

# EXECUTIVE DECISION

Derriford District Centre

Briefing Paper Part I



## 1. EXECUTIVE SUMMARY

1.1 A Leader's executive decision was signed on 24 May 2023 approving a total capital funding of £18,896,196 to develop the new District Centre at Derriford.

1.2 The now award-winning District Centre is complete and includes an M&S foodstore, ALDI, Pure Gym, Costa Coffee with drive-through, Oggy Oggy cafe, Gridserve electric vehicle charging spaces and a new bus and pedestrian route connecting William Prance Road with Derriford Hospital via Derriford Business Park.

1.3 Approval is now sought to provide additional capital of £584,052 to allow the project to be closed out.

### 2.0 Purpose of the report

2.1 This report and Business Case (attached as an appendix to the Part II paper) seek approval to provide additional funding of £584,052 to complete the project and make the balancing payment.

### 3.0 Further information

3.1 In December 2021 the Council completed a forward funding agreement with developer, ADC Kimberley (Derriford) Ltd. As part of that agreement there was potential for the developer to receive an additional payment based on performance and how many tenants were secured prior to completion of the development. The development is now complete and the parties have agreed a balancing payment.

3.2 Due to the developer's success of securing tenants for all six retail units and allowing tenants early access to the properties, the developer has secured a beneficial payment when reconciling the project. This calculation was completed following the completion of the project and agreed in June 2025.

3.3 The additional capital required is £584,052, which will be financed by service borrowing. The additional cost of borrowing can be covered within the net revenue produced by the scheme. Overall, when including the additional cost of capital, the scheme still produced a net surplus income for the Council.

### 4.0 Decision required

4.1 The decision required is approval for the additional £584,052 capital required for the development.

## 5.0 Recommendations

5.1 It is recommended that the Leader of the Council:

- Approves the Business Case;
- Allocates an additional £584,052 for the project into the Capital Programme funded by service borrowing.