



BUSINESS CASE

Name of Project	Larkstone Watersports Commercial Complex
Organisation Wide or Service Area	Harbour /Car Parks/Property
Author	Capt. Georgina Carlo- Paat MBE
Date & Version	September 2022 V 1.1

Proposed start date	February 2022
Estimated completion date	May 2023
Estimated cost	£ 177,328.00

Once baselined this document is subject to change control.

Change Control Amendment Record .

Date	Version	Description	Sections affected

Approval/ circulation record .

Recipient	Project Role if applicable	Version	Date



Introduction to using this document

1 Project description

This section is to describe the project. It should be in sufficient detail for it to be understood by an uninitiated reader.

Background:

Construction of the Larkstone Watersports Centre commenced in April 2021 after nearly 10 years in the planning. The scheme was able to progress due to £3.2m worth of funding from the CCF, LEP and Sport England. The centre looks to provide facilities for visitors/residents to allow safe access to the water, to try out new watersports, hire equipment, receive tuition from qualified instructors, and train for sports qualifications, in activities ranging from kayaking, sailing and gig racing to sub-aqua diving and stand-up paddle-boarding. The centre will provide a base for 3 community-based watersports clubs as well as provide a physical focus for the area's private watersports operators.

Whilst the Watersports Centre will provide facilities for the community clubs, the space is constrained and does not allow for the development of complementary commercial activity. To enable the Watersports Centre to operate as an open and accessible facility for all, we need to develop commercial revenue streams to subsidise the community-based access and to ensure its future upkeep.

The main site is constrained due to its physical location resulting in a lack of space for storage, specialist vehicle parking and large safeguarded changing areas for commercial and educational groups. Alternative locations to provide this type of commercial facility close to the purposely designed and dedicated slipway in the vicinity of main site are severely limited.

During the main site build the opportunity was taken to regenerate the Old Lime Kiln, which was not included within the original funding. To bring it back into use as a storage area, initially for the commercial element of the Hub, after initial exploratory works it was determined that although the Kiln is in a good state of repair the internal space itself would not be adequate for the needs of the commercial operators but would be ideal for the necessary equipment required by the Harbour staff for the sites upkeep, the season buoyage required for Safety of Navigation needs and to store the mandatory Stop Log for tidal flood defences which has now been incorporated into the Watersports main budget. Alongside its use as a storage space for the Harbour staff use, the Lime Kiln structure offers a spectacular viewing point from its roof which would be an ideal location for the use of a safe viewing platform for the commercial operators, clubs and visitors. The opportunity to use this space, and link it to the café in the main building for 'overflow' use is set out in a separate PAG that complements this one. By taking the opportunity to do these works before the Hub opens would greatly add to the overall venue experience, safety and the aesthetics for all.

We have secured interest from local businesses who want to use this proposed commercial facility and slipway on a regular basis. We also have secured interest from local schools and the regional Scouts, who want to use this proposed site as a local Hub. There is no space to



accommodate this need on the main site but this proposal will deliver a suitable facility with easy access to the slipway.

The Proposal:

The proposed new facility will provide a secure access controlled area for parking of the commercial/ non for profit groups/ external schools vehicles, minibuses and trailers. A 20ft container storage will provide space for 4 of the interested parties with a further 2 converted 20ft containers providing a changing room/ briefing area. The storage containers will be blended into the adjoining Gardens with complimentary wooden cladding and green living roofs, and additional planting throughout the site.

Over the last 18 months the area that forms this proposal has housed the works compound and site office for the main site construction and has therefore blocked vehicle access from the harbour to Marine Drive car park. The decision to house the site office/compound on Marine Drive Car Park was taken in part due to its under-use. We have seen spaces within neighbouring car parks, such as Larkstone and Hillsborough having increased use during this time. Taking the generated figures from both these car parks since the works compound was installed shows an overall increase of parking revenue of £39,540.00 when compared to previous years before work started on the Watersports Hub.

This is in line with the Ilfracombe Regeneration Boards work to detract parking in the main harbour and the Pier which causes issues with congestion and public safety on Quay Road. Although this proposed project will utilise the Upper Marine Drive Car Park those vehicles, as seen during the main site build, would be displaced to either Larkstone or Hillsborough Car Parks and the through road access from The Cove to both these car parks will be re-established on completion of the main site build and maintained thereafter. This project therefore supports this principle going forward.

2 Objectives and purpose

Does this project work towards achieving one or more of our corporate objectives? Please ✓ yes or no to all that apply	Yes	No
Achieve Financial Security / Commercialisation Approach		
Our Capital Spending Decisions should focus on achieving at least one of the following 3 drivers		
Revenue Generation / Invest to Earn Land, property, rental, green energy, schemes that grow our business rates or enable existing revenue streams to remain viable	✓	
Invest to Save: New technology and/or redesign services to reduce demand		✓
Social Value: Collective benefit to a community	✓	
Customer Centric & Digital Approach		
	✓	
Environment		
Carbon Reduction	✓	
North Devon Futures / Partnership / Collaborative Approach		
Part of a Wider Programme of Projects	✓	

Does this project work towards achieving one or more of our corporate objectives? Please ✓ yes or no to all that apply	Yes	No
Organisational Development		
Development and expansion of the harbour team and harbour activity	✓	

Please detail how this project contributes to any of the Council's strategies, plans or programmes?

- Commercialisation Strategy
- Delivery of the Place Property and Regeneration Programme
- Asset Management Strategy (although this is still in rewriting stage)
- Car Parks Strategy
- Ilfracombe Town and Harbour regeneration
- Ensuring a safe environment for the public and community

Do you have any community engagement / consultation results that support this project?

Emails from commercial operators, local Scouts, local schools and charities confirming their intention to operate from the complex based upon the outline intentions.

Is the Council required to do this project please ✓ yes or no	Yes	No
Legal or statutory duty		✓
Staff health & safety		✓
Maintenance of a council asset		✓
Service maintenance / improvement	✓	
Public health & safety, if yes complete table below		✓

Please explain why the Council is required to do this project?

- To boost the ability for the Watersports Centre to be financially viable whilst still being able to provide flexible rates to the watersports club and community activity by providing further commercial income streams
- To support and provide business opportunities for local water sports providers to grow and also encourage new starters in the marine/leisure sectors

- To enhance the opportunities for educational and club activities with this further facility encouraging greater take-up of watersports as part of a healthy lifestyle
- Develop Ilfracombe as the premier location for watersports activity, training, events and regattas, adding to the tourism offer throughout the year and supporting the hospitality sector

If there is a risk of death or maiming if the project is not approved, please ✓ the appropriate likelihood statement

Highly unlikely ✓ Possible but unlikely Probable Virtually certain / difficult to predict

If 'Probable' or 'Virtually certain / difficult to predict' please describe in greater detail

3 Options

This section should describe in outline the various options that have been considered. Provide a brief description, reasons, benefits and risks of each the different options (including the option 'to do nothing') considered for the project including a recommendation of the chosen option.

Option	Description	Reasons	Benefits	Risks
No.1	Do nothing	Most cost effective short term	No cost	The commercial providers may look to take their business elsewhere which may then be in competition with the Watersports Centre rather than complement it
No.2	Create a secure compound only	Reduced financial outlay	Area for commercial operators to store vans and trailers adjacent to water sport centre.	Limited revenue generation opportunity
No.3	Complete the complex as proposed	Most cost effective in the long term. Enhances Water sports complex assets and facilities for users & Public. Promotes council core objectives for the environment. Adds additional revenue stream.	Medium to Long term financial benefits. Will provide fit for purpose facilities for commercial/non for profit and educational groups. An organised watersports offer for the public Will maximise usage of the water sports complex.	Risk to capital investment should operators not fore fill their declared usage.

Option	Description	Reasons	Benefits	Risks
			Business opportunities for local water sports providers. Creating a sustainable facility	

Recommendation: *The reason Option No. 3 has been chosen is because it ensures maximum use of the Water sport complex including the café, by the clubs, residents and visitors. It will provide a regular income stream and will provide local businesses with a safe, secure base to operate from and grow whilst also enhancing and boosting the funding obligations, and provide an organised offer for the public.*

For the remainder of the Business Case - Sections 4.0 to 10.0 should be completed only for the Chosen Option.

4 Project approach

The solution will be provided by

- In-house staff for design, planning and supervision.
- External suppliers for the required materials through the Procurement Portal
- Use of external contractor to carry out the works through the Procurement Portal

5 Quantified benefits & dis-benefits expected

Benefit description	How will this be measured	Who will benefit	When
Location for commercial water sports operators and external clubs/educational establishments to work from	The number of operators making use of the facilities and frequency of usage	Commercial water sports operators and external Clubs/educational establishments Residents and visitors to the town	September 2023
Enhanced use of the water sports complex by the clubs, residents and visitors	Usage of the site by recording footfall and uptake of services being offered.	Commercial water sports operators and Hub Cafe Residents and visitors to the town	September 2023

Benefit description	How will this be measured	Who will benefit	When
Greater provision of and access to water sport participation opportunities	Revenue from commercial operators. Recording footfall	Commercial water sports operators and Hub café Residents and visitors to the town	September 2023
Provision of suitable safeguarded changing facilities	Incident statistics	Commercial water sports operators and external Clubs/educational establishments Residents and visitors to the town	September 2023

6 Key risks¹

The Project manager will be notified formally or informally of any risks that have been identified throughout the project; these will then be captured on the R.I.C&LL log and regularly reviewed and updated.

Impact guidance	Likelihood guidance
High Major implications to delivery of the project or service failure	High Almost certain, 90%
Medium Moderate implications	Medium Probable chance, 50:50
Low Minor / insignificant implications	Low Possible but unlikely

Risk No	Risk Description	Impact High Medium Low	Likelihood High Medium Low	Mitigating actions required
R1				
R1	Cause: Funds are not available Risk: Unable to proceed with project . Consequence: <ul style="list-style-type: none"> - Reduced commercial opportunity for water sports centre 	High	High	<i>None</i>

¹ An uncertain event or set of events, that should it/they occur, will have an impact on the achievement of objectives, whether positive opportunity or negative threat.

Risk No	Risk Description	Impact High Medium Low	Likelihood High Medium Low	Mitigating actions required
	- Loss of participation opportunity			
R3	Cause: Delayed Supply of products Risk: Project is stalled awaiting products Consequence: Project does not allow for operations in the 2023 season	High	Medium	<i>Ordering of products required in time. Efficient and effective Project Management</i>
R4	Cause: More work than anticipated is required and is discovered during project Risk: Additional expense and project is stalled. Consequence: Project does not allow for operations in the 2023 season.	Medium	Medium	<i>Contractor appointed to be capable of carrying out all unforeseen works. Efficient and effective Project Management</i>
R5	Cause: Delay or failure to achieve planning permission Risk: Project cannot proceed	High	Medium	<i>The Planning Application demonstrates mitigating and managed treatment to the surrounding area. The planning process understands the commercial, economic and social need for the scheme</i>

7 Key issues²

The Project manager will be notified formally or informally of any issues that occur throughout the project; these will then be captured also in the log and regularly reviewed and updated.

Issue No	Issue description & implications	Current Impact High Medium Low	Remedial actions required
I.01	Cause: Issue:		As above

² A relevant event that has happened, was not planned, and requires management action.

Issue No	Issue description & implications	Current Impact High Medium Low	Remedial actions required
	Consequence:		

8 Quantified benefits expected

Benefit description	How will this be measured	Who will benefit	When
Supply of storage units for commercial water sports operators	Uptake of units and frequency of usage	Commercial water sports operators and external Clubs/educational establishments	May 2023
Enhanced use of the water sports main site and cafe	Usage of the site by recording footfall and uptake of services being offered.	Commercial water sports operators, Hub Café and general Public and local residents.	September 2023
Provision of water sport participation opportunities	Revenue from commercial operators. Footfall recording.	Commercial water sports operators ,Hub Café and general Public and residents	September 2023
Provision of suitable safeguarded changing facilities	Usage of rooms and reported Incident statistics	Commercial water sports operators and external Clubs/educational establishments	September 2023

9 Costs³

Capital costs (please itemise if possible)	2021/22	2022/23	2023/24	2024/25
(a) Capital expenditure (£000's)				
2 x 20ft changing room container		31,500.00		
4 x 20ft storage container		38,940.00		
Container levelling system		1,000.00		

³ If the business case is approved an accountant must be assigned as part of the project structure to assist with the financial management of the project.

Capital costs (please itemise if possible)	2021/22	2022/23	2023/24	2024/25
Living Roof for 4 containers		3,500.00		
Roof between changing rooms		18,000.00		
Pile fender seating prep & delivery		1,500.00		
Electrical installation		5,000.00		
Compound fence and gate		30,000.00		
Water supply installation		2,000.00		
External racking for kayaks/SUP		5,000.00		
CCTV		2,000.00		
Access control system		4,000.00		
Container Access Ramps		8,000.00		
Building Cost Inflation @10%		11,844.00		
Contingency @10%		15,044.00		
(b) Capital contributions / Funding (£000's)		0		
Net capital costs (£000's) (a) - (b)		177,328.00		
(c) Annual expenditure (£000's)				
Business rates for changing area			300.0	300.0
Water usage			< 50.0	<50.0
Loss of Upper Marine Drive Car Park revenue as per Car Parks calculations.			7,067.0	7,067.0
(d) Annual income (£000's)	x	x	x	x
Commercial storage container rental & Licence to operate (3)			4,500.0	4,500.0
Commercial Pay per Head charge based on 2 current operators for 116 operating days per year and an average charge of £2.00 (£2.50 Public,£1.50 Educational)			20,912.0	20,912.0
External Club storage container rental & Licence to operate			750.0	750.0
Trailer Licence based on 1 current tenant			250.0	250.0
(e) Annual savings (£000's)				
Net annual revenue (£000's) (c) - (d) – (e)			-18995.0	-18995.0

Funding

N/A

Staffing

Include details of any additional resources which would be required to deliver the Project e.g. consultants, staff, materials, equipment, ICT, accommodation.

Construction work to be completed by appointed contractor.

Design, project management, supervision & CDM to be undertaken in-house.

ICT to set up access control interface with NDC network

No other resources envisaged.

10 Timescales / products⁴

Key products	Completion date	Producer
Purchasing of Products required	Winter 22/23	In – house
Product Installation	Spring 23	In-house with nominated contractors
Project completion	End May 2023	In- House

11 Impacts / dependencies

This section should be used to consider both internal and external impacts if approval is given. The information contained here will assist in the creation of a communications strategy that sets out the means and frequency of communication between the project and the project's stakeholders.

1. Identify any Privacy Impacts this project may have.
2. Identify any Community Impacts this project may have. A full EINA may be required
3. Identify any proposed service changes that may require community engagement.

Who will be impacted by this project – internally and externally	How will they be impacted and is this + or –	Strategy for dealing with impact
Privacy Impacts - PIA	n/a	
Community - EINA	+ overall - During time of works	Advanced warning of works on site Advise through Social Media
Customers	+ overall - During time of works	Advise Harbour users & car park users through advanced warning signs on site.
Members	+	
Finance	+ overall	

⁴ Once the business case has been approved a full detailed project plan will be prepared and this section updated in accordance with that plan.

Who will be impacted by this project – internally and externally	How will they be impacted and is this + or –	Strategy for dealing with impact
Legal	<ul style="list-style-type: none"> - In the short term during procurement process - Commercial Leases/Licences 	Ensure procurement policy is followed to reduce workload
Procurement	<ul style="list-style-type: none"> - In the short term during procurement process 	Ensure procurement policy is followed to reduce workload
Corporate Support Planning	<ul style="list-style-type: none"> - Undertaking planning process+ 	Comprehensive application
Services?	+ overall <ul style="list-style-type: none"> - During time of works 	Advanced warning of works to reduce impact of possible disruption to services

12 Consultees

This Business Case must be sent to the following consultees before submission

Consultee	Date consulted	Consultee comments, and any response by author (<i>In italics</i>)
Monitoring Officer: Simon Fuller		
VAT Implications: Adam Tape	7/10/22	The supply of parking, storage and use of facilities would be taxable or non-business, allowing VAT recovery. Any supply of education or leasing of the complex may give rise to VAT issues and the potential for irrecoverable VAT. I would suggest a further discussion on the project post approval to review in more detail.
Head of Service if project Service Specific		
Physical Asset Management:		
Procurement and/or Data Protection: Simon Fuller		
ICT (Where appropriate): Nina Lake	N/A	
Corporate Support Community Engagement (if appropriate): Bev Triggs		
Senior Management Team: Final consultation		





Date business case approved by PAG & Senior Management Team	
Name of Sponsor assigned	
Name of Project Manager assigned	

If you have gained approval for this project you can now proceed to the Project Initiation Phase. Please complete the rest of this document to provide a full Project Initiation Document + project plan & R.I.C&LL Log.