

## Torbay Technology Park

### Strategic Business Case (SOC)

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## Table of Contents

<b>1</b>	<b>INTRODUCTION.....</b>	<b>3</b>
1.1	PURPOSE OF THIS REPORT.....	3
1.2	EXECUTIVE SUMMARY .....	3
<b>2</b>	<b>STRATEGIC CASE.....</b>	<b>4</b>
2.1	THE CASE FOR CHANGE.....	4
2.1.1	Existing Arrangement .....	4
2.1.2	Business needs – current and future .....	4
2.1.3	Strategic need.....	5
2.2	OBJECTIVES .....	6
<b>3</b>	<b>OPTIONS APPRAISAL .....</b>	<b>7</b>
3.1	CRITICAL SUCCESS FACTORS.....	7
3.2	OPTIONS FOR CONSIDERATION .....	7
3.2.1	Option 1 Unit D Westfield Business Park.....	7
3.2.2	Option 2 Edginswell Business Park .....	10
3.2.3	Option 3 Site at Waddeton Road White Rock.....	12
3.3	PREFERRED OPTION.....	14
3.4	CONSTRAINTS .....	14
3.5	ASSUMPTIONS.....	14
<b>4</b>	<b>PROCUREMENT OVERVIEW.....</b>	<b>16</b>
4.1	ASSESSMENT OF PROCUREMENT NEEDS.....	16
4.2	PROCUREMENT STRATEGY ADVICE .....	18
4.3	CURRENT CONTRACTS IMPACTED.....	18
4.4	CONTRACT STRATEGY AND MANAGEMENT .....	18
<b>5</b>	<b>FINANCIAL CASE.....</b>	<b>19</b>
5.1	INTRODUCTION .....	19
5.2	PROJECT COST BREAKDOWN.....	19
5.3	FUNDING .....	20
5.4	FINANCIAL SUMMARY .....	20
<b>6</b>	<b>MANAGEMENT CASE.....</b>	<b>21</b>
6.1	GOVERNANCE .....	21
6.2	KEY STAKEHOLDERS.....	21
6.3	KEY MILESTONES.....	21
6.4	RISK MANAGEMENT .....	23
<b>APPENDIX A.</b>	<b>PROJECT TIER IDENTIFICATION CHECKLIST .....</b>	<b>24</b>
<b>APPENDIX B.</b>	<b>PROJECT SCHEDULE .....</b>	<b>25</b>
<b>APPENDIX C.</b>	<b>PROJECT RISKS .....</b>	<b>26</b>

## 1 Introduction

### 1.1 Purpose of this report

This Strategic Business Case (SOC) seeks to outline the Torbay Technology Park project (TTP) provide the detail on the next stage feasibility ahead of an Outline Business Case (OBC) and make recommendations.

A Project Initiation Document (PID) for the TTP was presented to Capital and Growth Board (CGB) in July 2024 and related to the acquisition of a site at Torbay Business Park. This acquisition has been unable to progress and this report seeks to set out 3 alternative options, together with a recommendation. The decisions required will be:

- To provide £50,000 of LUF3 funds to progress the feasibility of the recommended option, Unit D Westfield Business Park, Paignton,(Westfield Unit) to an OBC stage.
- To provide authority to progress the acquisition of the Westfield Unit within the budget criteria outlined.
- To provide authority to progress the acquisition of land at White Rock, as outlined in the report, at £2.4m, plus costs of acquisition. Further a budget of £90,000 will be authorised to progress a reserve scheme to RIBA stage 1.

### 1.2 Executive Summary

Torbay Council has been awarded £20M of Levelling Up Funding (LUF3) in round 3. The initial proposal was to deliver a Torbay Technology Park, to support inward investment and the growth of businesses in EPIC, together with a new Marine Hub in Brixham. The project was progressing with the acquisition of a site at the nearby Torbay Business Park (TBP) however this is now unable to proceed.

The Project Board has looked at 3 options to progress the project with some details previously presented to CGB and now outlined in this report. These were focused on providing approximately 22,000 sq ft of accommodation, in line with the grant requirements. The options considered the Council's own site at Edginswell Business Park, Torquay and land potentially to be acquired at White Rock, Paignton, which is in the immediate vicinity of EPIC. A third option has recently been proposed in respect of an existing business unit at the Westfield Business Park which provides approximately 19,000 sq ft of accommodation currently used as photonics R&D, production, with offices.

Following an analysis of these options it is recommended to proceed to a feasibility stage to audit the Westfield unit, outline proposed works and consider the business case for a freehold acquisition. Edginswell has not been recommended due to its location away from the EPIC / Paignton Hub and the White Rock site is not financially viable on the basis of the option parameters. It is estimated that the Westfield Unit's activities can be secured at approximately £6.5m. Delivery can be achieved within a period of approximately 18 months, in line with the grant requirements, and provide an annual income to the Council. This would leave a surplus capital from the LUF funding of approximately £3.5m. It is proposed to use this surplus for a qualifying activity, notably the acquisition of the White Rock land, providing a land bank. This would fulfil the requirements of the grant by facilitating the potential for more EPIC expansion, notably where the EPIC car park is developed to accommodate units and the land is used for associated parking and some housing.

Communications have continued with the EPIC Stakeholder Group and feedback on this recommendation is positive. It is considered that there would be immediate interest for current occupiers to occupy the Westfield Unit following refurbishment. In addition, the Economy Team have kept MHCLG informed of matters in respect of the grant conditions, notably in terms of outputs and timetable, therefore reducing any potential grant risk. Further work would be required in these matters during a feasibility period, when approved by CGB.

## 2 Strategic Case

### 2.1 The case for change

#### 2.1.1 Existing Arrangement

“Photonics is a £13.5 billion industry in the UK and microelectronics is as least as large again, with both projected to grow by more than 20% between 2020 and 2025” John Lincoln, Harlin Ltd (March 2021) Industry Report.

Torbay Council’s Electronics and Photonics Innovation Centre (EPIC) in Paignton is home to high growth R&D businesses, both local and foreign owned, primarily in the electronics and photonics sector. It is recognised as the ‘home & heartbeat’ of the photonics and micro electronics sector within Torbay. The centre is at full occupancy, ahead of forecast, with all of its 40 offices / labs occupied by 14 companies and 164 staff. A number of these businesses have achieved significant growth in the past year. Notably in the last year Bay Photonics have grown from 28 – 35 staff, Oriole Networks 2 – 41, Superb Media 21 – 35. In addition the centre management have been advised that businesses will continue to grow in the future, notably Bay Photonics (45 within 3 years, 60 within 5 years), Superb Media (80 within 3 years, 160 within 5 years), Oriole ( 80 within 3 years, 140 within 5 years). If the project is unable to accommodate these businesses there is a risk that these organisations will procure space elsewhere in the UK to support their growth aspirations.

The centre has been fully occupied for nearly a year and as a result company growth within the centre is constrained and it is unable to support new businesses in line with its business plan.

#### 2.1.2 Business needs – current and future

Planning where the EPIC tenants move to next is critical if we are to retain them in Torbay. These businesses plan to move from R&D to manufacturing and production in the short to medium term. Immediate grown on space is required to support these goals by providing a cost-effective solution to accommodate the expansion plans of several key businesses currently operating within EPIC and the broader Torbay area.

In addition the centre management have been advised that businesses will continue to grow in the future, notably Bay Photonics (45 within 3 years, 60 within 5 years), Superb Media (80 within 3 years, 160 within 5 years), Oriole ( 80 within 3 years, 140 within 5 years). If the project is unable to accommodate these businesses there is a risk that these organisations will procure space elsewhere in the UK to support their growth aspirations.

It is proposed that the recommended option at Westfield Business Park could accommodate some of this expansion in a year to 18 months time. The unit has been occupied by Lumentum from construction and therefore the unit was fitted out to support photonics and microelectronics. This option has the potential to provide a cost effective and fastest solution to these businesses.

## 2.1.3 Strategic need

Torbay's Economic Growth Strategy prioritises innovation-led growth, retaining high-value employment, and expanding capacity for the region's growing hi-tech cluster. In addition, it identifies the need to create more high value jobs to support economic growth and transform the local economy. The Tech Park Project will drive up employment, pay and productivity, reducing the gap between Torbay and higher performing areas, contributing towards an increase in economic performance.

The investment in the project will support growth in this sector, move more people into higher paid, high skilled, full-time work, raising living standards, productivity and employment.

In recent years South Devon College has developed a series of new electronics and photonics courses from level 3 to level 6. These were co-designed with local businesses. More recently, in collaboration with Bay Photonics, South Devon College has been awarded Innovate UK funding to develop a suite of new semi-conductor training courses that will further enhance the attractiveness of Torbay for investment in this sector. This increasing collaboration points towards the added benefits of creating new accommodation for this purpose.

### Corporate & Community Plan alignment

This project contributes towards the Economic Growth priority in the Corporate Plan and will deliver a specific outcome related to enabling a targeted approach towards inward investment which attracts new high tech companies.

### Torbay's Economic Growth Strategy 2022-2030

Torbay's Economic Growth Strategy contains 4 key priorities designed to transform the local economy, including to capitalise on Torbay's economic specialisms, including the electronics and photonics sector being one of them.

### Torbay Local Plan

The Plan identifies economic recovery and job growth as priorities, including in the fishing and electronics and photonics sectors. It also sets out the need for new and modern employment premises.

### Levelling Up Strategy

The project will boost productivity, earnings, jobs and living standards by growing the private sector, and specifically a high value, high skilled, high growth sector. It will stimulate innovation and productivity growth in Torbay and ultimately support closing the gap between Torbay's economic performance and that of its neighbours and the national economy.

Through investing in the electronics and photonics sector, there will be more opportunity for higher paid, higher skilled, full-time work, raising living standards, productivity, and employment.

There is a strong correlation between economy and health. If people have access to jobs and better jobs, this improves both health and wellbeing outcomes. This project will create more jobs and better paid jobs, and aligned to local training programmes, this will help people start or grow in these sectors, improving their employment chances, their living standards, and improving health and wellbeing.

Enabling the growth of the electronics and photonics cluster will further enhance the reputation of the sector locally, nationally, and internationally, building local pride.

### National Infrastructure Strategy

The programme will deliver infrastructure for new and better jobs in a peripheral coastal location. This helps with recovery, rebuilding and levelling-up.

## Build Back Better and Innovation Strategy

During 2021, the Government published Build Back Better and an Innovation Strategy. These both identify key transformative technologies needed to secure the UK's economic future. Photonics, quantum technology and electronics are one of the seven technology families needed to transform the country's economy.

The TTP will support Government aims as it will accommodate locally growing and foreign owned companies. This new infrastructure will further enable R&D and innovation, as well as manufacturing and production creating high value, high skilled jobs.

The growth of the electronics and photonics sector contributes to the Ten Point Plan for a Green Industrial Revolution, through creating communications technologies that reduce the need to travel, are lower energy and more efficient. EPIC is currently supporting the growth of companies, such as QLM operating in this environment undertaking R&D activity to help businesses achieve net zero.

## Economic Impact Analysis

A report was commissioned in May 25 to consider an economic impact assessment of the project (Hardisty Jones, Torbay Technology Park: Economic Impact of Site Options), notably in respect of the Edginswell and White Rock options as outlined in this report (e.g with £10m LUF contribution). In line with HM Treasury Green Book, the economic case for the project was assessed and was positive in respect of both options. Many of the reports findings are summarised in this SOC however the main conclusions were that;

- Both sites offer strong economic returns and address the lack of grow-on space for EPIC tenants.
- White Rock offers additional strategic and economic benefits due to co-location with EPIC.
- The options deliver medium value for money (VfM) over 30 years and high VfM over 60 years.
- Agglomeration effects at White Rock could further enhance job creation, wages, and GVA.
- Land value uplift, though unquantified, is expected to improve overall VfM.

## 2.2 Objectives

New purposed accommodation at the Westfield Unit will offer grow on space to support the growth of the electronics and photonics sector enabling hi tech scale up businesses to move from R&D stage into manufacturing and production. The project will also enable EPIC to accommodate new occupiers further supporting this sector. This growing ecosystem of space in the phase 1 EPIC location and wider Paignton will accelerate local growth and inward investment, develop Torbay's international reputation and lead to a step change in Torbay's Economy. This project will:

- Ensure electronics and photonics businesses can continue to grow in Torbay.
- Create a further circa 19,000 sq ft of dedicated space to accommodate the growth of this high value, high skilled sector. With the potential to deliver more TTP space adjacent to EPIC in a scheme incorporating the White Rock site.
- Create an electronics and photonics cluster (a form of campus both physical and virtual) through its proximity and collaboration with EPIC, the Hi-Tech Digital Centre and several hi tech businesses.
- Significantly enhance Torbay's reputation as a location for electronics and photonics
- Raise Torbay's productivity.
- Create more higher paid, higher skilled jobs in Torbay (the grant target was 100 jobs).
- Show that Torbay can accommodate R&D through to production.
- Increase the career options for our residents leading to better retention of talent.

## 3 Options Appraisal

### 3.1 Critical success factors

1. Dedicated space delivered in line with the requirements of the grant (The grant requirement was 22,000 sq ft).
2. Jobs created at the new facility and EPIC 1 in accordance with the requirements of the grant. (the grant requirement was 100)
3. Meet the current programme requirements of the grant (currently Mar 28)
4. Free up space in EPIC to accommodate new electronics and photonics, and other hi tech related start-ups further growing the sector.
5. Maintain momentum in the growth of Torbay's electronics and photonics cluster
6. An efficient delivery model that provides the opportunity for a diversification of funding (e.g into Brixham PIP or new space at White Rock)

### 3.2 Options for Consideration

#### 3.2.1 Option 1 Unit D Westfield Business Park

##### Description

Unit D, is a detached building on the Westfield Business Park extending to approximately 19,000 sq ft, gross with a net internal area of 17,000 sq ft. Built in approximately 2007 the unit is owned by Clyst Holdings Ltd (Clyst) and let on a lease to Lumentum until December 2027 at a current rent of approx. £220,000 (approx. £13 p sq ft NIA). An income range of approximately £12 p sq ft has been applied to this option in line with advice received from property consultants JLL.

The unit was built internally to Lumentum's specification, providing lab space and office accommodation. Since its heyday, where the building was fully occupied and accommodating over 100 staff the building is now only occupied in one quarter with approximately 20 staff. Lumentum have advised Clyst that they propose to fully vacate in October 25 and negotiations have commenced to agree a surrender premium and dilapidations settlement.

The unit is of steel frame construction with concrete flooring and metal composite cladding & roof. The internal specification is reasonable, including raised flooring on the first floor (only, solid floor at ground level), labs with antistatic flooring, suspended ceilings with insitu grid lighting. The accommodation is accessed from a central core incorporating a lift and communal toilets and stairs. Externally the building benefits from 80 dedicated spaces which is considered a good ratio.

The building has planning approval for a range of employment uses (falling within earlier Use Class designations of B1, B2 and B8) under planning consent P/2006/1851 and is anticipated to be a good fit for the range of activities proposed by the project's potential occupiers.

Initial discussions with Clyst has indicated that they would be willing to consider a sale of the building to the Council, with vacant possession, and work is underway to establish an appropriate valuation. However, with consideration to the current tenant, and how the transaction is structured, this is anticipated to be in the region of £2.9 to £3.5 m. If a deal can be concluded, then the building could receive a programme of work to accommodate current EPIC 1 occupiers, in a timeframe significantly better than the other 2 new build options. Key risks can also be determined earlier.

## Estimated costs to deliver the scheme

Unit D Westfield Business Park	Cost	Comment
Building Acquisition	£3,000,000	Net cost after receipt from tenant surrender premium
Main works	£2,500,000	To include M&E upgrades, sustainable energy features, upgraded lift, unit separation, new doors / partitions, fit out, plant room extension,
SDLT	£139,000	
Legals	£50,000	To support acquisition and project framework
Professional fees & Surveys	£200,000	Above feasibility
Feasibility	£50,000	
Contingency	£250,000	10% of main works
Construction Management	£37,500	
<b>Total</b>	<b>£6,226,500</b>	
<b>Costs to date</b>	<b>£94,373</b>	
<b>Balance</b>	<b>£6,320,873</b>	

### Advantages

- Provides a cost effective (notably in terms of grant) opportunity to purchase a quality building and provide an opportunity to locate current EPIC 1 tenants, freeing up space.
- Building is located in Paignton and not far from EPIC.
- The option has the potential to release over £3m of funding to support other grant initiatives.
- The building could be acquired and converted ready for occupation in 12 to 18 months
- The project can provide an income to support further investment.

### Disadvantages

- The Council does not have initial control over securing vacant possession.
- In terms of the grant requirements the building is under the stated 22,000 sq ft however initial discussions with MHCLG have been positive and approval is anticipated.
- The building will not accommodate fully private / exclusive accommodation as designed for in the TBP option, however it will fulfil anticipated occupier requirements. This work is ongoing.

## Conclusion

The option is recommended due to the location (EPIC / Paignton cluster area), income potential, programme and the potential to release a surplus from the budget.

Site – Unit D, Westfield Business Park		19,000 sq ft
<b>Expenditure</b>		<b>Notes</b>
Building Acquisition	£3,000,000	After tenants surrender income and dilaps (£500K)
Total Project cost	£3,500,000	Including purchasers costs, refurbishment, Design, statutory costs, improvements.
<b>Total Scheme Cost</b>	<b>£6,500,000</b>	
<b>Income</b>		
Grant LUF 3	£10,000,000	Gross p.a (16,500 sq ft @£12 p.s.f)
Borrowing Capital	£0	
<b>Total</b>	<b>£10,000,000</b>	£3.5m Unallocated LUF grant to be reallocated to a) Phase 2 tech park – Edginswell b) PIP project c) Brixham car park
Annual surplus/deficit after loan repayment	£178,200	90% of gross surplus
Programme		Start on site: Mar 26 PC: Aug 26 20 months ahead of grant deadline



## 3.2.2 Option 2 Edginswell Business Park

### Description

Torbay Council land at Edginswell Business Park. The land was fully enabled and serviced in 2023 with the assistance of a Getting Building Fund grant, together the construction of a Wickes Store.

The project proposes to construct 2 Single Storey buildings (F and G) to meet the current minimum requirement of the grant funding, with a total footprint of 22,000 sq ft. Unit G is two units for occupation, or can be 1 occupier. We have assumed one fitted unit of 6,394 sqft (G1) and a shell unit of 3,605 sq ft (G2). Total 10,000 sq ft. Unit F is also two units, or can be 1 occupier. We have assumed one fitted unit of 6,394 sq ft (F1) and a shell unit of 5,608 (F2) . total 12,000 sq ft(this does not utilise the whole site).

A budget of £1m is assumed to fit out the shell units, retrospectively, which would be cheaper if completed during the main works. The contract sum to a Tier 2 contractor would be approx. £8.9m

As a guide the initial rent would be over £300k p.a and the cost to borrow an initial extra £2m (assuming the project has £10m) would be £123 k p.a. Land costs and Enabling costs are £100 k p.a (historic borrowing). Therefore total £223k p.a

The additional £2m would include the budget to fit out the shell units which would then further increase the income potential.

The scheme has the potential to be delivered by November 2027 within the current grant deadline. .

### Advantages

- Would meet the requirements of the Getting Building Fund grant and contribute to the required LUF grant outcomes (e.g 22,000 sq ft and 100 jobs).
- The site is fully serviced, ground conditions are known and therefore construction & cost risk is significantly reduced.
- With regard to the scheme assumptions the project would make an annual surplus
- Excellent business park location, with prominence and good transport links.
- Despite not being in Paignton the location and option has received positive feedback from the EPIC Stakeholder Group and MHCLG.

### Disadvantages

- Site is in Torquay not the EPIC Paignton cluster..
- The scheme would require additional borrowing over the £10m allocated LUF 3 funding.
- Construction risk in progressing a new build.



## 3.2.3 Option 3 Site at Waddeton Road White Rock

### Description

The site at Waddeton Road, White Rock, Paignton extends to approximately 3.17 acres and is in the ownership of a 3<sup>rd</sup> party developer. The site which is opposite the Council's EPIC centre has for two years has been the subject of an undetermined planning application (ref P/2023/021) relating to the creation of 60 residential units and a small commercial unit. The issues outstanding on this determination include s106.

To consider this as a comparable option for the Torbay Tech Park it assumes the accommodation as outlined for the Edginswell Option (concept only) notably 22,000 sq ft. For the balance of the site it assumes a receipt of £900,000 from a Registered Housing Provider for an adjacent onsite residential scheme of approx. 24 affordable housing units, as advised by the Housing and Delivery Team.

In the spring of 2025 the Torbay Council Engineers have been commissioned to produce two reports, a Preliminary Review of Site Constraints and a Review of Abnormal Ground Conditions and Surface Water Drainage Arrangements. This has identified issues that include, unregistered land, construction and ongoing issues in respect of a substantial underground attenuation tank and challenging ground conditions.

In March 2025 Vickery Holman undertook a valuation that considered the site had a market value of £430,000 reflecting the live and undermined planning application. The valuers consider the live scheme to be 'sub optimal' and had undertaken a desktop scheme analysis with regard to an 'Optimal Scheme' which they valued at £2,675,000. With consideration to that hypothetical scheme they provided a market value of £2,410,000. The Optimal Scheme would need to be tested in light of the engineering reports, to determine the net developable area.

This report has reflected a figure of £2.4m to acquire the site.

### Advantages

- The site is situated opposite the Council's EPIC centre. The HJ Report outlines the potential benefits from the *'development of an agglomeration or colocated cluster of activity in electronics and photonics in Torbay. Co-location of the Technology Park with EPIC will create a higher profile than having them in separate locations'*.
- The site can fulfil the grant requirements of creating 22,000 sq ft and 100 jobs.
- Can support the delivery of an affordable housing scheme.

### Disadvantages

- The issues outlined in the two TC Engineers reports.
  - Ground conditions
  - Tank location and development restrictions
  - Impact of tank and condition. Uncertain maintenance liability
  - Unregistered land
  - Land requirements to maintain, repair or replace tank.
- The scheme would require additional capital borrowing of £6.152m over the £10m LUF 3 grant (total £7.342m if full site is considered).
- On the basis of the assumptions for development the scheme currently indicates an annual loss in terms of revenue over additional borrowing.
- Construction risk in progressing a new build
- The site cannot be delivered within the current grant delivery date of March 2028

## Conclusion

Based on the assumptions made for this example the option is not preferred, this is due to the additional borrowing required and the annual deficit in income. .

Site - White Rock		Approx 22,000 sq ft GIA
<b>Expenditure</b>		<b>Notes</b>
Net Land cost (excl Aff Housing element)	£1,650,000	Tech Park element only incl share of purchasers costs. £2.4m less affordable housing £900k = £1.5m plus 10% costs
Project Costs	£14,501,944	Incl £2.250m initial abnormals. As per QS report
<b>Total Scheme Cost</b>	<b>£16,151,944</b>	(full costs would be £14.5 m plus land £2.4m plus SDLT £200k plus costs £240k =£17.340m)
<b>Income</b>		Gross p.a. As advised by consultants
Grant LUF 3	£10,000,000	
Borrowing Capital	£6,151,944	
<b>Total</b>	<b>£16,151,944</b>	
		New Borrowing say £6.152m (not including affordable housing element). 40 years @6.04% approx. Total £369k p.a
Annual surplus/deficit after loan repayment	<b>-£67,000</b>	90% of gross surplus
Programme		Start on site: 11 <sup>th</sup> Jan 2027 PC: 21 <sup>st</sup> April 2028 1 month behind grant deadline



## **Proposal to Acquire**

It is proposed to acquire this site with the surplus balance of the £10m LUF 3 funding as it is considered that the site has the potential to provide additional accommodation to support the project. Notably where the EPIC car park is developed to provide units and the site is used to accommodate parking and ancillary requirements outside of the tank location. This would need to be progressed to a feasibility stage and the cost to progress this to RIBA Stage 1 is estimated to be approximately £90k (full details not contained in this report).

### **3.3 Preferred option**

It is proposed to progress the feasibility and acquisition of the Westfield Unit

- Market Valuation based on current condition with the assumption of vacant possession (the landlord to progress a surrender with the tenant Lumentum in the event that a deal can progress for the Council to purchase the unit)
- Mechanical & Electrical audit and options appraisal
- Architectural audit of current accommodation and options
- Develop costs with Quantity Surveyor
- Engineering audit and options

This work will include the progression of the negotiations with the building's owner and close liaison with the existing tenant.

The work will progress to the production of an Outline Business Case (OBC) with developed workable options and costs.

### **3.4 Constraints**

The next stage of the project is limited to the feasibility and to progress to the production of the OBC. The main constraints are;

- Managing reporting to MHCLG and the funding conditions of the grant
- Availability of the Westfield Unit
- Timelines in respect of progressing to an SOC in approximately 3 months
- Resources of consultants (agreed at time of drafting)

### **3.5 Assumptions**

#### **Finance**

The main financial assumptions are that £10m is initially apportioned to the Torbay Tech Park project from the LUF 3 allocation.

That the PWLB funding rates are as set out and agreed with Finance.

The project had previously been allocated £85,000 from the Capital programme and a further £50,000 is sought to progress the feasibility of the Westfield Unit.. A mechanism will need to be put in place to progress the authority to acquire the building at or before OBC.

Income rates in terms of rental income is being considered within the Westfield Unit valuation. However, in addition to this the project had commissioned a report from Property Consultants JLL in respect of

the brief, specification and leasing models for the Torbay Business Park option (JLL Torbay Tech Park Leasing Options, December 2024) which is considered relevant.

In the event that the Westfield project delivers savings on the £10m then this could be used to deliver the acquisition of the White Rock site (£2.4 m has been negotiated by colleagues).

## 4 Procurement overview

<Must have input from procurement>

### 4.1 Assessment of procurement needs

The following table outlines the scale of procurement activity and appointments to secure the previous TBP option and the options contained within this report. The table outlines the detail to deliver the Westfield feasibility and is considered sufficient to deliver the main contract works.

Description / Requirements	Estimated Full Cost	Estimated cost for Westfield Feasibility	Estimated start	Comments	Procurement Advice
Architect (Lead Designer and new Building Act Requirements)	£189,000	£7,000	Appointed July-24	Appointed from the Shared Business Service (SBS) Healthcare Planning, Construction consultancy and Ancillary Services Framework (Healthcare Framework)	Commercial Services Approved and contract has been completed by TC
Development Manager	£90,000	£10,000	Appointed Apr-24	From within the Council's Development and Project Management Team.	N/A
Structural Engineer (incl Drainage and part transport)	£99,000	£4,000	Appointed July-24	From within the Council's Engineering Team.	N/A
M & E Engineer	£120,000	£13,000	Appointed Oct -24	Appointed from the SBS Healthcare Framework	Commercial Services Approved and contract has been completed by TC
Cost Consultant	£60,000	£3,000	Appointed Sep -24	Appointed from the SBS Healthcare Framework	Commercial Services Approved and contract has been completed by TC
Project Management	£60,000	£3,000		TBC. From within the Council's Development and Project Management Team. Alternatively proposal from SBS Healthcare Framework has been approved.	Commercial Services have overseen SBS quote. Not yet executed.
Principal Designer / H&S	£21,000	£1,000	Appointed Sep-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	SAP submitted and approved for Single Quote appointment.
Fire Consultant	£5,000	£1,000	Aug-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Valuations (for White Rock Site and Westfield)	£5,500	£2,750	Mar 25	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Legal Contracts (partly in land acquisition)	£49,000	£3,250	Sep-24	Direct award form a public sector consultancy framework.	If advised by Legal Services that this cannot be provided in-house, award from appropriate public sector framework, instructed by Legal Services. Call-off in accordance with the framework rules this may require a further competition where direct award is not permitted or the Council cannot meet the conditions for a direct award.

Description / Requirements	Estimated Full Cost	Estimated cost for Westfield Feasibility	Estimated start	Comments	Procurement Advice
SBEM Assessor	£10,000	£2,000		In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
<b>Westfield Feasibility Sub Total</b>		<b>£50,000</b>			
Arboriculturist	£3,000	N/A	Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Planning Consultant	£6,000	N/A	Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Soft landscape Architect	£2,500	N/A	Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Strategic Landscape	10,000		Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Travel assessment / Travel Plan	£10,000		Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Ecology incl BNG	£2,000		Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Ecology conditions / actions provision	£4,000		May-25	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Energy and Sustainability Statements	£4,000		Oct-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
Topographical upgrade	£2,000		Aug-24	In accordance with the Council's procedures for an up to £25,000 appointment, notably single quote	Procurement procedure for below £25k spend, informal request for quote to minimum of 3 suppliers, where possible 2 to be local to Torbay.
<b>Total</b>	<b>£752,500</b>				

## 4.2 Procurement Strategy Advice

*To be completed by the procurement team*

Is included in the Assessment of Procurement Needs following advice from Clare Farquhar 24th July 25.

## 4.3 Current contracts impacted

- Notably the LUF 3 Funding Agreement and the revised processes agreed with MHCLG

## 4.4 Contract strategy and management

The feasibility work will consider the strategy to progress the main works contract. This is likely to be a traditional form of construction with the client's design team having undertaken the detailed design. Following which the contractor would be appointed on a JCT or NEC form of contract, following a competitive tender.

The negotiations with the current landowner are focused on the outline requirements for a Memorandum of Understanding (including issues around the current tenant, timetable and achieving vacant possession) leading to a contract for acquisition. The terms and appointments will be directed by the Council's in house legal team inline with current policy.

## 5 Financial case

### 5.1 Introduction

To date the project has spent approximately £94k including professional fees for solicitors, architect, M&E engineer, QS, valuations, principal designer, surveys and Torbay Council staff. The next stage feasibility is anticipated to cost approximately £50,000 taking the project through to the production of a Strategic Outline Case (SOC).

Finance have reviewed the options within this report. The feedback from Andrew Sherry (25<sup>th</sup> July 25) is as follows;

- The Edginswell and White Rock options have been previously reviewed with numbers and assumptions approved. .
- Westfield Unit purchase price needs to be determined and agreed.
- financial information contained within the summary provided to CAD is satisfactory and approval is provided to progress these options to CGB.

### 5.2 Project Cost Breakdown

It is estimated that the project to deliver the Wesfield Business Park project is approximately £6.5 m.

Description	% Fee	Value	Comments
Purchase costs		£3,000,000	
SDLT		£139,000	
Legals		£50,000	
Feasibility	2%	£50,000	<i>RIBA Stage 1 ( Prep &amp; Brief) / SOC</i>
Concept Design	2%	£50,000	<i>RIBA Stage 2 (Concept)</i>
Detailed Design	5%	£125,000	<i>RIBA Stage 3 (Spatial Coordination) Including Planning / OBC</i>
Technical Design	1%	£25,000	<i>Procurement RIBA Stage 4 (Technical Design) / FBC</i>
Construction Management	1.5%	£37,500	<i>RIBA Stage 5 (Construction)</i>
<b>Main Contract</b>		£2,500,000	<i>Expected overall contract costs. This is what you should base your % fees against for each stage.</i>
Contingency	10%	£250,000	<i>Should be a suggested amount based on a % of the project total to cover unidentified issues</i>
Risk budget		£	<i>Costs of any mitigation actions outlined in your Risk register. This should be in addition to contingency.</i>
<b>Total</b>		<b>£6,226,500</b>	Plus £94K spend to date

**Table 1 – Expected Costs**

The cost to deliver the White Rock site is estimated to be £2.4m, plus £200k SDLT and an estimated 10% acquisitions costs (£240k) therefore £2,840,000.

## 5.3 Funding

At the August 7<sup>th</sup> 2024 CGB meeting the PID referenced funding of £10,209,000 from the LUF 3 funding which was subsequently allocated to the Torbay Tech Park project.

## 5.4 Financial summary

On the assumption that the project has an allocation of £10,209,000 from LUF 3.

Available funding	Costs to date	Forecast costs	Balance (Contingency & Risk )
£10,209,000	£94,373	£ 6,226,500	£3,888,127

The remaining balance could be used to fund the purchase of the White Rock site at £2.4m (plus costs outlined).

**Table 2 – Financial Summary**

## 6 Management case

### 6.1 Governance

This project will be subject to monthly CGB RAG reports as a route for high level escalation of risks and issues. Following the consideration of the PID at CGB a project board will be convened monthly to assess the status of the project.

#### Project Board

Name	Title	Project Role / Area of Expertise
Liam Montgomery	Managing Director	SRO
Rich Scutt	EPIC Centre Director	Operational
Richard Sutton	Commercial Development Team Leader	Project Management
Carl Wyard	Head of Economy	Operational
Andrew Sherry	Head of Finance (TDA)	Financial oversight and scrutiny
Clare Farquhar	Procurement and Contracts Officer	Procurement
TBC		Comms & engagement
TBC		Planning

### 6.2 Key Stakeholders

The primary stakeholders at this stage are Torbay Council, MHCLG (grant reporting as required) and the EPIC Management Group.

### 6.3 Key milestones

Below are the indicative key milestones for the project to deliver the Westfield Project Option. The Programme is contained within the Appendix.

Westfield Unit			
Activity	Start	End	Comments
Design team audit and options appraisal	14/7/25	29/08/25	
Valuation	14/7/25	22/08/25	
Approval process to freehold offer	22/08/25	5/09/25	
Freehold negotiations	5/09/25	26/09/25	Agree MOU
Review of audit and options	29/08/25	26/09/25	
SOC	1/09/25	5/09/25	
Approve deal to acquire and progress to legals	8/09/25	19/9/25	

Westfield Unit			
Activity	Start	End	Comments
Legal work to acquire	22/09/25	7/11/25	This requires simultaneous agreement of tenants surrender premium
Outline initial approvals and costing	5/9/25	3/10/25	Following SOC
OBC	3/11/25	7/11/25	
Complete acquisition		7/11/25	
Detailed design of works	14/11/25	19/12/25	
Early stage contractor engagement	6/10/25	19/12/25	
Any planning and building regs, preparation and submission	03/10/25	28/11/25	
Determination for planning and B regs	1/12/25	2/02/26	
Prepare Tender works	8/12/25	19/12/25	
Issue Tender		09/01/26	
Viewings with prospective occupiers and lease negotiations	3/11/25	5/12/25	Based on initial design to inform detailed design
Tender period	09/01/26	6/02/26	
Evaluate tender	9/2/26	20/02/26	
FBC	2/3/26	6/3/26	
Award contract	20/2/26	6/3/26	
Commence works		9/3/26	
Lease negotiations	8/12/25	27/2/26	Agreement to lease
Lease legals	2/2/26	1/5/26	
Works on site	9/3/26	24/7/26	
Works PC		24/7/26	
Occupiers move in	24/7/26	28/08/26	

**Table 3 - Key Milestones**

## 6.4 Risk management

Risks will be reviewed and managed using a standard risk matrix. The initial risks identified and their mitigations at this stage have been provided in the Appendix. Key risks are outlined below;

Risk No	Risk Description	Current Status/ Mitigation/ Contingency
Rsk001	Unforeseen <b>building issues</b> impact the proposed works resulting in abnormal costs beyond forecast budget and cause delays	The project has an existing team (including architect, M&E Engineer, Engineer, QS) who will undertake an audit of the building and produce an options report focussing on what is required and achievable (cost, brief and programme). The options will be costed by the QS. Programme will be outlined ahead of SOC.
Rsk002	The <b>cost of the building</b> in terms of the Open Market Value and owners expectations impacts the acquisition and affordability	The Project has engaged with the owner to discuss expectation. A valuation has been commissioned by an appropriate valuer.
Rsk004	The option deliverables is not aligned with the initial grant requirements impacting the <b>grant terms</b>	The Economy Team is working with MHCLG to advise of the options and the feedback is positive in terms of size outputs and timetable.

**Appendix A. Project Tier Identification Checklist**



Appendix C. Project Risks

Risk Register  
Torbay Tech Park (Westfield)

Risk No	Risk Description	Probability	Impact	Risk Score	Response	Date Identified	Owner	Current Status/ Mitigation/ Contingency	Date Last Update	Status	Residual Probability	Residual Impact	Residual Risk Score	Date Closed	Issue Ref (If Applicable)
Rsk001	Unforeseen <b>building issues</b> impact the proposed works resulting in abnormal costs beyond forecast budget and cause delays	3	3	9	Contingency	25/07/2025	Project Board (PB), Project Manager (PM)	The project has an existing team (including architect, M&E Engineer, Engineer, QS) who will undertake an audit of the building and produce an options report focussing on what is required and achievable (cost, brief and programme). The options will be costed by the QS. Programme will be outlined ahead of SOC.	25/07/2025	Open	2	3	6		
Rsk002	The <b>cost of the building</b> in terms of the Open Market Value and owners expectations impacts the acquisition and affordability	3	4	12	Accept	25/07/2025	PB/PB DEV	The Project has engaged with the owner to discuss expectation. A valuation has been commissioned by an appropriate valuer.	25/07/2025	Open	3	3	9		
Rsk003	Building is unable to accommodate the Brief and / or the <b>stakeholder requirements</b> impacting opportunities to accommodate tenants. Would have an impact on the grant outputs and financial business case	2	4	8	Contingency	25/07/2025	PB/PB DEV	The project has worked with the EPIC Stakeholder Group to develop the requirements with the design team. Members have inspected the building and will do so in the feasibility period. Options report being developed for opportunities.	25/07/2025	Open	2	2	4		
Rsk004	The option deliverables is not aligned with the initial grant requirements impacting the <b>grant terms</b>	3	4	12	Accept	25/07/2025	PB Econ	The Economy Team is working with MHCLG to advise of the options and the feedback is positive in terms of size outputs and timetable.	25/07/2025	Open	2	3	6		
Rsk005	The owner and tenant fail to secure a surrender impacting <b>vacant possession</b> and timetable.	2	3	6	Accept	25/07/2025	PB	The Project has engaged with both the tenant and occupier on this matter. When the valuation and feasibility progresses the project will look to secure an MOU with the parties. Positive progression from the project will enhance the commercial case to secure VP.	25/07/2025	Open	2	2	4		
Rsk006	The Council doesn't have adequate <b>funding</b> to progress the opportunity impacting delivery	1	2	2	Avoid	25/07/2025	PB	The PID has outlined an acceptable business case in line with the LUF 3 funding. The PB will continue to monitor the funding and scope.	25/07/2025	Open	1	1	1		
Rsk007	<b>Inadequate resource</b> (including project resource and issues with construction) resulting in delay to scheme. (incl main contractor and sub-contractors)	2	4	8	Reduce	25/07/2025	PB	The Project has appointed a Design Team who are already engaged with known resources and costs. A strategy will be produced in respect of the main works required which will focus on risk and issues of resources.	25/07/2025	Open	2	3	6		
Rsk008	The options proposed (e.g Plant Room footprint and parking) cannot be secured from the current owner. <b>Owner Negotiations</b>	3	3	9	Contingency	25/07/2025	PB	The project is engaged with the owner to secure the requirements. Mitigation (e.g reduced scope) will be developed if all requirements cannot be secured.	25/07/2025	Open	1	2	2		
Rsk009	The project requirements require a new <b>Planning</b> application causing delay impacting cost.	2	2	4	Accept	25/07/2025	PB	The current planning approval as known is adequate in terms of form and Use. The feasibility will align the requirements with the current approval. If required the Planners will be contacted.	25/07/2025	Open	2	1	2		
Rsk010	The audit uncovers issues that require works to comply with acceptable <b>Building Regulations</b> and / or the proposed works require substantial improvements to comply.	2	4	8	Contingency	25/07/2025	PB	The building has an existing building regulations consent and is being examined. The audit is being undertaken. The mitigation strategy will include an options appraisal so the proposals could be amended.	25/07/2025	Open	2	2	4		