

CAPITAL BUSINESS CASE CHANGE REQUEST



Plymouth Sound National Marine Park (PSNMP)

Business Case Change CATEGORY (mark one or more as appropriate)

Project Variations	Add Funding <input checked="" type="checkbox"/>	Virements <input type="checkbox"/>
	Remove Funding <input type="checkbox"/>	

Other please specify: Funding switch £2m fund raising target underwritten by corporate borrowing in Feb 2024 approval and £0.5m partner contribution with £2.5m Levelling Up fund Round 3

Project Detail

Insert previous business case number and link to the business case		Committee Report 12 th February 2024	
Total value of capital project currently within the approved capital programme.		£13.642m Approved in Business cases up to Feb 2024. £0.929m was transferred to Revenue £12.713m now total amount	
Value to be added to Capital programme		£1.750m funded from LUF	
Does this project need to go to CMT?	No	Date business case approved by CMT (if required)	01/02/24
		Directorate	Place
Portfolio Holder	Cllr Tudor Evans, Leader	Service Director	David Draffan
Senior Responsible Officer (client)	David Draffan	Project Manager	Project Director - Kat Deeney Programme Manager – Sharon Mercer

Purpose of Business Case Change Request: (Provide a brief outline of what has happened to date. Explain the details of the proposal and how the proposal will address the issue)

The purpose of this business case change request is to update Capital Programme Officer Group (CPOG) on additional funding to be added to the PSNMP Programme and fund switching a fundraising target & partner contribution from Corporate Borrowing to grant funding. The additional funding is coming from two different Levelling Up Fund applications, and therefore explanations are different for both elements of the additional and switch funding.

£50,000 – Additional Funding Request from the Levelling Up Fund: Local Growth Capacity Support Payment 2022-23, 23-24 & 24-25

The PSNMP has been allocated £0.050m from LUF funding for 24/25 to support the capitalisation of project management resource specifically for the PSNMP Tinside capital project. Capital finance have confirmed the amount is available for this purpose and meets grant conditions. This change request seeks recommendation for approval to add this amount to the PSNMP Programme for this purpose.

£4.2m – Additional Funding Request from Levelling Up Fund Round 3, ‘Plymouth and South Devon Freeport – Accelerating Plymouth’s Waterfront Regeneration’

When the business case was approved in Feb 2024 the income for the programme included a £2m fund raising target which PCC agreed to underwrite, and the business case also included an income of £0.500m from partner organisation Mount Batten Centre.

PCC secured LUF funding which was originally notified in Autumn 2023, and subsequently reconfirmed via email from MHCLG 04/11/24. Within the LUF funding envelope £4.2m was for the PSNMP programme to deliver the £2m fundraising target and replace the PCC underwrite, to replace the £0.500m partner contribution, and add an additional £1.7m to the programme to address additional cost identified at the Tinside Lido project and provide additional capital project management resource.

At the point of writing PCC have completed all the required documentation for the LUF funding and are now just waiting on the final confirmation to enable draw down of the funds, however due to project timescales it was necessary to submit the change request form now for approval as the final confirmation is expected by the end of March. Therefore CPOG is being asked to recommend approval of the uplift subject to the final notification under the assurance that the uplift will not happen until the final notification of LUF funding is obtained.

Total funding to be allocated to the capital project £1.750m

Revised Key Risks: *(Explain any changes to the risk register / risk log in the approved business case)*

Following are the Key Risks that were noted at the point to business case approval in Feb 2024, with updates.

Programme cost increase due to inflation & unforeseen factors that increase costs. To address this risk, significant contingency and inflation allowances have been built into the budget as this was a necessary requirement specified by the NLHF. **Update – Project costs at Tinside have increased due to additional works required to bring an unused space back into use, additional funding is being added to this project within the PSNMP by this business case change request. Tinside project is due completion in June 2025 this will reduce the risk of additional budget pressures. The risk however remains relevant for Mount Batten and Mount Edgcumbe projects, but contingency and inflation allowances are still available within the programme and can be allocated if required with NLHF approval.**

Failure to meet the £2m fundraising target assigned to the project. The mitigation for the project income is provided by a PCC underwrite for this amount. Further to this the LUF funding awarded to PCC in Autumn 2023, is being considered as the alternative funding source for the fundraising. The council retains the risk should fundraising not be achieved, therefore the programme has a defined fundraising leader who will drive the fundraising agenda for the project to ensure this target is achieved. **Update – Change request formally seeks recommendation for approval to bring the LUF funding, identified in this risk as mitigation for the fundraising underwrite position, into the project. Thus removing this original risk to the project.**

Revised Outcome and Benefits: *(Explain any changes to the financial and non-financial outcomes and benefits as identified in the approved business case)*

There is not revision to the outcomes and benefits of the project as this change request seeks recommendation for approval to bring additional funding into the project that was known about at the time of the business case approval.

Revised Milestones and Date:

Has the start /completion date changed? *(If so, please update with new dates)* No

Contract Award Date	Start On Site Date	Completion Date

Is further Consultation required: *(if so, please ensure you consult with legal and procurement prior to submission)*

Do you need further engagement with procurement for a tender or contract variation? No
Have procurement been consulted? No

Does the change in your project require Legal advice? if yes please explain why.

No

Does the change alter the Climate Impact Assessment. *(If yes, this would need to be updated)*

No

Does the change alter the Equalities Impact Assessment. *(If yes, this would need to be updated)*

No

Revised Financial Implications: *(Capital and Revenue – capital profile and ongoing PCC revenue implications)*

Capital Cost and Financing:

Breakdown of project costs including fees surveys and contingency	Prev. Years £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	Future Years £	Total £
Original business case capital cost	260	3,348	7,133	1,280	418	274		12,713
Revised capital costs	260	3,348	8,883	1,280	418	274		14,463
Difference	-	-	1,750	-	-	-		1,750

Detail on financing change (+£ or -£) to match the difference above

		24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	Future Years £	Total £
Grant Funding (Ringfenced/ Un- Ringfenced)								
LUF – Capacity & Capability Grant 2024/25		50						50
LUF – Round 3 Accelerating Plymouth Waterfront			4,200					4,200

SI06 /CIL								
Corporate / Service Borrowing		(50)	50					-
Internal Contribution (RCCO)								
External Contribution								
Fundraising Target – PCC Underwrite			(2,000)					(2,000)
Partner Contribution – Pontoon			(500)					(500)

Are there any bidding constraints /restrictions/ conditions attached to the funding	
Does the change have any Tax and VAT implications. (If yes, please contact Sarah Scott)	


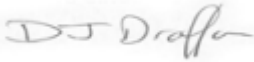
Revised Revenue Implications:						
Revised Revenue Implications for Service Area:						
	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	Future Yrs.
Original business case revenue cost (A)						
Change to costs (B) increase / - reductions						
Change in income (C) reduction / - increase						
Revised revenue costs D = (A+/- B & C)						
Difference (A – D)						
Revised Service Area benefit & savings:						
Has the revised cost changes from this request been budgeted for or would it make a revenue pressure.	No budget pressure – this removes the underwrite on the Fundraising Target of £2m					
Loan value	£	Interest Rate	%	Term Years	Annual Repayment	£

SECTION 5: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council

- Approves the Business Case Change Request to include fund switch of £2.5m.
- Allocates £1.750m for the project into the Capital Programme funded by LUF grant funding
 - LUF Capacity & Capability Funding 2024/25 - £0.050m

○ LUF Round 3 – Accelerating Plymouth Waterfront - £1.700m			
[Name, Portfolio]		Service Director	
Either email dated:	<i>date</i>	Either email dated:	<i>date</i>
Or signed: 		Signed: 	
Date: 24 June 2025		Date: 10 March 2025	