

PART I BRIEFING REPORT

Plymouth and South Devon Freeport Direct Development
Property and Regeneration Fund, Land & Property



This project seeks approval for the direct development of a Plymouth City Council owned development plot of approximately 1.6 hectares (4 acres), located on part of the Plymouth and South Devon Freeport Langage Tax Site. The proposed scheme already has full planning consent for the development of approximately 4,615 sq m (50,000 sq ft) of sustainable, high quality, speculative employment accommodation for medium and large sized businesses to occupy. Specifically, in terms of supporting employment opportunities, the development is expected to create / support circa 138 FTE jobs (in addition to promoting construction related jobs and supply chain links during the build period).

The Langage Tax Site is the largest of the three tax sites in the Freeport area and is strategically significant for delivery of the Freeport vision as it provides the space and opportunities to support sector growth plans and economic specialisation, underpinning trade and investment objectives. This provides a strong rationale for its development. Furthermore, there is likely to be Freeport Capital Seed Funding to support the viability of the development of the Beaumont Way PCC owned portion of the site and this project is predicated on this funding being available and has been factored into the cash flow analysis.

The completed development will be available to occupy by eligible tenants, on a leasehold basis. The capital and revenue costs of the project are set out in the confidential Part II Business Case. The proposed project will be funded by a combination of service borrowing for the sum set out in the Part II Business Case and Freeport Capital Seed Funding of £4,000,000, following successful appraisal and agreement by the Freeport Board of Directors. The service borrowing will be repaid from the net rental income generated from the development. An allowance for void and risk has been incorporated into the financial model.

The completed scheme is also expected to potentially generate over £180,000 in annual Business Rates income, initially for the benefit of Plymouth and South Devon Freeport.

The Council has commissioned an external demand and supply report and this has confirmed that Plymouth has a distinct shortage of high quality, modern employment space facilities. PCC have also completed a number of direct development projects within the locality, all of which have performed exceptionally well and are fully let.

It is intended that this development proposal closely aligns itself with other PCC successful direct development projects. Accordingly, the scheme has been designed to be highly sustainable and incorporates sustainable technologies to minimise carbon emissions and running costs, including solar photovoltaic, increased levels of insulation, higher levels of natural daylight and ventilation, EV charging pods and highly efficient heating systems.

This development will continue the range of projects to be funded and form part of the Property and Regeneration Fund (PRF). The project will achieve the investment objectives of the fund of stimulation of economic and employment growth in Plymouth.