

PLYMOUTH BUSINESS PARKS UPDATE

Plymouth's Business Parks Get Building Fund



Part I Briefing Report

1.0 SCHEME SUMMARY

The Plymouth Business Parks project supports the development, growth and modernisation of Business Parks in Plymouth. The project aims to deliver a new build low carbon, Grade A flexible workspace unit at Plymouth International and essential ground investigations, design and planning works at the City Business Park to enable future office and workspace to be created.

During the winter of 2020/21, Plymouth City Council (PCC) secured £1,936,967 Heart of The South West Local Enterprise Partnership funding from the Getting Building Fund (GBF) to support delivery of the 'Plymouth's Business Parks' project. The key aim of the project is to create new low carbon, Grade a workspace in Plymouth. There are two schemes in this project:

- The direct development of an underutilised, brownfield PCC owned site at Plymouth International (PI). This site is currently unviable for PCC without grant investment. There is a clear cost value gap;
- Capital works at City Business Park (CBP), including demolition & ground works, preliminary work to RIBA Stage 3 to create a viable site for construction.

Investment within Business Parks meets both an identified demand for employment and workspace and provides businesses, particularly SMEs, with a unique and affordable eco-system of services. It supports a close community of like-minded businesses, with tenants benefiting from both business and social networking opportunities. It also responds to the impact of Covid-19 by developing well-located, flexible and appropriately sized workspace to meet ongoing and evolving demand.

2.0 BUDGET SUMMARY AND BUSINESS CASE

The grant of £1,936,967 will address the current viability gap at Plymouth International and lay the foundations at City Business Park.

The key objective of the Get Building Fund is to support the delivery and provision of business space, particularly for SMEs. The funding will cover eligible expenditure for approved projects between August 2020 and March 2021 and requires a 51% match of eligible costs be financed by PCC. This budget has already been identified and currently exists within our approved capital programme.

The key financial consequence of applying the GBF to the Capital Programme, is a potential reduction in the capital contribution by PCC towards these costs in the delivery of two important employment projects.

3.0 REVENUE IMPLICATIONS

As the match-funding for these schemes is already approved in the capital programme, any revenue implications associated with this grant funding are already included within the Medium Term Financial Plan (MTFP). By accepting this funding the council will avoid further revenue intervention for the schemes should costs increase.

4.0 RECOMMENDATION

It is recommended that the Leader of the Council:

Approves the business case update report

Allocates £1,936,967 into the capital programme to increase the Plymouth Business Parks scheme as detailed within the Get Building Funding agreement and financed by the HOTSWE LEP Get Building Fund