



DORSET
Local Enterprise Partnership

Holes Bay

End of Project Report

December 2020

PROJECT SUMMARY

The project was the purchase by BCP Council of the Holes Bay site, a 16 ha strategic regeneration site, for redevelopment to provide:

- At least 830 homes delivered on the site of which 129 are to be delivered by 25 March 2031 with the reminder delivered by 30 June 2037
- At least 10% of these to be affordable homes
- 761 sqm of retail space by 30 June 2037
- Over 40 new jobs accommodated on the site
- At least £5 million of land value uplift
- Over £1 million of new residents' additional annual spend per year in the local area
- Nearly £56 million of temporary GVA impact during the construction period, and more than £2.3 million of annual GVA impact thereafter

Project start date	19 June 2020
Land purchase date and Dorset LEP project completion date	30 September 2020
BCP project completion date	Year 2037

OUTPUTS AND OUTCOMES:

Outputs:

The purchase of Holes Bay regeneration site by BCP Council was completed on 30th September 2020.

Press releases can be read here:

<https://www.bcpCouncil.gov.uk/news-article.aspx?title=purchase-completed-of-major-holes-bay-regeneration-site>

<https://www.bcpCouncil.gov.uk/News/News-Features/Poole-Regeneration/Holes-Bay.aspx>

Outcomes:

Development will generate 811 person-years of construction employment over 14 years. This employment will generate a gross impact of £55.7 million of (undiscounted) GVA.

New residents' increased expenditure in the local area will lead to the creation of jobs and GVA. The 830 new residential units will accommodate an estimated 1,706 residents when all are completed. These residents will spend £5.3 million per year in

the local economy. This will support 40 additional jobs in the local economy when all of the homes are developed, which will generate £1.1 million of GVA per year.

Jobs and GVA will be created in the employment accommodation on the site. A total of 761 sqm of retail space is planned. This will support 43 FTE jobs when it is completed. This will generate £1.2 million of GVA per year.

At least £5 million of land value uplift will be created once planning permission is secured.

The intended outcomes of the project can be summarised as follows:

OUTCOMES MATRIC		Unit	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2026-37	Total PROJECTIONS
Outcome	Definition		ANNUAL PROJECTIONS						
Jobs	Over 40 jobs accommodated on the site	FTEs	0	0	0	20	20	0	40
Land unlocked	16 Ha of currently unused land regenerated and developed for economic use	Ha	16 Ha	--	--	--	--	--	16 Ha
Homes – market sale	At least 830 homes delivered on the site over 15 years.	No	0	0	0	0	87	660	747
Homes – affordable	10% of total homes built	No	0	0	0	0	42	41	83
Floor space created	761 sqm of retail space over 15 years	sqm	0	0	0	30	57	674	761
Non-LGF (match) funding	£11.3m additional public sector investment	£	£11.3m	£0.00	£0.00	£0.00	£0.00	£0.00	£11.3m
Land value uplift	At least £5 million of land value uplift	£	--	--	--	£5m	--	--	£5m
Private investment leveraged	Over £1 million of new residents' additional annual spend per year in the local area	£	£0.00	£0.00	£0.00	£1m	£1m	£11m	£13m
Public investment leveraged	Nearly £56 million of temporary GVA impact during the construction period, and more than £2.3 million of annual GVA impact thereafter	£	--	--	£3.7m	£3.7m	£3.7m	£44.9m	£56m

BENEFITS REALISED TO DATE

The Holes Bay site is the largest brownfield regeneration site in the South West of England. It was occupied by a coal fired power station and has been left vacant since its closure in 1994. In the Local Plan it is part of the Twin Sails regeneration area, a strategic development site allocated for a mix of uses including residential and retail and in 2015 the Government designated the site a Housing Action Zone.

However, the Holes Bay site has been left derelict for over 25 years by its private sector owners so BCP Council intervened and acquired the site to reduce the development risks and improve viability that were the barriers to development by the private sector.

There is an objectively assessed need for more housing in Poole. Now in BCP Council ownership development of the site will be brought forwards helping to satisfy the unmet demand for both market and affordable housing in Poole which has stemmed from an under-supply.

Development will help to accelerate the rate of housing delivery in the BCP area and BCP Council will also seek to proactively enable housing delivery across all tenures. This will both meet the housing needs of the area and deliver wider economic and community benefits.

The key beneficiaries of this development are:

- The existing local community which sees the regeneration of an eyesore derelict site
- New residents of the development who have access to market and affordable housing
- The community of Dorset which experiences an uplift in the GVA of Dorset, and sees further development and regeneration stimulated by the land value uplift of the site

FINANCES

The land purchase was partially funded by £5M Local Growth Fund investment from the Dorset Local Enterprise Partnership.

LESSONS LEARNT

A key risk was that the Council would not be able to successfully secure a purchase by agreement with the landowners. Council approval was given to develop a business case for acquisition that included the use of a Compulsory Purchase Order (CPO) as a contingency. The willingness of the Council to compulsorily purchase the site if necessary, helped to mitigate the risk of failure to acquire by agreement.

A risk register was created and reviewed regularly throughout the project. Areas of risk that were closely monitored and thereby mitigated included strategic, procurement, political, financial, technical, legal and communications.

SUCCESS STORY

Since the closure of the former power station the site was designated as an important area for future regeneration but has remained vacant for over 25 years while in private sector ownership. BCP Council intervened and acquired the site to

bring forwards development to help satisfy the housing needs of the area and deliver wider economic and community benefits

Work to create a new community that is economically, environmentally and socially sustainable and that will stimulate further investment in the region has commenced and includes the following:

This important regeneration site requires the creation of a vision for its development that is a pre-planning stage so that BCP Council can reach a consensus with stakeholders on a number of high-level aspirations for the site. A consultancy is being commissioned to assist with this exercise that will result in an outline masterplan for the site. This will then be used to inform the detailed design for a planning application. The visioning exercise will be an engagement with Councillors, officers, community groups and other stakeholders.

Work has started on a ground remediation plan. The Council is using existing contractor panels to commission this work so that it is procured in the most effective and efficient way ensuring value for money for the Council.

An assessment is being made of the infrastructure work that can be done in advance of obtaining planning permission including the construction of a new quay wall and quayside that were recognised as key barriers preventing development on this site when in private sector ownership.

Work has started on formulating the best model for delivery of the development that considers how the Council can work with the public, private and third sector to develop the site.





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