery.

On all of our sites, we will strive for excellence in sustainable design and delivery of the Council's strategic corporate objectives, in particular;

- Good quality homes are accessible, sustainable and affordable for all
- Revitalised high streets and regenerated key sites create new opportunities
- Our communities have pride in our streets, neighbourhoods and public spaces

Market Conditions

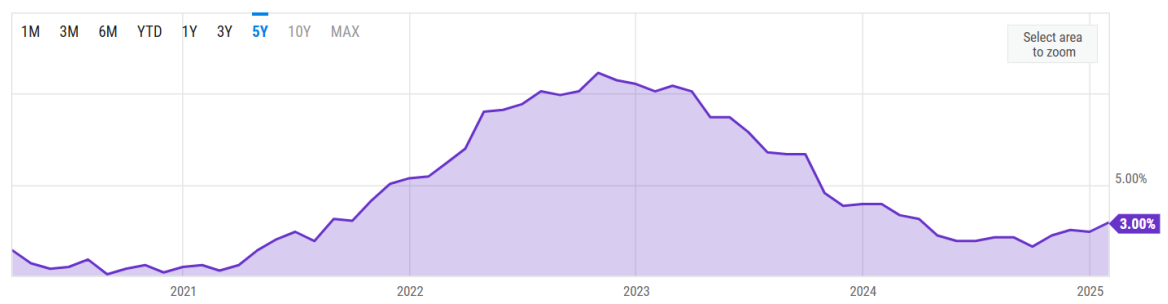
Since 2011, the Members have worked well together combining the resource and strengths of both organisations to deliver a number of successful projects. In total, 5 schemes have been delivered, delivering 645 much needed new homes, 555 public parking spaces and returning profits of just under £12million.

The last scheme to be completed by BDC was West Cliff Mansions, which completed in 2021, with all 44 apartments having been sold and fully occupied by July 2022.

The Covid-19 pandemic, war in Ukraine and, Brexit (global headwinds) had a significant impact on the construction industry. The market has faced considerable cost inflation and supply chain disruption alongside residential value compression which has caused significant viability challenges nationally for regeneration projects.

Through the period from early 2020 to 2023 the many longer-term impacts of the Covid-19 pandemic on the way that society works and its impact on the construction and development sector have become better understood. Whilst some aspects could have a positive impact upon BDC activity (for instance the growing appeal of coastal living), others will continue to disrupt (for instance, the slower than expected return to the office as a working environment). The latter proved a critical element for the prospects of the Cotlands Road project, as the anchor tenant for the flagship grade-A office development withdrew their commitment, due to the shift from office working to hybrid arrangements.

There has also been a sharp increase in the cost of living, with a period of very high inflation contributing to both material cost and wage inflation that has directly impacted the delivery of construction projects. Inflation peaked at over 11% during 2022/3 and has gradually fallen to its current rate of 3%, which remains above the Bank of England target of 2%.



Viability has therefore become a major challenge for the development industry, with regeneration schemes becoming increasingly reliant on significant public sector funding to become deliverable. Analysis has shown that in today's market, the Durley Road scheme would not have been viable. Completed in 2022 and having delivered a £2.5m profit, it would have a negative viability today, reflecting the position that sales values have not kept pace with build cost increases.

The Bank of England base interest rate has climbed sharply since the Winter Gardens scheme first achieved planning consent in 2019, having been at 0.25% in March 2020 and rising to 5.25% at its peak in August 2023. The rate has since gradually dropped to its current 4.5%. This has had a significant impact on borrowing costs to fund construction. The impact on public sector borrowing from the Public Works Loan Board has been challenging, with the current rate for borrowing over a 30-year period being 5.8%, having previously been around 3.5%. Furthermore, interest rates have also risen sharply, impacting on the ability to secure borrowing to fund major schemes.

These are not BCP specific issue and viability is preventing new development coming forward across the UK at this time.

These challenges have meant that bringing forward new BDC schemes has been difficult, which resulted in the decision to scale back the operating costs of the company.

During the last few years, the BCP Local Plan has been in production. This is a critical element in providing the planning policy for shaping new schemes. It presented some challenges for scheme viability in relation to the policy on heights in the Bournemouth Arc and wider town centre. In March 2025, the Local Plan was not accepted by HM Planning Inspector which will now lead to a new approach. It is anticipated that the increase in housing targets set by central Government will necessitate a review of heights in sustainable, accessible urban locations, which would be very helpful to BDC.

Due to the combination of these factors, this is the first new Partnership Business Plan for BDC since 2022. It builds upon a successful Strategy Day in December 2024, which gave members of the Cabinet for the new administration the opportunity to set out their aspirations for a reset BDC in delivering on the objectives in the new Corporate Strategy: A Shared Vision for Bournemouth, Christchurch and Poole 2024-2028.

1.0 Introduction

1.1 2025 Partnership Business Plan

This is the Partnership Business Plan ('the Plan') for the operating year commencing January 2025, providing a rolling 5-year projection agreed by the LLP members, covering the strategic, operational business and governance framework of The Bournemouth Development Company Limited Liability Partnership ('the LLP') and follows the agreed form business plan criteria (Schedule 2 of the Members Agreement).

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

The LLP is an active development partner and regeneration catalyst with the original purpose of leading the delivery of the Bournemouth Town Centre Vision (2013).

The Plan forms an overarching strategic framework, informing and integrating the individual Site Development Plans. As such, it serves as a management tool for the Council and the Private Sector Partner (PSP), Muse Developments Ltd. ("the Members") and Representatives and provides strategic guidance in delivering Partnership Objectives (see section 1.2.1 below).

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

1.2 The strategic management objectives of BDC

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

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

1.2.1 The Council Corporate Strategy

We continue to align BDC activity to the Council's Corporate Strategy, "A Shared Vision for Bournemouth, Christchurch and Poole 2024-28". This includes addressing each priority within the Corporate Strategy in relation to our developments.

Our Place and Environment includes adopting a Fabric First design approach, with appropriate air permeability to optimise energy consumption. Also, working with our partners, providing employment for local labour and businesses during the pre-development, development and operation of the buildings long term. Across our sites and recognising their historic role in the development of the conurbation, we will continue to replace decaying trees with healthy specimens for the benefit of future generations. In creating a safe and happy environment, with easy access to the town centre, lower gardens and seafront for age friendly community development residents to live independent lives, while promoting active healthy lifestyles with the development of leisure space, cycle storage and public realm areas for public enjoyment.

Our People and Communities includes delivering vibrant town centre homes for a blend of residents while investing in homes for rent for local residents who are not ready to buy, as well as other uses to meet demand for new and complement existing provision. We will invest in active street frontages such as Turtle Bay on the Citrus Building, and sustainable and accessible infrastructure.

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



1.2.2 The Town Centre Vision

The Vision is set out in the Bournemouth Town Centre Area Action Plan (adopted March 2013). The AAP remains the extant planning policy for Bournemouth town centre following the recent recommendation from the Planning Inspector for the Council to withdraw its Local Plan from the examination process. Until such time as a new Local Plan is put in place, the BDC shall continue to refer to the AAP.

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

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

BDC acknowledges the Vision objectives as follows:

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

The Town Centre Vision is now over 10 years old. Whilst many of the objectives remain current, there are some where the approach may now need to be updated to reflect changes in the last decade. For example, COVID has had a lasting impact on the high street, with many retailers including Marks & Spencer, Debenhams and House of Fraser having left Bournemouth town centre. The way people use town centres is changing and there is an ongoing housing affordability crisis in BCP, with median house prices 10.2 times the median wage, significantly higher than the national average of 8.9.

The Council declared a climate emergency in 2019, with sustainable travel forming a core part of the strategy to reduce emissions. Transport planning policy is therefore moving towards reducing the number of vehicles travelling into town centres, which supports a move towards developing surface car parks for alternative uses without replacing the public parking. This is supported by scenarios presented in the “Public off-street parking study” for the Local Plan evidence base.

1.2.3 Partnership objectives

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

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

Regeneration Objectives

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

Design and Standards Objectives

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

Delivery Objectives

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

Commercial

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

1.2.4 Economic benefits

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

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

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

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

Through BDC, the Council has secured the following investments;

- A3 restaurant unit at the Citrus Building operated by Turtle Bay;
- 46 new open market rent homes at “Treetops” at St Stephens;
- through a “lease wrap” structure the reversionary interest in the 378-bed student accommodation scheme at Madeira Road; and
- new replacement MSCP public car parks at Madeira Road (400 spaces) and Berry Court (155 spaces).
- 44 new open market sale homes at West Cliff Mansions

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

1.2.1 Social Value

BDC aim to build communities founded on social value, health and wellbeing, and sustainability. To create exemplar, sustainable, places that maximise social benefits and enhance the environment now and for future generations.

We provide our teams, contractors, and wider supply chain with clear guidelines, key performance indicators and targets to deliver the highest levels of environmental performance and positive social impact, enabling transparency and accountability.

1.3 Operational Management

1.3.1 Delivery - human resourcing of the LLP

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

1.3.2 Delivery – working capital

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

1.3.3 Commercial

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

1.3.4 Best value

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

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

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

1.3.5 KPIs and Performance specification

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

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

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

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

1.3.6 Risk management

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

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

1.3.7 Corporate governance

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

The Partnership Board meets quarterly and is chaired by the Development Manager. The company secretary function is performed by Muse.

2.0 Partnership structure

2.1 Principles

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

2.2 Framework

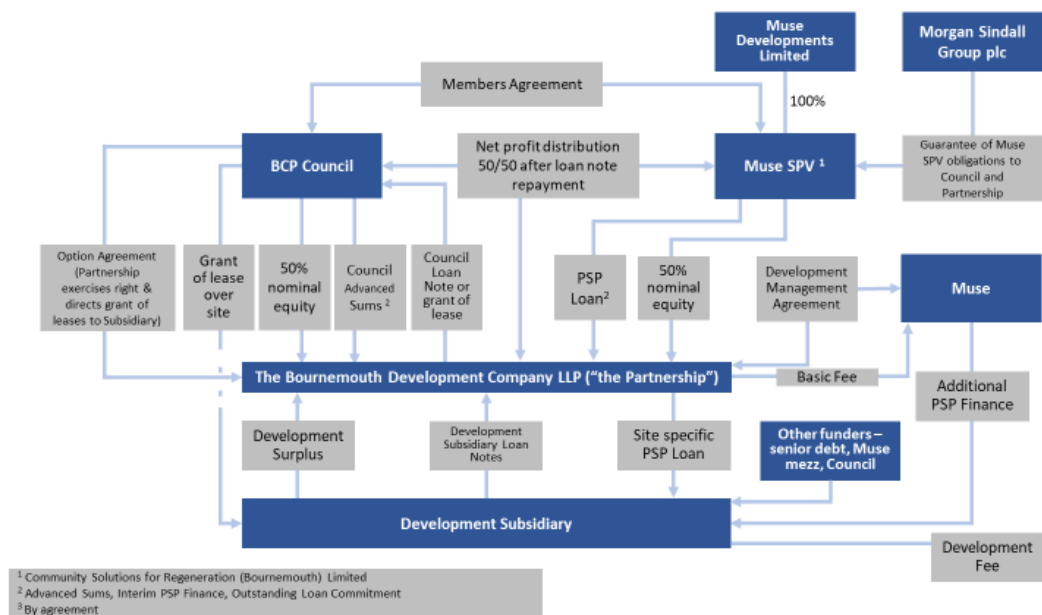
The LLP conducts its business activity in accordance with the following contract documents,

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

2.3 LLP structure

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

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



2.4 Subsidiary LLP structure

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

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

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

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

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

2.5 Strategic management

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

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

Council representatives are:

- Cllr David d'Orton-Gibson
- Cllr Mark Howell
- Cllr Joe Salmon

Muse representatives are:

- James Stockdale
- Joe Everett
- Andy Howell

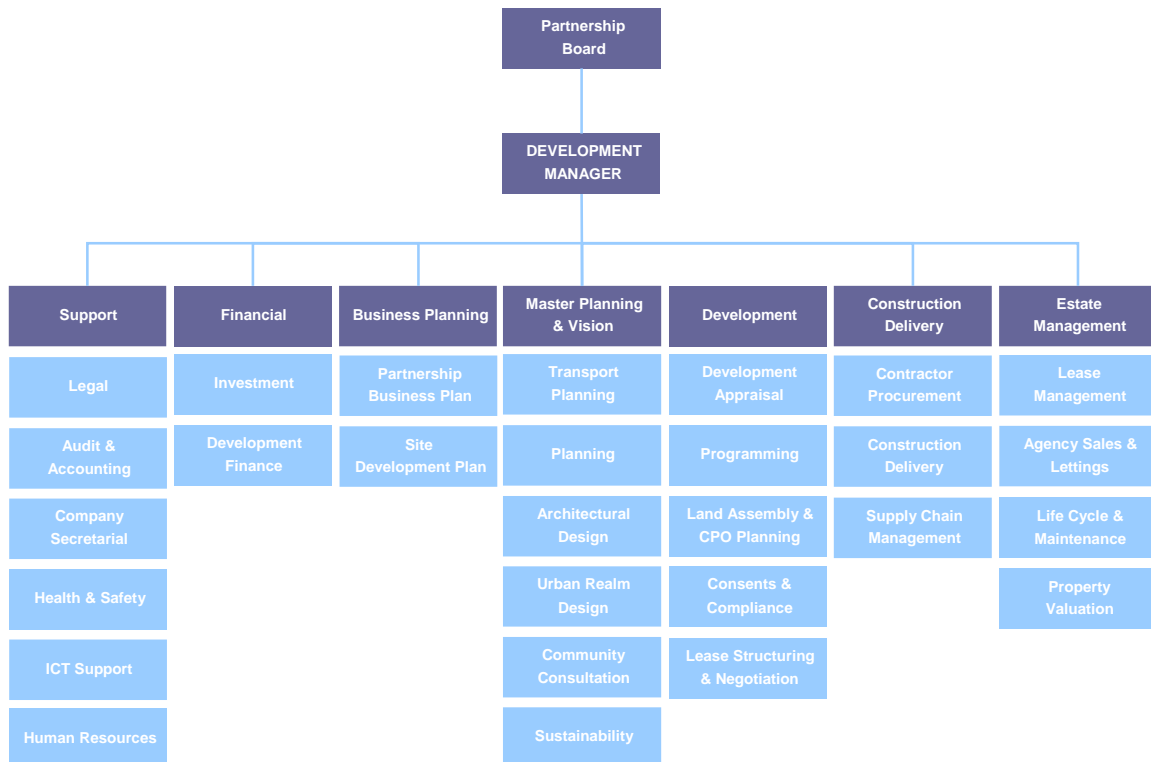
2.6 Operational management

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

Key services include the following:

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

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



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

Resource

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

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

Accommodation and facilities

Muse has previously used offices located in the Bournemouth town centre to house the Development Management team. During the recent slowdown in activity, these offices have been closed. This will be reviewed subject to the progression of future development sites.

Corporate policies

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

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

The LLP has produced and adopted its own:

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

These policies are in the process of being reviewed and updated for approval by the BDC board.

Quality management and Quality Assurance

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

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

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

Health & Safety management

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

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

Sustainability

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

There is a key focus on local employment and local labour which is passed onto contractors to provide employment for local people during the construction period. This also has a positive impact on our Carbon Emissions with a reduced number of miles travelled to the site. The Council declared a climate emergency in 2019, which has added greater emphasis and urgency to the need for employing sustainable construction practice.

Long-term improvements to the community are delivered with new homes, café and restaurants, employment space and leisure facilities in the town. The developments include cleaning up and landscaping large areas of undergrowth in the town centre through construction and also through charity fundraising events.

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

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

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

Professional services

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

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

Supply chain

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

Strategic services

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

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

| Role | Advisor | Status |
|----------------------------|--|------------------------------|
| Communications | Liz Lean PR | On a retainer |
| Master Planning & Planning | To be confirmed | To be instructed as required |
| Transport and Car Parking | Alan Baxter Associates | To be instructed as required |
| Legal | Eversheds, Pinsent Mason, Womble Bond Dickinson | To be instructed as required |
| Tax | PKF | Retained & active |

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

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

3.0 Development programme

3.1 Annual strategy review

Following the December 2024 BDC Board Strategy Day with Council Cabinet members and senior officers, the LLP has agreed to focus efforts on renewing the Winter Gardens project. The project has been identified as a key priority for the current administration for delivering its corporate strategic objectives.

There is also a desire to review the remaining Option Sites and determine the most appropriate way to achieve development. This is subject to on-going review and will change in response to how the Local Plan develops over the course of the next 12-18 months. Any changes in approach to heights and public parking may improve the prospects of establishing viable schemes on these sites for direct delivery by BDC. The review will also respond to any changes in specific demand from third party developers and new opportunities to deliver the sites during the life of the Partnership. The detailed timeline for each site will be reflected in individual SDP's.

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

3.2 Operational area

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

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



In December 2021 BDC and The Council received Counsel opinion to determine whether BDC could operate outside of “The Area”.

In summary this opinion concluded that;

“the centre of gravity needs to remain Bournemouth. In other words, individual projects outside Bournemouth may be permitted, but not to the extent that the activity can no longer be characterised as predominantly Bournemouth, rather than Bournemouth/Poole/Christchurch”.

3.3 The BCP Local Plan

The Council has been working on a new local plan to cover the BCP conurbation since the formation of the new Council in 2019. As part of setting up Bournemouth Christchurch and Poole Council the Government approved consequential orders that specifically required a new BCP wide local plan is adopted by 2024.

The BCP Local Plan 2024-2039 was submitted to the HM Planning Inspectorate in June 2024. In March 2025 the Local Plan was rejected by the HM Planning Inspectorate due to failure to meet the Duty to Cooperate with neighbouring Local Authority Areas and for falling short in the delivery target for new homes as proscribed by the standard method in the National Planning Policy Framework.

The Council is currently considering next steps to bring forward a new Local Plan. This could offer opportunities to BDC to deliver a higher volume of sustainable homes in the Bournemouth town centre area.

3.4 Planning

3.4.1 Planning Performance Agreements

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

3.4.2 Appropriation

The Council has the power to:

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

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

The Council approved in 2016 the BDC recommendation to exercise its Appropriation Powers in respect of the following sites as part of the Cabinet approval of the previous PBP:

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

3.5 Development activity

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

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

Since the formation of the Partnership in February 2011, BDC has successfully redeveloped 5 option sites; progress on these sites is summarised below.

3.6 Completed projects

A summary of the completed projects to date has been included in Appendix B.

3.7 Live projects – construction phase

There are no current projects in the construction phase.

At the Strategy Day held in December 2024 specific focus was on how BDC bring forward the Winter Gardens scheme which is a key priority to the Council. A number of critical items were set out that need to be resolved ahead of spending time / money on progressing the development. These issues are not specific to Winter Gardens and are also blockers to the bringing forward of a number of other Option Sites:

- Extension to the 'Site Option Execution Date' for Winter Gardens
- Confirmation on the loss of revenue from the current Winter Gardens carpark
- Car parking Study – clarity around bringing forward the Winter Gardens scheme with no public parking reprovision on site.
- Planning – as the Local Plan is likely to be withdrawn what options are there to bring forward the Winter Gardens scheme as extant policy doesn't support a residential led scheme with height.
- Funding Options – vary Members Agreement to enable flexible funding approaches
- Viability – the Council / Muse to work together in gaining support from Homes England

Muse and the Council are working closely to jointly resolve these issues to create the environment to bring forward, in the first instance, a new scheme for the Winter Gardens.

Over the following chapters we will provided an update on all the undeveloped Option Sites and have categorised them as follows:

- High Priority – a key priority for BCP Council, target SDP in 2025
- Med Priority - subject to agreement of SDP of High Priority site, target SDP within in 12 months
- Low Priortiy – smaller scale, alternative disposal strategy to be considered over next 12 months

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

3.8.1 Site 6: Winter Gardens

| Activity | Status |
|-----------------------------|--|
| <i>Development proposal</i> | A mixed-use development comprising leisure, community and residential. |
| <i>Status</i> | <p>High Priority - Work was carried out with the Council and BCP FuturePlaces Ltd to consider an alternative masterplan proposal for the wider Bournemouth ARC, the land holdings comprising the Winter Gardens site, Winterbourne Hotel and BIC. This work did not progress following the closure of BCP FuturePlaces Ltd in 2023. In 2024, the new Council confirmed its desire to redevelop Winter Gardens as a standalone opportunity.</p> <p>The current administration of the Council has renewed aspirations to deliver a housing-led regeneration project on the site. Work will progress on a new scheme, subject to the approval of this Partnership Business Plan and the key items set out in 3.7 above and a refreshed Site Development Plan.</p> |

3.8.2 Cotlands Road / York Road

| Activity | Status |
|-----------------------------|---|
| <i>Development proposal</i> | A mixed-use scheme that will complement an employment-led scheme including high quality public realm, café / restaurants and public parking (420 spaces). |

| | |
|---------------|---|
| <i>Status</i> | <p>Med Priority - Council Cabinet adopted SDP in February 2019 and January 2020. Working with the Council, BDC set out to make a significant investment in the delivery of new, Grade A office accommodation to meet the needs of our corporate partners in the conurbation, alongside a new public parking facility.</p> <p>In the wake of the Covid-19 pandemic, working practices have shifted towards hybrid working. As a result of this, the potential pre-let anchor tenant for the offices withdrew their interest. The Council was also unable to meet its original commitment to fund the MSCP on York Road to unlock the project. The project is currently paused until Council financial support available.</p> |
|---------------|---|

3.8.3 Eden Glen

| Activity | Status |
|-----------------------------|---|
| <i>Development proposal</i> | A residential-led scheme with active ground floor use. |
| <i>Status</i> | <p>Low Priority - The Council's Cabinet adopted the SDP in October 2018. Original proposals were for a residential-led scheme to comprise circa 50-60 homes, with interest from the Council in retaining ownership of the completed scheme through their Seascope Homes platform and offering the apartments for open market rental.</p> <p>Workshop held with the Council in August 2022. The scheme was not viable due to build cost inflation and the requirement to re-provide public parking. It is a small-scale opportunity so potential to retain as public parking or alternative disposal options to be considered. A BCP car parking strategy needs to be formalised before any decision can be made due to impact on scheme delivery / viability.</p> |

3.9 Live project Option longstop dates

Within the adopted Site Development Plans, target option execute dates were set out as follows:

| | |
|----------------|---------|
| Winter Gardens | 2016 |
| Eden Glen | Q3 2020 |
| Cotlands | Q4 2020 |

The option agreement sets out that BDC need to execute options in respect of each site within 12 months of the execute option date, this is referred to as the Option Condition Longstop Date.

Each of the above projects has been subject to delays. In the case of Winter Gardens, the site was held up by an elongated planning process, tying delivery into the grant of planning for a SANG at Hicks Farm, before encountering insurmountable viability challenges resulting from the impact of Covid-19. At Cotlands, an office-led scheme, the impact of Covid-19 has been material on corporate decision to acquire office space and the Council's ability to continue with a commitment to fund a new, enabling MSCP at York Road.

BDC recommended in 2023 that the Council agree to the following revised target option execution dates:

| | |
|----------------|---------------------------------|
| Winter Gardens | 30 th September 2024 |
| Eden Glen | 30 th September 2025 |
| Cotlands | 30 th September 2025 |

The Winter Gardens option execution date has since elapsed with no progress having been able to be made during 2024 to revive the consented scheme. BDC has requested via a Cabinet paper in March 2025 to further extend the option execution date to September 2028 to allow the preparation of a new, housing-led project. This was approved in principle by Cabinet, subject to the approval of this Partnership Business Plan.

3.10 Pipeline projects

In addition to the above sites, the LLP will continue to review options on the remaining Option Sites during 2025/26.

Note that the developments with the BCP Local Plan mean that it is sensible to wait to understand how any changes to the planning policy relating to Bournemouth town centre may create more favourable conditions for bringing forward development.

3.10.1 Pipeline sites

| Site no | Site name | Proposed use (BCP Local Plan) |
|----------------|------------------|--------------------------------------|
|----------------|------------------|--------------------------------------|

| | | |
|---|--|---|
| 2 | <p><i>West Hill Road Car Park</i></p> <p><i>Status</i></p> | <p>Subject to Council agreement of a car parking strategy for Bournemouth Town Centre, West Hill car park would be suitable for residential development providing in the region of 20 homes. Development must: i. Preserve or enhance the character and appearance of heritage assets and their settings including the Poole Hill and West Cliff Conservation Area; ii. Be designed to respect the amenities of the adjacent residential properties; iii. Be predominantly between 3 -4 storeys (approximately 9 – 15 metres) in height; and iv. Retain a pedestrian and cycle connection through the site between West Hill Road and St Michael's Road.</p> <p>Low priority - small scale opportunity and potential to retain as public car parking or alternative disposal. A BCP car parking strategy needs to be formalised before any decision can be made due to impact on scheme delivery / viability.</p> |
| 3 | <p><i>Town Hall Annexe</i></p> <p><i>Status</i></p> | <p>Any development of the annexe must: i. Provide mixed use scheme that could incorporate high quality office or research and development space (Use Class E(g)(i-ii), education (Use Class F1(a), medical/healthcare (Use Class E(e)) alongside residential uses delivering in the region of 50 homes; ii. Preserve or enhance surrounding heritage assets and their settings, including St Stephen's Church, Town Hall and Meyrick Park and Talbot Woods Conservation Area; iii. Provide a strong and attractive frontage to Braidley Road and St Stephen's Road; and Be predominantly four storey (12-15 metres) in height when viewed from Braidley Road.</p> <p>Low priority - small scale opportunity and potential to retain as site for public car parking or alternative disposal. A BCP car parking strategy needs to be formalised before any decision can be made due to impact on scheme delivery / viability.</p> |

| | | |
|---|---|---|
| 5 | <i>Richmond Hill</i> | Any development of Richmond Hill car park must: Deliver in the region of 70 homes; Be predominantly between 7 -10 storeys (24 to 33 metres) in height |
| | <i>Status</i> | Low priority - potential to retain as site for public car parking or alternative disposal. A BCP car parking strategy needs to be formalised before any decision can be made due to impact on scheme delivery / viability. |
| 7 | <i>Former Winterbourne Hotel and Beacon Road Car Park</i> | Sites that make up the Bournemouth Arc must be planned comprehensively as part of a masterplan to deliver a high-quality leisure and cultural offer which contributes to the role of the town centre as a major destination for tourists and local residents. Development must: xxii. Ensure the delivery of leisure and cultural uses (Use Classes F1(be), F2(c-d), theatres, venues for live music performance, concert halls and conferencing facilities); xxiii. Include hotels, residential, community and commercial, business and service uses (Use classes C1,C3, F2(b) and E) to support and enable the delivery of leisure and cultural uses; xxiv. Together sites within Bournemouth Arc will provide a minimum of 400 homes; xxv. Enhance the natural qualities of the area by retaining and providing high quality soft landscaping within sites, along with preserving or revealing public views of the sea; xxvi. Provide public car parking in accordance with a strategy agreed to by the Council; xxvii. Ensure building heights are informed by Landscape and Visual Impact Assessment and be predominantly between 4 - 7 storeys (12 - 24m) in height; xxviii. Preserve or enhance nearby heritage assets and their settings including the Registered Gardens, the Pavilion and the Royal Exeter Hotel; and Work with topography, ensuring building forms step gradually up sloping sites |
| | <i>Status</i> | |

| | | |
|-------|--|---|
| | | Low priority – needs to be considered as part of a wider masterplan exercise of sites along the sea front. Deed with South West of England Regional Development Agency (SWEDA) to deliver 4-star hotel and hotel training school on site. Overage payable to SWEDA until 31st March 2033 if residential developed on site. |
| 9, 10 | <i>Bath Road North, Bath Road South and Waterfront</i> | Sites that make up the Bournemouth Arc must be planned comprehensively as part of a masterplan to deliver a high-quality leisure and cultural offer which contributes to the role of the town centre as a major destination for tourists and local residents. Development must: xxii. Ensure the delivery of leisure and cultural uses (Use Classes F1(be), F2(c-d), theatres, venues for live music performance, concert halls and conferencing facilities); xxiii. Include hotels, residential, community and commercial, business and service uses (Use classes C1,C3, F2(b) and E) to support and enable the delivery of leisure and cultural uses; xxiv. Together sites within Bournemouth Arc will provide a minimum of 400 homes; xxv. Enhance the natural qualities of the area by retaining and providing high quality soft landscaping within sites, along with preserving or revealing public views of the sea; xxvi. Provide public car parking in accordance with a strategy agreed to by the Council; xxvii. Ensure building heights are informed by Landscape and Visual Impact Assessment and be predominantly between 4 - 7 storeys (12 - 24m) in height; xxviii. Preserve or enhance nearby heritage assets and their settings including the Registered Gardens, the Pavilion and the Royal Exeter Hotel; and Work with topography, ensuring building forms step gradually up sloping sites |
| | <i>Status</i> | |

| | | |
|--|---------------|---|
| | <i>Status</i> | <p>i. Provide a mixed use development with active ground floor retail, commercial, leisure or cultural uses (Use Classes E, F1 and F2); ii. Provide in the region of 300 new homes; iii. Secure public car parking within the town centre in accordance with a strategy agreed to by the Council; iv. Create attractive, active frontages to Glen Fern Road and Fir Vale Road; v. Enable footway widening and public realm improvements on Glen Fern Road and Fir Vale Road; vi. Be predominantly between 4 - 9 storeys (12 - 30 metres) in height; vii. Preserve or enhance heritage assets and their settings, including the listed St Peter's Church, The Shul, Bournemouth Hebrew Congregational Synagogue, and the Old Christchurch Road Conservation Area; and A drainage strategy will be needed for the site, with SuDS and permeable surfaces must be provided along Glen Fern Road.</p> <p>Low priority - potential to retain as site for public car parking or alternative disposal. A BCP car parking strategy needs to be formalised before any decision can be made due to impact on scheme delivery / viability.</p> |
|--|---------------|---|

3.11 3-year programme

The core focus of this business plan is the Winter Gardens project. The indicative programme is set out below, which assumes a Council approval in June 2025 to proceed with the design and planning period for a new scheme. This would result in a planned start on site in December 2027, subject to a successful planning application process.

| Workstream | Date | Approval required |
|--|-----------------|-----------------------------|
| Extend Winter Gardens site option execution date | May 2025 | Cabinet |
| Agree Business plan, funding strategy and planning strategy for Winter Gardens | Jun 2025 | Cabinet / Full Council |
| Winter Gardens project start | Jul 2025 | BDC Board |
| Submit planning for Winter Gardens | Jul 2026 | BDC Board |
| Planning determined | Dec 2026 | LPA |
| End of stage 4 design, gateway 2 and funding | Nov 2027 | Council, Muse and BDC Board |
| Winter Gardens start of construction | Dec 2027 | BDC Board |

It is anticipated that the full pre-construction budget will be c£7m for Winter Gardens (subject to change as scheme progresses) and approval will be sought in distinct stages.

| Workstream | Expected date | Amount | Cumulative |
|--|---------------|------------|------------|
| Initial feasibility | Jul 2025 | £1,000,000 | £1,000,000 |
| Design and planning | Dec 2026 | £4,000,000 | £5,000,000 |
| Stage 4 design, procurement, funding and gateway 2 | Dec 2027 | £2,000,000 | £7,000,000 |

| | | | | | | | | | | | |
|---------------------------------------|-----------|----------------------------|-----------|------------------|------------------|---------------|----------------------------|-----------|-----------|-----------|---------------|
| | | Cabinet Approval | | Cabinet approval | Council approval | Project start | Design and planning period | | | | |
| | | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
| | | Site Option Execution Date | | Business Plan | Business Plan | | 100,000 | 250,000 | 400,000 | 650,000 | 1,000,000 |
| | | | | Funding Strategy | Funding Strategy | | | | | | |
| Design and planning period | | | | | | | Planning determination | | | | |
| Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| 1,400,000 | 1,900,000 | 2,400,000 | 2,900,000 | 3,400,000 | 3,900,000 | 4,400,000 | 4,700,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,150,000 |
| | | | | | | | | | | | |
| Stage 4 design, gateway 2 and funding | | | | | | | | | | | Start on site |
| Jan-27 | Feb-27 | Mar-27 | Apr-27 | May-27 | Jun-27 | Jul-27 | Aug-27 | Sep-27 | Oct-27 | Nov-27 | Dec-27 |
| 5,300,000 | 5,450,000 | 5,600,000 | 5,750,000 | 5,900,000 | 6,050,000 | 6,200,000 | 6,350,000 | 6,500,000 | 6,650,000 | 6,800,000 | 7,000,000 |

4.0 Movement, parking and transport policy

4.1 Introduction

This section of the Plan was originally updated by Alan Baxter Ltd in 2019 and has been further updated to reflect updates in policy since then. It will need to be reviewed again once the Council has concluded a review of its approach to car parking, which will take the form of a new corporate parking strategy.

The recent news regarding the BCP Local Plan creates uncertainty around planning policy for the surface car parks within the BDC Option Agreement, specifically in relation to the reprovion of public parking, which in turn creates significant risk in relation to development plans.

4.2 Policy review

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

- Town Centre Vision Programme Objectives (2011),
- Local Transport Plan 3 (2011),
- Core Strategy (2012), and
- Town Centre Area Action Plan (2013).
- Public off-street car parking study – Occupancy data (November 2024) – status unclear

4.2.1 Bournemouth, Poole and Dorset Local Transport Plan 3

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

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

4.2.2 Bournemouth Local Plan: Core Strategy

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

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

4.2.3 Bournemouth Local Plan: Town Centre Area Action Plan

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

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

4.2.4 Parking Supplementary Planning Document (adopted January 2021)

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

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

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

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

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

The main points are:

- The car parking layout and design guidelines which have an impact upon the land requirement, the cost of provision and a potential impact upon land value.
- The revised guidance for cycle storage, micro-scooters, powered two-wheelers, electric vehicle charging.
- A revised approach to parking standards on new developments, noting that *“the underlying principle was that areas, which already or potentially have a high-level access to facilities or within a sustainable transport corridor would be expected to adopt more rigorous parking standards than less accessible areas”.*
- Parking in new development should aim to meet the requirements set out in the SPD. In circumstances where an applicant can demonstrate that a departure from

the standards is appropriate, this should be fully justified and supported by robust evidence.

- Looking at the most significant impact upon BDC activity, provision of parking in Zone A, which covers Bournemouth town centre, for residential apartments is zero spaces; office development and wider Class E uses is nil with workers and customers using public car parks.

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

4.3 Car parking strategy

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

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

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

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

- Consideration of movement and access in the context of the Local Transport Plan, the Core Strategy, the Town Centre Area Action Plan, and the physical context of the Town Centre
- Consideration of movement and access in the context of peak demand for travel
- Understanding of user demand characteristics
- Enabling travel by the most sustainable transport modes, and widening accessibility for different users
- Consideration of transport and public car parking provision in the context of carbon footprint reduction

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

The Car Parking Strategy is a key policy requirement that influences the viability and delivery of development sites in Bournemouth Town Centre.

4.3.1 Public off-street car parking study (November 2024)

This study was produced for the evidence base for the new BCP Local Plan. It proposes a different approach to the Town Centre AAP in that it provides a range of scenarios in which the reprovision of public car parking is not required on some sites within the BDC Option Agreement.

It concluded that for the Bournemouth Town Centre public car parks:

“The total number of public off street parking spaces is currently approximately 6,305 and there is a total average overall occupancy of 72%, equivalent to 4,540 spaces. There are different scenarios which could be implemented. Taking the scenarios in each area which yield the lowest number of spaces would result in a total number of spaces of 4,630 spaces or 73% of the current total”

The contents of the study have potential to be significantly helpful to development plans for the BDC sites, however there remain important questions around its status, given the withdrawal of the Local Plan for which it provides part of the evidence base. Clarity on this is essential as it currently presents scenarios, rather than recommendations approved by the Council which is required to unlock a number of the BDC Option sites.

4.4 Impact of strategy on partnership development activities

The car parking strategy within the Public off-street car parking study have potentially significant implications for the development of sites that are currently within the remit of the BDC. The main sites that are impacted are:

- West Hill - currently there are 127 spaces and it is proposed that these are retained
- Richmond Hill - currently there are 112 spaces.. Two of three scenarios propose that these can be removed, whilst the third scenario proposes retaining them.
- Central - currently there are 315 spaces. Two of three scenarios propose that these can be removed, whilst the third scenario proposes retaining them.
- Town Hall Annex - currently there are 114 spaces and it is proposed that this be maintained. As per the existing arrangement more than one level of car parking would be required.
- Eden Glen – currently there are 66 sub-standard parking bays. Three of four scenarios propose that these can be removed, whilst the fourth scenario proposes retaining them.
- Cotlands Road & York Road – currently there are 390 public car parking spaces on the AAP policy site and it is proposed that these be increased to 420 spaces. This would require more than one level of car parking.
- Pavilion Theatre, Westover Gardens, Bath Road North and Bath Road South – currently arranged as four car parks providing 516 surface spaces. Two of four scenarios propose retaining all spaces, the other two scenarios propose retaining only the 185 spaces at the Pavilion Theatre.

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

5.0 Financial matters

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

5.1 Financial summary 2024

The forecast draft financial statements of the Bournemouth Development Company LLP and its subsidiary Winter Gardens Development LLP show a loss for the year ending 31st December 2024.

The consolidated loss for the period is £264k (2023: loss of £178k) net assets attributable to members of £2.083m (2023: £2.112m). The loss is driven by operating costs in both years, the main asset held by the partnership is the land on Exeter Road.

5.2 Funding structure

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

5.3 Annual budget

Loss for 2024 is budgeted at £489k which predominantly relates to BDC LLP running costs and interest incurred on advance sums and the Exeter Road land holding.

There is not currently a budget approved by the BDC Board or adopted by the Council Cabinet or Muse Places for any sites. Any previous Site Development Plan approval for BDC sites is not considered current and will be subject to a new SDP and approval.

5.4 Funding of future projects

The LLP has an indicative budget, referred to in the Members Agreement as the Advanced Sum Cap, with a base value of £500,000, which after indexation has increased to £850,000 for 2025 in aggregate, "which shall be expended to pursue Stage 1 Project Appraisal Sign Off". The BDC Board use this budget to undertake initial project appraisal and viability in respect of sites to be progressed, however, it is not proposed that the BDC board undertake such work without having agreement from the Council. This agreement is being sought through the June 2025 Cabinet paper and will require mutual agreement on the financial contribution from each partner in the LLP.

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

- Desk top surveys

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

Any site based spend will be subject to a specific approval by the Council and Muse or via a Site Development Plan.

5.5 Taxation assumptions

BDC will procure taxation advice from a relevant professional consultant as and when required. Due to the evolving nature of taxation, it is not appropriate to rely on advice previously received.

5.5.1 Direct tax assumptions

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

5.5.2 Stamp Duty Land Tax (SDLT) assumptions

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

5.5.3 Value Added Tax (VAT) assumptions

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

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

5.6 LLP operating costs

LLP operating costs are identified as £102k (Indexed) per annum. This is the Basic Fee under the Development Management Agreement. These costs are based on a basic operating structure and include company secretarial and statutory accounting and auditing services. Further operating costs are budgeted through the Development Management fee.

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

6.0 Exit strategy

6.1 Subsidiary development LLP's - disposal of assets

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

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

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

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

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

6.2 Early member exit from the LLP

6.2.1 Duration of the LLP

The LLP will continue its activities until:

- The 20th anniversary of the Members' Agreement; or
- Members decide otherwise e.g. such time when objectives and targets have been completed.
- The LLP will continue to remain active beyond the 20 year anniversary, in the event that there are any live projects that need to be completed and will cease to be active upon their conclusion

6.2.2 Transfer of member interests

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

6.2.3 Termination, default

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

6.2.4 Distribution of assets

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

Appendices

Appendix A

Targets for 2025

| | Target 1 | Target 2 | Target 3 |
|--|--|--|--|
| Winter Gardens | High Priority - Secure Council agreement to extend Site Option Execution Date, confirmation on removal of public parking and progress work on closing viability gap. | Develop funding strategy and present to Council for approval | Agree revised Site Development Plan and begin preparing work on new planning application |
| Cotlands | Med Priority – scheme to be a BCP priority, council funding to be made available and BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |
| Central | Med Priority - BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |
| Eden Glen | Low Priority - BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |
| Town Hall Annex | Low Priority - BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |
| Glen Fern | Low Priority - BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |
| Bath Road North & South, Waterfront | Low Priority – BCP to look at wider masterplan of the seafront sites. | BDC to explore delivery opportunities | |
| Richmond Hill | Low Priority - BCP public carparking strategy being formalised. | BDC to explore delivery opportunities | |

Appendix B

Completed projects

Madeira Road West –Student Accommodation

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



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

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



Site 14 Leyton Mount (Citrus Building)

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



Site 13 Berry Court

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



Site 4 St Stephens Road (Treetops)

The 46-home scheme, to be owned and managed by the Council via its wholly owned company Seascape Homes and Property Limited, was completed on time and to budget on 15th February 2021.



Site 1: Durley Road

The 44-home project was completed in October 2022.

