

# CAPITAL INVESTMENT BUSINESS CASE

Outdoor Play Improvements Phase 3



## EXECUTIVE SUMMARY

*The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.*

### key notes

Following 2 previously approved and successfully delivered Business Cases 'Improving Outdoor Play Phases 1&2', this proposal will deliver the next phase of the 'Improving Outdoor Play Programme'.

The city-wide Improving Outdoor Play Programme has already helped local children and families to enjoy enhanced opportunities for play in 73 out of 114 PCC owned playgrounds.

By the end of March 2023, completion of Phase 3 will deliver improvements to at least 10 sites to ensure they meet good or excellent quality with a high level of ongoing maintenance and regular assessment built in.

### Key Risks

If we do not carry out Phase 3, this would mean no additional investment in our play spaces and a further deterioration in quality of those not improved in Phase 1 or 2. This would lead to increased funding required in the future to address a declining situation of play parks and potential health and safety implications with a potential risk of closure.

This will have a negative impact on the Play Maintenance team as they will be unable to do their job to the best of their ability. This will lead to a detrimental impact on the Council's reputation. It may also have a wider negative impact on the health and well-being of our children and young people.

Risks to delivery will be managed by effective procurement and community engagement to ensure improvements meet budgetary constraints and community needs/expectations. We will work to identify additional sources of funding throughout the duration of the project.

## SECTION I: PROJECT DETAIL

<b>Project Value</b> (indicate capital or revenue)	£380,014.50 capital	<b>Contingency</b> (show as £ and % of project value)	£16,794.90 (5%)
<b>Programme</b>	Natural Infrastructure	<b>Directorate</b>	Place
<b>Portfolio Holder</b>	Patrick Nicholson	<b>Service Director</b>	Paul Barnard
<b>Senior Responsible Officer (client)</b>	Kathryn Deeney	<b>Project Manager</b>	Paul Barnard

Address and Post Code	Ward	Citywide
<p><b>Current Situation:</b> <i>(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)</i></p> <p>Following 2 previously approved and successfully delivered Business Cases ‘Improving Outdoor Play Phases 1&amp;2’, this proposal will deliver the next phase.</p> <p>The city-wide Improving Outdoor Play Programme has already helped local children and families to enjoy enhanced opportunities for play in 73 playgrounds. By the end of Phase 2 - 65% of our playgrounds meet good or excellent standards.</p> <p>However, there are still PCC owned sites that are either ‘average or poor-quality sites’ or at risk of falling below good standards due to lack of investment.</p> <p>The Covid 19 epidemic has resulted in children and young people having to deal with the social and mental disruption of long period of time with no formal schooling as well as reduced opportunities for outdoor play and sport. Lack of routine, minimal social interaction with peers and limited physical activity can have a negative effect on the mental health and wellbeing of our young people. Research shows that children who play outdoors and in particular have access to nature, regularly become fitter and leaner, develop stronger immune systems, have more active imaginations, lower stress levels, play more creatively and have greater respect for themselves and others.</p> <p>As the current lockdown eases, and new ways of living emerge our greenspaces are more in demand than ever, and we need to make a real difference by continuing to provide exciting, safe and engaging opportunities for play across the city</p> <p>Improving Outdoor Play Programme Phase 3 will provide a range of benefits to the city including:</p> <ul style="list-style-type: none"> <li>• Less additional repair and maintenance costs through new and better provision in appropriate locations</li> <li>• Provision of high quality outdoor play opportunities for children and young people across the city making best use of the natural environment.</li> <li>• Improved accessibility and enhanced opportunities for inclusive play for all ages and abilities</li> <li>• Improved customer satisfaction, health and wellbeing</li> <li>• Opportunities for community to be involved in the design of improvements ensuring they are appropriate, sustainable and well-cared for</li> <li>• Update the Plymouth Play Assessment 2017 to show impact of improvements on overall citywide quality as evidence base with links to Joint Local Plan – Policy Number DEV27</li> </ul>		
<p><b>Proposal:</b> <i>(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)</i></p> <p>This Phase 3 proposal continues from Phase 1 and 2 to deliver a citywide capital works programme to PCC owned play spaces to significantly improve the quality of outdoor play space provision across the city. As part of the evidence gathering for the Joint Local Plan, the Plymouth Play Assessment 2017 showed that only 26 out of 126 outdoor play spaces were rated as very good to excellent with 29 rated as poor or very poor. By the end of March 2023, completion of Phase 3 will contribute to ensuring Plymouth City</p>		

Council's maintained play spaces are rated good or excellent quality with a high level of ongoing maintenance and regular assessment built in.

If we do not carry out Phase 3, this would mean no additional investment in our play spaces and a further deterioration in quality of those not improved in Phase 1 or 2. This would lead to increased funding required in the future to address a declining situation of play parks and potential health and safety implications with a potential risk of closure.

This will have a negative impact on the Play Maintenance team as they will be unable to do their job to the best of their ability. This will lead to a detrimental impact on the Council's reputation. It may also have a wider negative impact on the health and well-being of our children and young people.

#### Milestones and Date:

Contract Award Date	Start On Site Date	Completion Date
September 2021	October 2021	March 2022

## SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

**Risk Register:** The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).

Potential Risks Identified			Likelihood	Impact	Overall Rating
<b>Risk</b>	Unable to deliver agreed outputs of project within budget		Low	Medium	Low
<b>Mitigation</b>	Identify additional sources of funding to bring in. Manage expectations in consultation with community.		Low	Medium	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£50k	<b>Risk Owner</b>	Zoe Sydenham		
<b>Risk</b>	Poor quality workmanship		Low	High	Medium
<b>Mitigation</b>	Work closely with procurement to ensure high quality play contractor procured		Low	Low	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£300k	<b>Risk Owner</b>	Zoe Sydenham		
<b>Risk</b>	Community unhappy with outcome		Medium	High	High
<b>Mitigation</b>	Proactive community engagement to ensure improvements meet needs and interests as far as possible		Low	Medium	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£50k	<b>Risk Owner</b>	Zoe Sydenham		
<b>Risk</b>	Covid-19 (or other unforeseen event) delaying project delivery and take up of services		Low	Medium	Medium
<b>Mitigation</b>	Covid-19 RA in place to manage risk with partners		Low	Medium	Medium
<b>Calculated risk value in £ (Extent of financial risk)</b>	£100k	<b>Risk Owner</b>	Zoe Sydenham		

## Outcomes and Benefits

<b>List the outcomes and benefits expected from this project.</b> <i>(An <b>outcome</b> is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)</i> <i>(A <b>benefit</b> is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)</i>	
<b>Financial outcomes and benefits:</b>	<b>Non-financial outcomes and benefits:</b>
<ul style="list-style-type: none"> <li>Investment in the poor quality play areas now will limit additional costs in the future as deterioration could cause health and safety issues and insurance claims</li> </ul>	<ul style="list-style-type: none"> <li>High quality outdoor play opportunities for children and young people across the city making best use of the natural environment</li> <li>Improved customer satisfaction, health and wellbeing</li> <li>Increased opportunities for inclusive play</li> <li>Opportunities for community in the design of improvements ensuring they are appropriate, sustainable and well-cared for and building a sense of pride and ownership</li> </ul>

<b>Low Carbon</b>	
<b>What is the anticipated impact of the proposal on carbon emissions</b>	Procurement will ensure the contractor chosen has the minimal carbon impact.
<b>How does it contribute to the Council becoming Carbon neutral by 2030</b>	Promotion of the play areas will encourage sustainable transport and use / care of local outdoor spaces for health and wellbeing
<b>Have you engaged with Procurement Service?</b>	
Yes	
<b>Procurement route options considered for goods, services or works</b>	<p><b><u>Procurement Options</u></b></p> <p>In line with the Council's Contract Standing Orders, this requirement is classed as a High Value / High Risk Procurement, and as such, the estimated value exceeds the relevant UK Public Contract Regulations threshold and is subject to the full public procurement regime as set out in the Public Contract Regulations 2015 (PCR 2015) and Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.</p> <p>Of the six procurement procedures available, two procurement procedures are appropriate and have been considered for this particular requirement as follows:</p> <p><b><u>Open Procedure</u></b></p> <p>With the Open Procedure, any interested bidder may submit a bid. The Council is free to use this procedure, which can be applied to both contracts and framework agreements. However in some cases it can be beneficial to choose a procedure (such as the Restricted procedure) where the number of bidders can be reduced at the selection stage based on their capability and capacity, especially if the Council does not have enough resources (such as time) to conduct a full Open Procedure.</p> <p>The Open Procedure is best used where the requirements are typically straight forward, with a relatively simple selection and</p>

award process, or it is anticipated that only a small number of suppliers will respond to the advertised Contract Notice.

The practicality of the Open Procedure will depend upon the potential number of bids received and the nature of the evaluation criteria. If the Council receives a large number of bids, the evaluation of all compliant bids is likely to be time consuming.

### **Restricted Procedure**

This is a two-stage procedure. Stage 1 is a pre-selection stage (SQ) and its purpose is to select a shortlist of five (or more) suppliers which are likely to meet the tender requirements. Stage 2 is the tender stage where shortlisted suppliers which meet the SQ stage are then invited to tender, and is used to determine a successful supplier to whom a contract will be awarded. A minimum of five suppliers must be invited to tender (Stage 2) and in any event the number of suppliers invited shall be sufficient to ensure genuine competition. The Restricted Procedure should be used for procurements where market analysis has indicated a large number of bidders are likely to be interested in participating. In this case it is beneficial to use this procedure where the number of bidders can be reduced at the selection stage based on their capacity, capability and experience to perform the contract. Like the Open Procedure the Council are free to use this procedure, in any circumstances and for any type of contract. The contract will be awarded to the most economically advantageous tender (MEAT).

### **Timescales to Consider**

Time limits for the receipt of tenders must take account of the complexity of the contract requirement and the time required for the market place to compile and submit tenders.

For the Open Procedure, the minimum time limit for the receipt of tenders is 35 days from the date on which the contract notice is sent for publication within the Find a Tender Service (FTS).

Time limits for receipt of tenders may be reduced by five days where submission by electronic means is allowed.

If requirements are urgent, and a longer time limit is impractical as a result then the tender period may be reduced to 15 days.

For the Restricted Procedure, the minimum time limit for Stage 1 – receipt of SQ is 30 days from the date on which the contract notice is sent for publication within the Find a Tender Service (FTS).

If requirements are urgent, and a longer time limit is impractical as a result then the tender period may be reduced to 15 days.

For Stage 2 – Tender Stage, the minimum time limit from Invitation to Tender to receipt of Tenders is 30 days.

Time limits for receipt of tenders may be reduced by five days where submission by electronic means is allowed.

If requirements are urgent, and a longer time limit is impractical as a result then the tender period may be reduced to 10 days.

	<p><b><u>Other Options</u></b></p> <p>In line with the Regulation 33 of the UK Public Procurement Regulations, and the Council's Contract Standing Orders there is also the option to use Predetermined UK/EU compliant Framework Agreements.</p> <p>The following framework has been considered: Eastern Shires Purchasing Organisation (ESPO) Framework 115_20 – Outdoor Playground, Fitness &amp; Sports Facilities and Equipment.</p> <p>This framework is a nationally procured framework, This framework offers a quick, simple and competitive route to purchase the design, supply, delivery, installation, maintenance and inspection of a fantastic range of outdoor playground equipment, outdoor fitness equipment, sports surfaces and facilities, including traditional and innovative play equipment for school and public play areas, natural play areas, sand and water play, water jet play areas, parkour areas, multi-use games areas (MUGA's), skate / BMX parks etc. Utilising this framework, will provide the Council with the ability to undertake a further competition from market leading suppliers.</p> <p>Some of the benefits from using this option are:</p> <ul style="list-style-type: none"> <li>• Quick and easy to use - Compliant with UK/EU procurement legislation, so no need to run a full procurement process.</li> <li>• Suppliers listed on the framework were assessed during the procurement process for their financial stability, track record, experience and technical &amp; professional ability, before being awarded a place on the framework.</li> <li>• Pre-agreed terms &amp; conditions - Pre-agreed under the framework and will underpin all orders.</li> <li>• Social value – Benefits can be obtained.</li> </ul>
<p><b>Procurements Recommended route.</b></p>	<p>The recommended procurement route is as follows:</p> <p>Further competition through the following framework: Eastern Shires Purchasing Organisation (ESPO) Framework 115_20 – Outdoor Playground, Fitness &amp; Sports Facilities and Equipment.</p> <p>Running a further competition procurement under this framework provides the Council with access to a list of market leading suppliers who have been pre-approved in terms of their economic &amp; financial standing, technical ability, including environmental and social standing. By utilising this framework, the Council can also benefit from lower pricing due to the considerable economies of scale used to set up the framework. These economies would not be available if the Council ran its own UK/EU compliant procurement process.</p>

	If there is, a change in circumstances and the recommended procurement route cannot be undertake or no longer represents best value for the Council any subsequent procurement route undertaken will be in accordance with the Council's Contract Standing Orders and Procurement Law.
<b>Who is your Procurement Lead?</b>	Paul Williams – Category Lead (Environment, Transport & Waste)
<b>Which Members have you engaged with and how have they been consulted</b> <i>(including the Leader, Portfolio Holders and Ward Members)</i>	Patrick Nicholson, Deputy Leader and PH for Outdoor Play Improvements

## SECTION 4: FINANCIAL ASSESSMENT

**FINANCIAL ASSESSMENT:** *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.*

### CAPITAL COSTS AND FINANCING

<b>Breakdown of project costs including fees surveys and contingency</b>	<b>Prev. Yr.</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Future Yrs.</b>	<b>Total</b>
	£	£	£	£	£	£	£	£
Construction costs		£335,670.00						£335,670.00
PCC Project Management		£27311						£27311
Community engagement and promotion		£250.00						£250.00
Risk, inflation and contingency		£16,783.50						£16,783.50
<b>Total capital spend</b>		<b>£380,014.50</b>						<b>£380,014.50</b>

### Provide details of proposed funding: *Funding to match with Project Value*

<b>Breakdown of proposed funding</b>	<b>Prev. Yr.</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Future Yrs.</b>	<b>Total</b>
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate borrowing		£380,014.50						£380,014.50
<b>Total funding</b>		<b>£380,014.50</b>						<b>£380,014.50</b>

<b>Which external funding sources been explored</b>	There are currently no existing S106 receipts for Play as they have been used in Play Phase 1 & 2. However, as they come in, we will use them as appropriate.
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	We will continue to identify other sources of external funding
<b>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</b>	
<b>Tax and VAT implications</b>	The project will not directly generate any VAT-exempt income for the Council. The provision of playgrounds and public spaces for the community to enjoy and use free of charge is a non-business activity of the Council and so any VAT incurred by the Council on costs relating to the project will be fully recoverable. There will be no adverse impact on the Council's partial exemption position
<b>Tax and VAT reviewed by</b>	Sarah Scott

## REVENUE COSTS AND IMPLICATIONS

### Cost of Developing the Capital Project (To be incurred at risk to Service area)

<b>Total Cost of developing the project</b>	£0
<b>Revenue cost code for the development costs</b>	£0
<b>Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria</b>	N
<b>Budget Managers Name</b>	

### Ongoing Revenue Implications for Service Area

	Prev. Yr.	21/22 £	22/23 £	23/24 £	23/24 £	25/25 £m	Future Yrs.
<b>Service area revenue cost</b>							
<b>Other</b> (eg: maintenance, utilities, etc)							
<b>Loan repayment</b> (terms agreed with Treasury Management)							
<b>Total Revenue Cost (A)</b>							
<b>Service area revenue benefits/savings</b>							
<b>Annual revenue income</b> (eg: rents, etc)							
<b>Total Revenue Income (B)</b>							
<b>Service area net (benefit) cost (B-A)</b>							
<b>Has the revenue cost been budgeted for or would this make a revenue pressure</b>	There is no additional maintenance as this is replacing existing play equipment that has an existing maintenance budget.						



Which cost centre would the revenue pressure be shown			N/A		Has this been reviewed by the budget manager		Y	
Name of budget manager								
Loan value	£380,014.50	Interest Rate	1.5%	Term Years	10 years	Annual Repayment	£57,002.18	
Revenue code for annual repayments			N/A					
Service area or corporate borrowing			Corporate Borrowing					
Revenue implications reviewed by			Emma White					

**Version Control:** *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
Zoe Sydenham	22/06/2021	v 1.0		00/00/2021
Zoe Sydenham	07/07/2021	v 2.0		00/00/2021
Zoe Sydenham	16/7/21	V 3.0		

## SECTION 6: RECOMMENDATION AND ENDORSEMENT

### Recommended Decision

**It is recommended that the Leader of the Council:**

- Approves the Business Case
- Approve a £380,014.50 capital virement of corporate borrowing from the Pomphlett to the Ride project to this project within the capital programme. To be substituted by S106 or other External Funding if/as it becomes available.
- Authorises the procurement process

<b>Patrick Nicholson</b>		<b>Paul Barnard, Service Director, SPI</b>	
Either email dated:	Date 4.8.21	Either email dated:	Date 4.8.21
Or signed:		Signed:	
Date:		Date:	