

Report to: **Executive**  
Date: **7<sup>th</sup> July 2022**  
Title: **Ivybridge Regeneration Project - Update**  
Portfolio Area: **Enterprise – Cllr Bastone**  
Wards Affected: **All**  
Urgent Decision: **N** Approval and **Y**  
clearance obtained:

Date next steps can be taken:

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## **RECOMMENDATION**

**That the Executive NOTE that:**

- 1) a verbal update will be provided at the Executive meeting on the planning decision of the scheme, which is being considered by the Development Management Committee on the 6<sup>th</sup> July 2022.**
- 2) a further report on the financial viability of the Ivybridge Regeneration scheme will be presented to the Executive meeting on 15<sup>th</sup> September 2022, further to the outcome of the planning decision.**

### **1. Executive Summary**

This report makes recommendations with respect to the Ivybridge Regeneration Project at Leonards Road.

In response to the challenges Ivybridge high street faces, the Council has progressed a scheme to reinvigorate the town and create a vibrant, thriving centre widely used and enjoyed by the populous.

Following the reports to the Executive (June & September 2020 and February 2021) regarding the Ivybridge Regeneration Project at Leonards Road Car Park, the project has progressed through the design development stage, through to the submission of a planning application on 18<sup>th</sup> March 2022.

A decision on the planning application is expected to be made at the Development Management Committee meeting of 6<sup>th</sup> July 2022.

## **2. Background**

2.1 At Council on 11<sup>th</sup> February 2021 (Minute 41/20), it was resolved

1. That approval be given to the Ivybridge Regeneration project through to planning, tender, construction and lease (subject, but not limited to, the regulatory statutory planning process and the total scheme costs being within the £9 million financial envelope);
2. That the financial case (as set out within the presented agenda report) and the borrowing of £9 million from the Public Works Loan Board (PWLB) to finance the regeneration project be approved;
3. That the spend of up to £450,000 be approved and funded from the Business Rates Retention Earmarked Reserve, recognising that these will be abortive costs if the project does not proceed at any given stage pre-construction;
4. That the Procurement Strategy and any associated contract awards be approved;
5. That the variation of parking tariffs be approved in principle, subject to final tariff design by the Head of Assets, in consultation with the lead Executive Member for Enterprise and the Leader of the Council; and
6. That authority be delegated to the Head of Assets, in consultation with the Director of Place and Enterprise and Monitoring Officer; to enter the Agreement for Lease (and the subsequent lease of 25 years + 15 years) with the proposed Foodstore tenant.

2.2 The cost of construction has been through a market testing exercise and RIBA (Royal Institute of British Architects) stages 1 to 4. The four stages are preparation and brief, conceptual design stage, spatial coordination and technical design stage. Stage 4 is the last stage before the construction phase. The September Executive report will set out the current construction cost which has been through the market testing exercise (RIBA Stage 4).

2.3 There is volatility within the interest rates available from PWLB (Public Works Loan Board) borrowing. Interest rates are being affected by various factors which are all in the mix such as uncertainty around future growth and inflation, Bank of England Base Rates, Brexit deal changes, future energy costs/supplies and the Russia/Ukraine conflict, the cost of living crisis and UK strike action. The September Executive report will set out latest rates and predictions on longer term interest borrowing rates.

### 3. Outcomes/Outputs

- 3.1 A verbal update will be provided at the Executive meeting on the planning decision of the scheme, which is being considered by the Development Management Committee on 6<sup>th</sup> July 2022.
- 3.2 A further report on the financial viability of the Ivybridge Regeneration scheme will be presented to the Executive meeting on 15<sup>th</sup> September 2022, further to the outcome of the planning decision. This report will set out the updated business case and financial viability of the scheme which will include the following:
- a. the full project budget based on the most recent estimate of construction costs which have been through a market testing exercise and RIBA (Royal Institute of British Architects) Stages 1 to 4,
  - b. the current borrowing costs from the Public Works Loans Board (PWLB) to finance the regeneration project and
  - c. the project's risk register.

### 4. Impact Assessment

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>There is an overriding duty toward prudent management of risk, members and officers, including the Council's section 151 officer, owe a fiduciary duty in relation to given transactions.</p> <p>The Council has the power under Section 123 of the Local Government Act 1972 to dispose of land in any manner they wish, including granting a lease for the best consideration. Negotiations for an agreement for lease are continuing. In the meantime, due diligence checks will be carried out as part of the development process.</p> <p>Any future development is subject to the normal Council planning process and any decision by Executive does not infer planning permission for the proposed developments would be granted.</p>
Financial implications to include reference to value for money	Y	<p>The financial implications were set out in detail as part of the Council report on 11 February 2021.</p> <p>This report recommends that a further report on the financial viability of the Ivybridge Regeneration scheme will be presented to the Executive meeting on 15<sup>th</sup> September 2022, further to the outcome of the planning decision.</p>

		<p>This report will set out the updated business case and financial viability of the scheme which will include the following:</p> <ol style="list-style-type: none"> <li>a. the full project budget based on the most recent estimate of construction costs which have been through a market testing exercise and RIBA (Royal Institute of British Architects) Stages 1 to 4,</li> <li>b. the current borrowing costs from the Public Works Loans Board (PWLB) to finance the regeneration project and</li> <li>c. the project's risk register.</li> </ol>
Risk	Y	All development projects carry risk. These are as previously reported, as reported above and in the Risk Register appended in Appendix 7 to the Council report on 11 February 2021.
Supporting Corporate Strategy		Investment Strategy and Treasury Management Strategy
Climate Change - Carbon / Biodiversity Impact		Aldi's UK and Ireland operation is carbon neutral. The council will utilise its procurement policy allows the tender process to consider the carbon footprint of the supply chain when awarding contracts. Furthermore, the Council will challenge the design team to utilise best practice in the design of the project (including material choices) to minimise embodied energy in the construction phase.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		There are no Equality and Diversity implications
Safeguarding		There are no Safeguarding implications
Community Safety, Crime and Disorder		There are implications crime and disorder reduction
Health, Safety and Wellbeing		There are no implications on Health, Safety and Wellbeing
Other implications		There are no other implications

**Background Papers:**

Ivybridge Regeneration Project – June & September 2020 Executive report, Council 11 February 2021