

# EXECUTIVE DECISION

made by a Cabinet Member

## Briefing Paper Part I



### 1.0 Executive summary

1.1 A Leader's executive decision was signed on 22 October 2021 approving £17,860,000 of funding for the development of a new district centre at Derriford.

1.2 The district centre will include a new M&S foodstore, an ALDI foodstore, a gym, restaurant and drive-through, two additional retail units, electric vehicle charging spaces and a new bus and pedestrian route connecting William Prance Road with Derriford Hospital via Derriford Business Park.

1.3 In December 2021 the Council completed a forward funding agreement with developer, ADC Kimberley (Derriford) Ltd. The development now has detailed planning permission and the developer has agreed a price with a contractor to construct the project. However, as a result of the general increase in build costs since 2021, the agreed price is higher than originally envisaged.

1.4 The developer has therefore negotiated higher rents with the various tenants so that these rents can cover the additional build costs. Agreement is required from the Council to provide additional funding.

1.5 A plan showing the approved site layout and CGIs are attached to this report as Appendix I.

### 2.0 Purpose of the report

This report and Business Case (attached as an appendix to the Part II paper) seek approval to provide additional funding of £1,036,196 to allow the project to proceed.

### 3.0 Further information

3.1 This is a forward funding project on land owned by Plymouth City Council. The Council procured the developer to deliver the project and the Council will retain ownership of the site and receive the rents from the various tenants once the project has been completed.

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 (M&S and ALDI), each of around 20,000ft<sup>2</sup>;
- A 1,800ft<sup>2</sup> café and drive-through;
- A 2,000ft<sup>2</sup> retail unit, with 12,000ft<sup>2</sup> gym alongside and above;
- One smaller retail unit of around 1,000ft<sup>2</sup>;
- 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.

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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 completed scheme will be retained by PCC and held as part of the Property & Regeneration Fund (PRF).

### **4.0 Decision required**

4.1 The decision required is approval for the additional funding required for the development.

### **5.0 Recommendation**

5.1 It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates an additional £1,036,196 for the project into the Capital Programme funded by service borrowing