

CAPITAL INVESTMENT BUSINESS CASE

Central Park Improvements Programme 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.

This proposal sets out a programme of works to deliver Phase 3 of Central Park Masterplan (adopted by the Council in March 2013 and approved by Cabinet on 12th March 2013) to build a 'premier park for the people of Plymouth and outstanding venue of regional and national significance for active recreation and formal sport, culture, art and the natural environment.' The total cost of the programme was estimated at £9m and delivery of Phase 3 will ensure delivery of the full aspiration of this original commitment.

In line with strategic leisure and sports facilities plans, climate emergency action plan and the Joint Local Plan key projects in Phase 3 include a sustainable urban drainage scheme to benefit park users and downstream properties; natural environment enhancements for biodiversity net gain, carbon sequestration and air quality; sport pitch and access improvements to support healthy lifestyles and connection to nature.

This mandate is to request the final £3,073,758 to be added to the capital programme for Phase 3 works for completion July 2023.

Key risks

If we do not proceed with the scheme, the Council:

- runs a reputational risk of not delivering against its original commitment
- reduces the ability to deliver the health and wellbeing benefits made possible through high quality access to local greenspace
- suffers the additional financial cost of dealing with ongoing flooding within the park and subsequently downstream within the Stonehouse Flood Risk catchment area

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£3,073,758	Contingency (show as £ and % of project value)	£512,293 20% of total programme costs
Programme	Natural Infrastructure	Directorate	Place
Portfolio Holder	Patrick Nicholson	Service Director	Paul Barnard
Senior Responsible Officer (client)	Kathryn Deeney	Project Manager:	Zoe Sydenham
Address and Post Code	Alma Road, Plymouth, PL3	Ward:	Peverell
Current Situation: (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)			

This proposal sets out a programme of works to deliver Phase 3 of Central Park Masterplan (adopted by the Council in March 2013 and approved by Cabinet on 12th March 2013) to build a 'premier park for the people of Plymouth and outstanding venue of regional and national significance for active recreation and formal sport, culture, art and the natural environment.' The total cost of the programme was estimated at £9m.

A business case was approved in April 2017 to initiate Phase 1 of development work and delivery of general improvements in the park for a total of £2m, now completed. The April business case was clear that a further business case would come forward for future phases. In October 2017, Phase 2 requested a further £2.6m corporate borrowing and additional match funding, currently in delivery.

Since April 2017 through Phase 1 and 2, the Central Park project team has:

- constructed and supported management of a new park café, community sports hub and events field in ways which generate additional revenue for PCC (shortlisted for the Abercrombie Awards 2021)
- extended and enhanced play and skate facilities
- built a new sports plateau for rugby, cricket, football and 4 new hard 'pay to play' tennis courts to LTA specification
- provided new park wide seating, access/path improvements, signage and sculptures
- carried out natural and heritage enhancements including tree planting; hedgerows; Devon stonewalling and gateways; meadow and woodland management
- developed and secured planning permission for a Sustainable Drainage design proposal to deal with flooding in the Barn Park area of the park
- consulted with the public and local stakeholders regarding new infrastructure and improvements (engaging over 8000 people on Facebook and over 500 completed questionnaires), sending out regular newsletters and updating the Central Park webpages and investing in a new interactive app for the park
- led a community volunteering and enterprise programme to support ownership and ongoing care/maintenance and secured additional funding to support a green social prescribing pilot, Timeline for Change project and improvements to the Family Tree Field in partnership with Plymouth Tree Partnership
- secured £529k worth of S106 match funding £446k of external grant funding

Despite the improvements to date, there remains the issue of:

- flooding within the park and the wider catchment. Central Park sits in a Flood Risk Area where there are existing surface water flooding issues within the catchment which the park contributes to. Limited capacity in the sewer system causes Combined Sewer Overflow spills into Pennycomequick stream culverted watercourse. This reduces access and incurs a direct cost to the Council for clean-up and an indirect cost to local residents through the impact of surface water flooding on houses/streets downstream.
- poor quality sports pitches, preventing us from meeting need and demand for local sports provision as identified through the Playing Pitches Delivery Plan (2018-2021)
- poor quality built and natural infrastructure, signage, paths and seating, creating barriers to access for the increasing number of local visitors (in particular since Covid)

Phase 3 provides the opportunity to:

- implement a sustainable drainage system to reduce flooding, reducing the risk of pollution and CSO incidents and increase the capacity of highway drainage and combined sewers
- create an exemplar nature-based solution, which could be replicated in other areas of the city.
- contribute to improved air quality, heat reduction and carbon sequestration through increased tree planting, future-proofing the tree stock of the park
- increase biodiversity in the park to support connection to nature for health and wellbeing

- ensure Central Park meets the aspirations as the city’s Flagship Park, bringing a more diverse and increased audience to the park, supporting active lifestyles and increasing income generation for the park enterprises and events

Working closely with both the Portfolio Holder for Strategic Transport, Housing & Planning and Portfolio Holder for Environment Phase 3 will deliver the full aspiration of the park improvements. This mandate is to request the final £3,073,758 to be added to the capital programme for completion of Phase 3 works for completion July 2023. The programme will continue to seek additional funding to replace the corporate borrowing ask.

Proposal: *(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?)*

Phase 3 will be delivered by July 2023 with the initial focus on paths, signage and natural improvements to support improved access to nature post Covid, followed by sports and sustainable flood management works.

Timetable of delivery:

Project	Expected Completion
Park wide access improvements (signage, paths, boundary works, seating)	Sept 2022
Park wide Sustainable Drainage Improvements	July 2023
Sports improvements	July 2023
Natural Environment improvements (including tree, bulb, wildflower meadow planting)	March 2023

The total value of Phase 3 is £3,073,758 of which £123,757.88 is secured S106 funds and the remainder corporate borrowing. The programme will continue to seek additional funding to replace the corporate borrowing ask.

If we do not proceed with the scheme, the Council:

- runs a reputational risk of not delivering against its original proposal
- reduces the ability to deliver the health and wellbeing benefits made possible through high quality access to local greenspace
- suffers the additional financial cost of dealing with ongoing flooding within the park and subsequently downstream within the Stonehouse Flood Risk catchment area

Milestones and Date:

Contract Award Date	Start On Site Date	Completion Date
March 2022	March 2022	July 2023

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
Risk	Geotechnical or ground contamination issues delay construction	Medium	High	Medium

Mitigation	Surveys carried out in advance of construction to identify potential risks	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£50,000			
Risk	Unexploded Ordnance during construction delaying works	Medium	High	Medium
Mitigation	Surveys carried out in advance of construction to identify potential risks	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£5000			
Risk		Low	Low	Low
Mitigation		Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£0			

Outcomes and Benefits

List the outcomes and benefits expected from this project.

*(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)*

*(A **benefit** 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)*

Financial outcomes and benefits:

Non-financial outcomes and benefits:

- Less flooding in the Barn Park area of the park, reducing Council costs dealing with flood management in the park and downstream
- Increased revenue income from increased footfall in the park, which will support the ongoing cost of maintaining the park

NEED: Plymouth Public Health's Thrive programme is based on the need to reduce the health inequalities within the city. It states 'lack of exercise' as one of the 4 key behaviours that needs to change in order to achieve this. Their recent survey also showed that only

- 2 out of 10 children achieved the recommendations for physical activity.
- Children from the most deprived areas were twice as likely to be inactive when compared to those from the least deprived areas.

Central Park is a key public space easily accessible from most areas of the city which provides opportunities for sport, recreation and access to nature that can contribute to the health of the city.

JLP Policy PLY19 for Central Park - Strategic Green Space Site acknowledges that:

"sports and recreational facilities within the park require upgrading to deal with issues such as drainage, and new facilities developed to ensure the sport and recreational offer in the park is outstanding.

Currently access to and around the park is not of a sufficiently good quality to encourage people of all abilities to access the space and enjoy its benefits, in particular due to flooding in the Barn Park Area. This will be resolved through a new sustainable urban drainage scheme, upgrades to the footpath network linked to enhanced entrance points into the park to enable better connections to the surrounding neighbourhoods. The park forms part of a network of greenspaces that cross the city and out into the wider countryside and therefore performs an important role as a wildlife corridor and this function will be enhanced through the improvement works. As part of a series of 'Strategic Green Spaces' identified within and around the city, a pro-active enhancement of Central Park's function and facilities will be a priority element of the growth agenda."

OUTPUTS/OUTCOMES: This project will ensure Central Park is a Flagship Park for high quality physical activity, play and access to nature that is freely available, open at all times and for all ages and all demographics.

Success will be measured by:

- Increased footfall in the park and usage of facilities
- Positive feedback from communities and city wide user groups about improvements

	<p>BENEFITS: Access to the natural environment has been evidenced to increase self-motivation and esteem as well as physical health benefits, particularly the ability to access local parks during Covid. A report carried out by Vivid Economics in 2020 showed that each visit to a park in Plymouth delivers £22 worth of health and wellbeing services.</p> <p>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. Participation in sport and physical activity has been shown both to raise attainment and achievement within schools and contribute to improvements in behaviour.</p> <p>Increasing capacity of highway drainage and combined sewers through surface water separation and capacity improvements, the drainage scheme will reduce risk of pollution and CSO incident will benefit park users and households in the Stonehouse Flood Risk catchment.</p>
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Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	The project aims to have a minimum impact on carbon emissions. The Sustainable drainage proposal is a nature based solution that uses natural features to manage water and prevent flooding, avoiding the carbon impact that a hard engineered solution has.
How does it contribute to the Council becoming Carbon neutral by 2030	<p>Tree planting and interpretation about the role of trees in carbon sequestration and air quality will improve carbon capture, knowledge and understanding.</p> <p>Working closely with the Sustainable Transport team the project enhances and promotes a strategic route for connecting walking and cycling through the city, encouraging a lower use of vehicles.</p> <p>In line with the Climate Emergency Action Plan the project as a whole aims to provide exemplars for nature based solutions for climate change and carbon capture, which can inspire and engage a wider audience.</p>
Have you engaged with Procurement Service?	Yes
Procurement route options considered for goods, services or works	Any procurement route considered will be in line with Plymouth City Council's Contract Standing Orders.
Procurements Recommended route.	The recommendation will be that a subsequent procurement route options analysis will be undertaken between the department and procurement to determine the route(s) which will represent best value for the Council. Formal sign off will be sought for the recommended route, which will be in accordance with Contract Standing Orders and Public Contract Regulations 2015.

Who is your Procurement Lead?	Simone Newark
Is this business case a purchase of a commercial property	No
If yes then provide evidence to show that it is not 'primarily for yield'	
Which Members have you engaged with and how have they been consulted (<i>including the Leader, Portfolio Holders and Ward Members</i>)	Patrick Nicholson, Deputy Leader Maddi Bridgeman, Environment and Street Scene

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

Breakdown of project costs including fees surveys and contingency	Prev. Yr.	21/22	22/23	23/24	24/25	25/26	Future Yrs.	Total
	£	£	£	£	£	£	£	£
Access improvements			300,000	0				300,000
Drainage works			1,000,000	430,715				1,430,715
Sports improvements			300,000	203,750				503,750
Natural environment improvements			250,000					250,000
Project Management			55,000	22,000				77,000
Contingency @20%			381,000	131,293				512,293
Total capital spend			2,286,000	787,758				3,073,758

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

Breakdown of proposed funding	Prev. Yr.	21/22	22/23	23/24	24/25	25/26	Future Yrs.	Total
	£	£	£	£	£	£	£	£
Corporate Borrowing			2,224,000	726,000				2,950,000
SI06 (ref 4H24)			62,000	61,757.88				123,757.88
Total funding			2,286,000	787,758				3,073,758

Which external funding sources been explored	Work is currently being done to identify additional capital and revenue funding from: <ul style="list-style-type: none"> • DfT for Active Social Prescribing for small scale capital interventions to support active travel alongside a revenue based programme of interventions • Football Foundation for grass pitch improvements • South West Water / Environment Agency for funding for Sustainable Drainage
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	A spend certificate for SI06 reference 4H24 has been completed and ringfenced for sports improvements to Barn Park pitches in line with the conditions for the SI06 agreement.
Tax and VAT implications	The project will not directly generate any VAT-exempt income for the Council. The provision or enhancement of public open spaces for the public to enjoy free of charge are 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 and there will be no adverse impact on the Council's partial exemption position.
Tax and VAT reviewed by	Sarah Scott

REVENUE COSTS AND IMPLICATIONS

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

Total Cost of developing the project	The majority of costs already covered in the capital programme for Central Park Phase 2.
Revenue cost code for the development costs	N/A
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	Staff time on the project will be capitalised.
Budget Managers Name	Zoe Sydenham

Ongoing Revenue Implications for Service Area

	Prev. Yr.	21/22 £	22/23 £	23/24 £	23/24 £	25/25 £m	Future Yrs.
Service area revenue cost							
Other (eg: maintenance, utilities, etc)							
Loan repayment (terms agreed with Treasury Management)							
Total Revenue Cost (A)							

Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)							
Total Revenue Income (B)							
Service area net (benefit) cost (B-A)							
Has the revenue cost been budgeted for or would this make a revenue pressure		The revenue cost of maintaining the capital improvements is budgeted within existing Service costs as part of ongoing Grounds Maintenance. No additional costs are anticipated.					
Which cost centre would the revenue pressure be shown		No pressure. Cost centre for Grounds Maintenance 6028	Has this been reviewed by the budget manager			Y	
Name of budget manager		Philip Robinson					
Loan value	£2,950,000	Interest Rate	1.90%	Term Years	25	Annual Repayment	£149,332.25
Revenue code for annual repayments							
Service area or corporate borrowing		Corporate Borrowing					
Revenue implications reviewed by		Emma White and Charlie Green					

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	27/10/2021	v 1.0	Ruth Didymus	02/11/2021
Zoe Sydenham	06/01/2022	v 2.0	Ruth Didymus	06/01/2022
Zoe Sydenham	13/01/2022	v.3.0	Ruth Didymus/Simone Newark	13/01/22

SECTION 6: RECOMMENDATION AND ENDORSEMENT

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates £3,073,758 for the project into the Capital Programme funded by £2,950,000 corporate borrowing (to be replaced by external funding if any become available during the course of the project) and £123,757.88 S106
- Authorises the procurement process
- Authorises the Service Director for SP&I to approve award contracts relating to this project where they would otherwise not have authority to do so

Patrick Nicholson, Deputy Leader		Service Director Paul Barnard, SP&I	
Either email dated:		Either email dated:	<i>date</i>
<p style="text-align: center;"></p> <p>Or signed:</p> <p>Date: 24/01/2022</p>		<p>Either email dated: 21/01/2022</p>	
		Signed:	
		Date: 21/01/2022	