

EXECUTIVE DECISION

made by a Cabinet Member

Briefing Paper Part I



1.0 Executive summary

1.1 The proposal is for the development of a new district centre for Derriford, including two foodstores and other, smaller retail units. The proposal meets the objectives of the planning policy for the site by providing a mix of uses that will encourage visitors to spend time in the area – for example, a café and gym, as well as high quality outdoor spaces where people can meet and relax. The proposal also delivers strategically important infrastructure for the area, including the first section of the Seaton Arc and a separate pedestrian and cycle route.

1.2 The development would take place on land owned by the Council. The development would be delivered by a private developer but funded by the Council through a Forward Funding Agreement.

1.3 The development will generate employment and business rates and, following completion of the development, the Council will receive the rents from all of the units on site, which will generate a positive net return to the Council.

2.0 Purpose of the report

This report and Business Case (attached as an appendix to the Part II paper) seek approval to enter into a Forward Funding Agreement (FFA) to allow the development of a new district centre for Derriford on land owned by the Council.

3.0 Further information

3.1 It is proposed that the Council will provide funding to develop a new district centre for Derriford.

3.2 The project will see the development and regeneration of the majority of the former Seaton Barracks site, which is one of the last undeveloped plots within Plymouth International Medical & Technology Park. The delivery of a new district centre for Derriford on this site is an important strategic objective for the Council, with the site having been designated as the preferred site for the district centre in the Joint Local Plan, which was adopted in March 2019.

3.3 The project will deliver the following:

- Two new food stores, each of around 20,000ft²;
- A 1,800ft² café and 2,000ft² retail unit, with 12,000ft² gym alongside and above;
- One smaller retail unit of around 1,000ft²;
- 12 electric vehicle charging points;
- The southern section of the “Seaton Arc” – a strategic bus, cycle and pedestrian route connecting the Tavistock Road / William Prance Road junction with Derriford hospital; and
- An east-west pedestrian and cycle route along the site’s northern boundary.

3.4 The completed development is expected to create 102 FTE jobs and safeguard a further 57 FTE jobs. It is also estimated that 120 construction jobs will be generated during the development phase. The consultant team also includes a number of local firms based in Plymouth.

3.5 The expected total maximum commitment will be £17.86m, to be paid in stages throughout the development. The completed scheme will be retained by PCC and held as part of the Property & Regeneration Fund (PRF).

3.6 Various pre-application discussions have taken place, including a review of the proposals by the design review panel. Several changes to the proposals have been made in light of the feedback provided by the local planning authority and statutory consultees.

3.7 The outcomes as a result of this positive intervention align well with the strategic objectives of the PRF of promoting and supporting regeneration in order to stimulate economic and employment growth in the city. Additionally the Council will benefit from the long term revenue income and asset value.

3.8 In addition to the jobs created, the development is also expected to secure an annual business rates income of around £502,000 (of which PCC would retain 50% or £251,000).

3.9 On account of the strong investment rationale, this business case therefore seeks approval to enter into a FFA to facilitate the development at a total maximum commitment of up to £17.86m.

3.10 It is intended that a planning application will be submitted before Christmas 2021, with a start on site planned for August 2022 and completion in September 2023.

4.0 Decision required

4.1 The decision required is approval for the funding required for the development, authorisation of the procurement process and delegation of the contract award.

5.0 Recommendation

5.1 It is recommended that the Leader of the Council:

- Approves the Business Case.
- Allocates £17.86m for the project into the Capital Programme funded by service borrowing.
- Authorises the procurement process.
- Delegates the award of the forward funding agreement and the negotiation of all other contracts associated with the proposal (including *inter alia* all leases, agreements for lease and warranties) to the Service Director for Economic Development.