

OFFICER DECISION

Homes England Brownfield Infrastructure and Land Grant Funding Agreement Briefing Paper Part I



1.0 Executive Summary

The refurbishment, and re-use of the Civic Centre is a priority for the Council and Homes England (HE). We have a shared bold vision for the building to create 144 homes making the case for city living. The Civic Centre will also be the home of a major new campus extension for City College as a blue green skills hub. In March 2024, the Council's Cabinet took a decision to re-acquire the building from Urban Splash, seek further public sector funding and work with City College Plymouth to develop proposals for a new city centre skills hub in the lower floors of the building.

In March 2025, the Council's Cabinet took a further decision to accept up to £20m grant funding from Homes England under its Brownfield, Infrastructure & Land (BIL) programme and add into the Capital Programme a Council contribution of £17,366,326 made up of corporate and service borrowing. Additional grant support has also been secured of £7,996,417 Levelling Up funding.

The March 2025 cabinet approval contained numerous recommendations and reasons including; granting the authority to the Strategic Director for Growth to agree the terms of a grant funding agreement (GFA) with HE.

This briefing paper sets out the current position in relation to a funding agreement with HE and recommends that the Council enters the GFA to drive forward the redevelopment of the Civic Centre.

2.0 Homes England Brownfield Infrastructure and Land Grant Funding Agreement

HE BIL funding is made available for the purpose of delivering housing-led brownfield infrastructure and land projects in England.

It was reported at Cabinet in March 2025 that as part of the Council's Strategic Partnership with HE, HE was seeking internal approval for BIL funding to support the redevelopment of the Civic Centre. Subsequently, confirmation was received that the Council was successful in securing £18,386,278 BIL funding.

HE and the Council have now agreed the terms of a GFA that will make the funding available for infrastructure works which will facilitate the redevelopment of the Civic Centre.

The HE GFA makes a total of circa £18.386m available to the Council to support delivery of infrastructure works at the Civic Centre.

The proposal for the Civic Centre includes works to the building to facilitate the substantial redevelopment which will include a City Blue Green Skills Hub to support the skills aspirations of Team Plymouth and 144 residential units of accommodation.

The Council will undertake shell and core works (Infrastructure Works) to the Civic Centre to repair and renovate the structure of the Grade II listed Civic Centre building to enable conversion

into a mix of residential and commercial/educational uses. These Infrastructure Works will comprise:-

- Frame concrete repairs and fire protection
- Upper floors strengthening and concrete fire protection
- Roof works
- External wall remediation and repair including new cladding system
- Demolition and renovation work to existing building

The GFA requires the infrastructure works to be completed by the Council, and the delivery of specific outputs. These outputs comprise the Skills Hub and the 144 residential units. Receipt of the majority of the HE grant (save for circa £1.5m grant associated with design fees, planning costs etc) is contingent on certain requirements being met. For example, planning permission for the development being achieved, a fixed price construction contract for the Infrastructure Works , agreeing Heads of Terms with partners to enter into agreements for the occupation of the building and delivery of the outputs. There are limited circumstances in which HE could require repayment of the Grant.

3.0 Governance

The Cabinet paper published in March 2025 included gateways and additional approvals to manage the risks associated with the Civic project. It was proposed that there will be up to two further gateway reviews by the Council's Corporate Management Team (CMT) prior to key commitments being made by the Council to progress certain stages of the project. These would be:

- (A) Prior to entering a build contract with a main contractor to complete either the phase 1 works (mainly cladding removal, concrete repairs, structural strengthening and repairs to the roof) or the phase 2 works (installation of new cladding and glazing, fire protection, mechanical and electrical works, lifts and stairs, heating, drainage and landscaping); and
- (B) Prior to entering a contract with a housing developer for the delivery of the housing within the building.

It should be noted that if a housing developer is appointed prior to entering a build contract with a main contractor, gateway (A) may not be relevant if the housing developer is to be responsible for the main contractor appointment. The current intention is that the Council will contract directly with a contractor for the phase 1 and 2 works therefore it is likely this gateway (A) will be required.

At both gateways an update will be provided to CMT. Subject to CMT support and confirmation that the cost plan remains within the budget approved by Cabinet, the final decision to proceed will be taken by the Strategic Director for Growth in consultation with the Council's S151 Officer (or the Council's Section 151 Officer, in the event that there is no Strategic Director for Growth in post). If the cost plan exceeds the budget approved by Cabinet in March 2025, the decision to proceed would be escalated to Cabinet for approval, alongside a request for the additional funding required.

In addition to these two gateways, the March 2025 cabinet paper proposed that spending of the grant funding from Homes England, the corporate borrowing and the service borrowing outlined in the cabinet paper will be subject to a more detailed business case (including a cost plan which will be subject to further due diligence and market testing) to be reviewed by the relevant Scrutiny Committee during 2025/26 and subsequently approved by Cabinet. It was noted in the Cabinet paper that there may be some overlap between the processes set out in this and the preceding paragraph if any of the gateways occur prior to March 2026.

The March 2025 cabinet paper also proposed that an update report is provided to Cabinet in 2025/2026. This will not only provide a formal opportunity to consider progress on the project but will also allow Cabinet to review any decisions required prior to any funding from HE being spent. It is envisaged the HE project funding will not start to be spent until quarter 2, 2026.

4.0 Risks

The Council and Homes England fully recognise that in signing this GFA that the complete costs will not be known at this moment in the project lifecycle due to the ongoing design and procurement processes. To manage this risk both Homes England and the Council have profiled the spend to allow the gateway review process set out in the Cabinet report to take place before the HE grant is deployed. Once the full costs are known Cabinet and scrutiny will receive a report appointing the contractor and confirming the budget. It is only after that point that the HE grant funding expenditure is profiled.

The GFA contains obligations on the Council relating to delivering specific outcomes, meeting milestone targets as well as certain conditions in which the grant funding would not be made available or would be required to be repaid.

Whilst this paper seeks approval to enter the HE GFA for the purposes of securing the funding, none of the funding will be spent until the various gateways and reports to Cabinet, as outlined above, have been concluded.

5.0 Recommendation

To agree the terms of the Brownfield Infrastructure and Land Agreement with Homes England for up to £18,386,278 in connection with the Civic Centre redevelopment.