

PLYMOUTH BUSINESS PARKS UPDATE

Additional Budget Approval for the Plymouth Business Parks project



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 scheme at Plymouth International together with the completion of essential ground investigations, design and planning works at City Business Park to facilitate the creation of future office and workspace at the site.

Investment at these Business Parks meets an identified demand, providing businesses, particularly Small and Medium-sized Enterprises (SMEs) with high-quality employment accommodation in Plymouth. It promotes the clustering of compatible businesses, with tenants benefiting from 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.

Plymouth City Council has previously secured £1,936,967 Heart of The South West Local Enterprise Partnership funding from the Getting Building Fund to support the delivery of the project. Since approval of this funding in March 2021, (Executive Decision ref: L49 20/21), a further £240,000 grant has now been awarded.

2.0 BUDGET SUMMARY AND BUSINESS CASE

The additional grant of £240,000 will help to 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 2023 and match funding of eligible costs will 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 Get Building Fund to the Capital Programme, is a potential reduction in the capital contribution by PCC towards these costs in the delivery of two key employment projects in Plymouth.

3.0 REVENUE IMPLICATIONS

By utilising this funding, the council will benefit from increased external financial contributions to support the delivery of the project. This will avoid additional revenue financing costs.

4.0 RECOMMENDATION

It is recommended that the Leader of the Council:

1. Accepts supplementary grant offer of £240,000 from the Heart of the South West Local Enterprise Partnership Getting Building Fund.
2. Allocates £240,000 for the project into the capital programme funded by South West Local Enterprise Partnership Getting Building Fund.
3. Delegates the signing of the grant funding agreement to the Service Director for Economic Development.