

# CAPITAL INVESTMENT BUSINESS CASE

Derriford Community Park – Phase 5



## EXECUTIVE SUMMARY

The proposal is to invest capital funds from external sources which have been secured to develop facilities at Poole Farm. Approval for this business case is sought to enable **£1,615,746.40** of external funding (already secured) to be allocated towards the delivery of a package of projects (Phase 5) at Derriford Community Park (DCP) via the capital programme.

DCP is a valuable resource for the city - in particular children and young people. These new facilities will enable us to grow our offer to young people by providing year round classroom/therapy space and WC facilities, and in doing so, benefit their mental and physical health - whilst providing education and training opportunities and nature-based play. DCP is also a key site delivering priorities of the Urban Pioneer Partnership, a strategic 10 year partnership with the National Trust.

These projects will create improved, income generating facilities to enable DCP to achieve financial self-sustainability as per the DCP commercial model (attached).

Successful delivery of DCP is critical in ensuring that the Northern Growth area of the city is viable and sustainable enabling both housing and transport infrastructure, through the provision of a new park in line with the JLP (PLY041). It will deliver multi-sector corporate 'Plymouth Plan' objectives for health and wellbeing, education and skills and economic. It will level up access to high quality green space for the North of the city and add £36m per annum to the city driving an additional 1.2m visits to green space and the associated health and wellbeing benefits to communities (Vivid Economics, 2020).

Capital projects included within Phase 5:

Access Network Improvements: Complete the design and construction of the final elements of the multi-use access network opening up 40ha of new Community Park and Local Nature Reserve to visitors.

Hayloft Renovation: Renovations of the Old Hayloft (currently derelict) to provide a first floor and additional (year-round) welfare facilities for site users and a nature interpretation space for visitors.

Construct timber 'cabin' building – Design and construct a new timber building, providing year-round eco-therapy, training and teaching space connected to the outdoor environment

Wildlife Enclosure Re-instatement: Complete the reinstatement of the wildlife enclosure by installing new in channel fences to enable the return of a pair of beavers to the Bircham Valley and complete the urban re-wilding enclosure

### Key risks

Not delivering the projects will result in:

- lost revenue/income generating opportunities that are required to enable DCP to become a financially self-sustaining site as per the DCP Commercial Model.
- Failure to achieve JLP (PLY041) objective and support cross sector delivery of key objectives in the Plymouth Plan
- Fewer indoor spaces for young people to use to improve physical and mental wellbeing.
- No innovative, DCP based YIF funded programmes of eco-therapy or Green Youth Services for children and young people across the city

*Failure to take this investment proposal forward would see PCC miss the opportunity to utilise external funding secured to progress the development and delivery of a strategic green space and JLP policy objective. The Council would need to return over £1m to external funders and suffer negative reputational impact.*

## SECTION I: PROJECT DETAIL

<b>Project Value (indicate capital or revenue)</b>	£1,615,746.40 (Capital)	<b>Contingency (show as £ and % of project value)</b>	£247,058 15%
<b>Programme</b>	Environmental Planning	<b>Directorate</b>	Place - SS
<b>Portfolio Holder</b>	Cllr Briars-Delve	<b>Service Director</b>	Philip Robinson
<b>Senior Responsible Officer (client)</b>	Kat Deeney	<b>Project Manager</b>	Jerry Griffiths
<b>Address and Post Code</b>	Poole Farm, Plymbridge Road, Estover, Plymouth, PL6 8NF	<b>Ward</b>	Moor View

### Current Situation:

**Derriford Community Park (DCP) is setting the blueprint for Future Parks nationally. Growing people, nurturing enterprise and enabling a positive transition to net zero.**

Situated to the north of the city, it is the first in a new generation of Parks. DCP encompasses 147 hectares of strategic green space in the north of the city made up of the beautiful Forder, Seaton and Bircham Valley Local Nature Reserves with Poole Farm, one of the last remaining working farms in Plymouth, located at the heart of the Park. The [DCP Masterplan](#) produced in 2012 set out the vision for the Park after wide consultation with the public and business.

Environmental Planning is leading the development and delivery of **DCP (JLP Policy - PLY041)** – an innovative project to deliver a new strategic green space for the north of the city, **widely recognised to be delivering multiple PCC objectives** whilst **using innovative approaches to finance** to enable the development of enterprise in the Park to support the long term management costs of the Park.

**Delivery of DCP is critical in ensuring that the Northern Growth area of the city is viable** through delivery of 860 new homes and the Forder Valley Link Road. The planning approval for all schemes are interdependent in recognition of the importance of each element of infrastructure to local communities and the city.

The value of the proposals for park infrastructure set out in this business case have been modelled using nationally recognised methodology by Vivid Economics as part of the Future Parks programme. The results are significant – **the successful delivery of DCP would add £36m per annum to the city and local communities by driving an additional 1.2m visits to green space and the associated health and wellbeing benefits to residents.**

We have an innovative partnership with the National Trust, both partners committed to utilising Derriford Community Park and other Green/Blue sites to help **meet the needs of Children and Young People and deliver the priorities of the PCC/National Trust's 10-year strategic Urban Pioneer Partnership.**

We have used a Systems Leadership approach supported by the Green Minds Project to engage with internal and external stakeholders across a wide range of sectors since 2020. This cross sector work has confirmed outcomes and benefits that the Park can deliver for the City, funding

options and crucially, how **DCP can efficiently and effectively deliver multi-sector corporate objectives**. This process has ensured that the Next Steps of the Community Park can deliver an essential service with a wide range of benefits for PCC and the City. The themes have included:

- Education
- Health and Wellbeing
- Economic Development & Social Enterprise
- Food and Sustainable Transport.

This multi sectoral approach to developing DCP Phase 5 will support the delivery of the following 'Plymouth Plan objectives:

SO1 – Delivering a healthy city

HEA2 - Delivering the best outcomes for children, young people and families

HEA7 - Optimising the health and wellbeing benefits of the natural environment

GRO2 - Delivering skills and talent development

HEA1 - Addressing health inequalities, improving health literacy

HEA6 - Delivering a safe, accessible, sustainable and health-enabling transport system

INT6 - Enhancing Plymouth's 'green city' credentials

Plymouth Visitor Strategy – Blue/ Green destination, Supports Plymouth Social Enterprise City and FAB city status

The Youth Investment Fund (YIF) is providing £986,752.09 of capital monies to enable the creation of facilities for children and young people's services at Poole Farm. This capital investment comes with £230k of revenue funds to deliver new ecotherapy and 'Green Youth Services'. The bid was a partnership approach between the Green Estate Team, Community Connections and Livewell Southwest. This financial boost will enable Derriford Community Park to realise ambitions becoming and a valuable asset for children and young people (including SEND), PCC's Children Services and Community Connections teams and Children and Adolescent Mental health Services.

Green Minds, The EU Urban Innovative Action funded project has contributed a total of £520k of funding into Derriford Community Park, a key investment site of the project. The aims are to rewild people and places, by putting nature at the heart of our decision making in Plymouth, recognising its role and shaping a healthy future for all. £252,444.59 of Green Minds funding is allocated to Phase 5 projects.

To date the project has secured £2.881m capital funds which have contributed to:

- Renovations of some buildings at Poole Farm to provide office, meeting & training space
- Biodiversity improvements to the Community Park site
- TCF Strategic Cycle Network
- Community hub for participation and volunteer activity

### **Proposal:**

The proposal is to invest capital funds from external sources which have been secured to develop facilities at Poole Farm in 2023/24 and 24/25. These funds will be used to deliver the facilities in Phase 5 (see Section 4 below) that will provide additional space to complement existing and enable expansion of activities delivered on site, providing social value for the community as well as sustainable revenue streams in line with the Business/Commercial Model developed for the site. The investment will be used to procure external contractors to deliver:

- Complete renovation work on the Hayloft to provide a first floor and additional (year – round) welfare facilities for site users and a nature interpretation space for visitors.
- Design and construct a new timber building, providing year-round eco-therapy, training and teaching space connected to the outdoor environment
- Complete the reinstatement of the Wildlife enclosure to enable the return of a pair of beavers to the Bircham Valley and complete the urban re-wilding enclosure
- Complete the design and construction of the access network to the Community Park

A multi-sectoral approach included discussions and connections generated by recent round of stakeholder workshops have shaped the proposals for this capital investment in new enterprise hub facilities for the Community Park at Poole Farm.

All of the new infrastructure will be functional, affordable and built according to the highest environmental and sustainability standards, in keeping with Poole Farm as an exemplar of innovation and sustainability, whilst utilising and complimenting the fantastic natural assets of the site.

Failure to take this investment proposal forward would see PCC miss the opportunity to utilise external funding secured to progress the development and delivery of a strategic green space and JLP policy objective. The Council would need to return over £1m to external funders and suffer negative reputational impact.

Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
June 2023	June 2023	April 2025

## 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>	Planning approval conditions unable to be met	Low	Medium	Low
<b>Mitigation</b>	Planning approval in place and clear set of conditions	Low	Medium	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£25k	<b>Risk Owner</b>	Chris Avent	
<b>Risk</b>	Project costs increase and insufficient funds to complete project delivery	Low	Medium	Low
<b>Mitigation</b>	Suitable contingency in place	Low	Low	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£100k	<b>Risk Owner</b>	Chris Avent	
<b>Risk</b>	Unable to secure suitable tenancy/ hire of facilities	Medium	Low	Low
<b>Mitigation</b>	Proactive partnership work ongoing to secure this	Low	Low	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£50k	<b>Risk Owner</b>	Chris Avent	
<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>	£50k	<b>Risk Owner</b>	Chris Avent	

## 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:**

<ul style="list-style-type: none"> <li>DCP Commercial Model (attached): Year 5 = covering all staffing and site costs + a forecasted £26,000 per annum surplus (to be re-invested into site an wider green space development work Year 10 = Covering all staffing and site costs plus £20,000 per year surplus</li> </ul> <p>This includes a £10,000 per annum sinking fund</p> <ul style="list-style-type: none"> <li>Unlocked additional external investment to support the development of the Park.</li> <li>Enable long-term financial self-sustainability of Derriford Community Park</li> <li>£36 million p.a. in benefits to community from Health and Wellbeing, increase in house prices and carbon sequestration (based on forecasted 1.6 million visits to the park p.a. <i>Vivid Economics, 2020</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of <a href="#">JLP Policy - PLY041</a></li> <li>New park for the north of the city, levelling up access to high quality green space and the associated benefits across the city.</li> <li>Increased no. of visitors to the city for day and overnight trips.</li> <li>Wildlife enclosure will provide additional ‘out of season’ visitor attraction for the city</li> <li>These Capital projects will enable delivery of city wide objectives in the Plymouth plan by working in partnership with education and health sectors</li> <li>Deliver priorities of the Urban Pioneer Partnership, a strategic 10 year partnership with the National Trust.</li> <li>New Green Skills training and career path programme focused on environmental and low carbon jobs</li> <li>Delivering health and wellbeing benefits through co-delivery with health sector using new facilities.</li> </ul>
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<b>Low Carbon</b>	
<b>What is the anticipated impact of the proposal on carbon emissions</b>	<p>The proposal is expected to have a positive impact overall on carbon emissions – see climate wheel below.</p> <p>All construction projects deigned to exemplars of carbon efficiency, energy efficiency and low energy usage. The beaver project will demonstrate carbon sequestration, biodiversity benefits and reductions to flooding downstream.</p>
<b>How does it contribute to the Council becoming Carbon neutral by 2030</b>	<p>This programme of works aligns with and supports the delivery of the Plymouth Net Zero Action Plan by delivering a programme of works that will enable communities to engage and learn about; Climate change Adaptation, Education/Engagement/Enabling conditions, Biodiversity and Ocean and Waterways. All these elements are PCC commitments to being a carbon neutral organisation by 2030.</p>
<b>Have you engaged with Procurement Service?</b>	
	Yes
<b>Procurement route options considered for goods, services or works</b>	<p><i>Simone Newark:</i></p> <p><i>‘Procurements for Hayloft Renovations Phase 2 and Timber building are yet to be undertaken. There is likely to be various procurements required for design/consultancy and construction elements for these projects. In line with the Council’s Contract Standing Orders (CSO) Key Thresholds Table 1 – Quotation and Tendering, the following procurement route options include:</i></p>

	<p><u>Below GPA Threshold procurement process</u></p> <p>An 'Invitation to Tender' (ITT) process is followed with or without advertisement. With a non-advertised ITT process, you have to invite a minimum of 3 suppliers to submit a formal quotation, with 2 from PL postcodes where possible. This is a one-stage process which comprises suitability assessment criteria and contract award criteria. The contract will be awarded to the most economically advantageous tender (MEAT). With this option, the suppliers invited to quote will be selected by the Council. The Council can select any supplier it thinks is capable of completing the project including local suppliers within the PL postcode. Formal advertisement of opportunity is optional for a procurement below the procurement regulations threshold value.</p> <p><u>Utilising Framework</u></p> <p>There is the option to use Predetermined Framework Agreements. Options via a framework may include direct award or mini competition. These frameworks will have already been through a wide competitive process and procured in accordance with Public Contract Regulations. Suppliers on the frameworks will be pre-qualified as they have already been through a vetting process, therefore no suitability assessment will be required to be undertaken.</p> <p>Procurements for Hayloft Renovations Phase 1, Wildlife enclosure and access network improvements have already been completed under previous business cases.'</p>
<p><b>Procurements Recommended route.</b></p>	<p>'The recommendation will be that a subsequent procurement route options analysis will be undertaken between the department and procurement to determine the procurement routes which will represent best value for the Council. Formal sign off will be sought for the recommended route, which will be in accordance with the Council's Contract Standing Orders and Public Contract Regulations 2015'</p>
<p><b>Who is your Procurement Lead?</b></p>	<p>Construction – Simone Newark Design/Consultancy – Kim Kingdom</p>
<p><b>Is this business case a purchase of a commercial property</b></p>	<p>No</p>
<p><b>If yes then provide evidence to show that it is not 'primarily for yield'</b></p>	<p>NA</p>
<p>Which Members have you engaged with and how have they been consulted (including</p>	<p><b>Cllr Wakeham – Portfolio holder for Environment and Street Scene,</b></p>

the Leader, Portfolio Holders and Ward Members)

#### SECTION 4: FINANCIAL ASSESSMENT

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £	Total £
Hayloft renovation		£673,082.25	£111,627.00				<b>£784,709.25</b>
New Cabin training facility	N/A	£244,325.30	£122,162.65				<b>£366,487.95</b>
Wildlife enclosure	N/A	£134,846.52					<b>£134,846.52</b>
Access network	N/A	£82,644.03					<b>£82,644.03</b>
Contingency	N/A	£77,296.38	£77,296.38	£46,232.88	£46,233.01		<b>£247,058.65</b>
<b>Total capital spend</b>		<b>£1,212,194.48</b>	<b>£311,086.03</b>	<b>£46,232.88</b>	<b>£46,232.88</b>		<b>£1,615,746.40</b>

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

Breakdown of proposed funding	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £	Total £
DCP Section 106	N/A	£237,851.09	£46,232.88	£46,232.88	£46,232.87		<b>£376,549.72</b>
Youth Investment Fund	N/A	£721,898.51	£264,853.58				<b>£986,752.09</b>
Urban Innovation Actions Fund (Green Minds)	N/A	£252,444.59					<b>£252,444.59</b>
<b>Total funding</b>		<b>£1,212,194.19</b>	<b>£311,086.46</b>	<b>£46,232.88</b>	<b>£46,232.88</b>		<b>£1,615,746.40</b>

<b>Which external funding sources been explored</b>	Youth Investment Fund, Urban Innovation Action (UIA) Fund and SI06 – all secured
<b>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</b>	Yes there are conditions around the UIA funding – no commercial profit to be made on assets invested in directly for 7 years
<b>Tax and VAT implications</b>	The project will generate some VAT-exempt income, such as rental / lettings and education, from the Hayloft and Cabin facilities. A proportion of the VAT incurred on the capital and revenue costs will need to be included therefore in the Council's partial exemption calculation. It is likely, however, that the amount of VAT concerned will be able to be accommodated within the 'de minimis' limit and there will be no adverse impact on the Council's partial exemption position. The VAT incurred on the cost of the project will be fully recoverable.
<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>	Covered under revenue costs
<b>Revenue cost code for the development costs</b>	6042
<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>	Y
<b>Budget Managers Name</b>	Chris Avent

### *Ongoing Revenue Implications for Service Area*

	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £
<b>Service area revenue cost</b>						
<b>Staffing</b>	N/A	210,804	221,173	202,369	170,404	173,812
<b>Building costs</b>	N/A	25,670	25,983	26,303	26,629	26,962
<b>Other</b> (eg: maintenance, utilities, etc)	N/A	£19,467	19,856	20,253	20,659	21,072
<b>Loan repayment</b> (terms agreed with Treasury Management)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Revenue Cost (A)</b>		<b>£255,941</b>	<b>£267,012</b>	<b>£248,925</b>	<b>£217,692</b>	<b>£221,846</b>



<b>Service area revenue benefits/savings</b>								
<b>Total Annual revenue income</b> (eg: rents, etc) (B)				(243,542)	(270,019)	(261,757)	(271,843)	(248,242)
<b>Service area net (benefit) cost</b> (B-A)				12,399	(3,007)	(12,831)	(54,151)	(26,397)
<b>Has the revenue cost been budgeted for or would this make a revenue pressure</b>		Revenue pressure currently showing in 23/24 is covered by reserves in cost centre 6042. No revenue pressure in future years						
<b>Which cost centre would the revenue pressure be shown</b>		6042	<b>Has this been reviewed by the budget manager</b>			Y		
<b>Name of budget manager</b>		Chris Avent						
<b>Loan value</b>	£0	<b>Interest Rate</b>	NA	<b>Term Years</b>	NA	<b>Annual Repayment</b>	£NA	
<b>Revenue code for annual repayments</b>		NA						
<b>Service area or corporate borrowing</b>		NA						
<b>Revenue implications reviewed by</b>		<p>Emma White: 'Thank you for sharing this capital investment business case. I have reviewed the revenue finance implications and do not have any concerns.'</p> <p>The revenue finance breakdown shows that costs will be covered by income, with no pressure on PCC budgets. Although there will be a revenue shortfall of £12k in 2023/24, you plan for this to be covered by Poole Farm reserves, which you comfortably have adequate funds to do.'</p>						

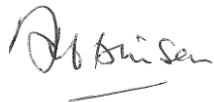
**Version Control:** (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

<b>Author of Business Case</b>	<b>Date</b>	<b>Document Version</b>	<b>Reviewed By</b>	<b>Date</b>
Jerry Griffiths	26/05/2023	v 1.0		
			Emma white	31/05/2023
			Sarah Scott	31/05/2023
			Simone Newark	01/06/2023
			Lynn Walter	02/06/2023
			Emma Jackman	15/06/2023

## SECTION 6: RECOMMENDATION AND ENDORSEMENT

### Recommended Decision

It is recommended that the Leader of the Council:

<ul style="list-style-type: none"> <li>• Approves the Business Case Allocates <b>£1,615,746.40</b> for the project into the Capital Programme funded externally by S106, Youth Investment Fund and Urban Innovation Actions Fund</li> <li>• Authorises the procurement process to enable external contractors to deliver these capital projects during 2023/24 and 2024/25</li> <li>• To authorise Service Director for Street Services to approve business cases and award contracts relating to this project where they would otherwise not have authority to do so within the Contract Standing Orders</li> </ul>			
<b>Councillor Tudor Evans, Leader of the Council</b>		<b>Service Director: Philip Robinson</b>	
<b>Either email dated:</b>	Date 15/06/2023	<b>Either email dated:</b>	Date 04/07/2023
<b>Or signed:</b>		<b>Signed:</b> 	
<b>Date: 15/06/2023</b>		<b>Date: 04/07/2023</b>	
		<b>Service Director</b>	
		[Name, department]	
		<b>Either email dated:</b>	date
		<b>Signed:</b>	
		<b>Date:</b>	