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URBAN RENEWAL IN DEVON'S TOWNS

Outline Business Case for Okehampton

April 2023





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Document control

JOB NUMBER	VERSION NUMBER	APPROVED BY	DATE
2112 02	1.0	GMJ	06/04/2023

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1 Introduction

1.1 This chapter sets out:

- The context for the project
- A description of the proposed projects

Context

1.2 As part of Devon County Council's programme for Urban Renewal in Okehampton, a regeneration strategy was prepared, which identifies a set of projects to promote economic change in the town. This includes a range of short-term, medium-term, and long-term projects aimed at tackling local challenges and barriers to growth, and harnessing potential opportunities. Included in these is a multi-faceted approach to position Okehampton as a Gateway to Dartmoor and as a green outdoor adventure hub.

The proposed projects

1.3 The approach comprises a range of projects, including:

- A marketing campaign, consisting of social media promotion, a town app, and coordination with Visit Dartmoor and Dartmoor National Park Authority to help raise Okehampton's profile as a Gateway to Dartmoor and a green outdoor adventure hub, in particular to encourage more overnight stays and day-trips to the town from those visiting Dartmoor.
- Business support, particularly for the leisure and hospitality sectors, in the form of social media and marketing training to ensure local businesses can harness economic benefits from Okehampton's strategic location as a Gateway to Dartmoor and its proximity to Exeter.
- Development of a programme of events in the shoulder months of the year to increase year-round town centre footfall of both residents and visitors.
- Delivery of leisure and employment developments (e.g. hotels, workshops, shops), either individually or as part of mixed-use developments. This also includes a potential new mountain bike park, linked to the Granite Way which starts at Okehampton Train Station.

1.4 The overarching economic objective of these projects is to bring increased year-round footfall and spend to the town centre, in-turn generating additional employment and wider economic benefits for the town.

1.5 The following report sets out the high-level business case for these projects. Although the projects are presented together, it is possible for these to be separated and pursued as individual projects for funding bids.

2 Strategic Case

2.1 The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit with local, regional, and national policies.

2.2 This chapter sets out:

- The policy context, and how this project contributes to meeting local policy objectives
- The case for change that this project engenders
- The market failure this project is helping to address
- The objectives for the project
- The risks, constraints, and dependencies associated with this project

Policy Context

Okehampton Regeneration Strategy

2.3 As part of Devon County Council's programme for Urban Renewal in Devon's Towns, a regeneration board was formed in Okehampton, made up of stakeholders including local business owners, education providers and representatives from the District, Town and Parish Councils. This strategy was produced following extensive consultation with the board on local strengths, challenges, and opportunities for growth in the town. The strategy identifies declining employment in the town as a barrier to growth, and highlights Okehampton's proximity to Dartmoor and Exeter and the delivery of the new railway station as key opportunities for the future of the town.

2.4 A set of projects for renewal which align with the barriers and opportunities for growth in Okehampton have been identified. A multi element approach to positioning Okehampton as a Gateway to Dartmoor, with a particular focus on creating a green outdoor adventure hub, was identified as a project to bring significant economic benefits to the town.

Plymouth & South West Devon Joint Local Plan 2014 – 2034

2.5 The Joint Local Plan (JLP) recognises Okehampton as a main town, which is a settlement prioritised for growth to enable strong levels of self-containment and provide a broad range of services for the wider area.

2.6 Okehampton is noted as an "important gateway to the moor and the town's setting is heavily influenced by this green and expansive landscape". Its location, close to Dartmoor and Exeter, enables good opportunities for business and commercial development, as well as for tourism. The Plan sets spatial priorities for development in Okehampton, including:

- Fully recognising the strategic location of Okehampton for employment growth
- Maintaining and enhancing strong physical and visual connections between the town and the surrounding countryside, including Dartmoor National Park

2.7 Economic objectives for the wider JLP area include delivering growth that links rural and urban areas, which helps makes the area attractive to residents and tourists. Specific policies in favour of the initiatives proposed in this business case include:

- Policy DEVI7 for promoting competitive town centres supports the provision of events, festivals, weekly and permanent markets and other such initiatives

- Policy SPT5 favourably considers proposals which meet needs for retail development, particularly those which support sustainable linked neighbourhoods and sustainable rural communities.
- Policy DEV3 for sport and recreation is supportive of opportunities for sport, physical activity and active leisure, particularly the creation of new facilities where a need has been identified. This policy is also supportive of protecting, enhancing and creating new public rights of way.

2.8 Initiatives to position Okehampton as the Gateway to Dartmoor, through events programmes, marketing and social media promotion, retail developments and new leisure attractions including a mountain bike park, will support policies and objectives of the Plymouth and South West Devon JLP.

Okehampton Town and Hamlets Neighbourhood Plan

2.9 A Regulation 14 Draft of the Okehampton Town and Hamlets Neighbourhood Plan was approved in January 2023¹. This plan covers Okehampton and Okehampton Hamlets (the vast majority of which is within the Dartmoor National Park Authority area).

2.10 Key objectives of the Neighbourhood plan include:

- Creating an environment that makes it attractive for businesses and tourism to flourish.
- Support the retention and improvement of existing employment space and encourage a range of further businesses

2.11 Specific policies supportive of the proposals outlined in this business case are:

- Policy PP8 for Green Infrastructure is supportive of development proposals which include measures to enhance, extend and connect walking and cycling infrastructure, and developments which safeguard and where possible enhance biodiversity and wildlife opportunities.
- Policy PPI3 for Tourism development is supportive of proposals for the development and expansion of tourism related businesses, providing that; the scale of development is small and proportionate to existing activity and the immediate locality, they do not have a significant adverse impact on the landscape and are mitigated by extensive landscaping and visual screening, and access issues are addressed.
- Policy PPI1 supports proposals for the creation of workshops to support small and medium sized local businesses.

2.12 Positioning Okehampton as a green outdoor adventure hub in Devon through leisure developments such as a mountain bike park, as an extension to the Granite Way will support policy PP8 and PPI3. The delivery of small workshops to support local businesses is in alignment with policy PPI1 of the Okehampton Neighbourhood Plan.

Dartmoor Local Plan

2.13 The Dartmoor Local Plan² is supportive of tourism development, including visitor attractions and outdoor pursuits. This is set out in Strategic Policy 5.1 for non-residential business and tourism development, which states that “*non-residential business and tourism development will be acceptable in principle within or adjoining Local Centres and Rural Settlements*”.

¹ Post Regulation 14 Draft Okehampton Town and Hamlets Neighbourhood Plan 2019-2034. <https://okehamptonneighbourhoodplan.com>

² Dartmoor National Park Local Authority (2021). Dartmoor Local Plan 2018 – 2036.



2.14 Proposed initiatives for leisure developments, including a mountain bike park, align with Dartmoor Local Plan policies for tourism development. Positioning Okehampton as the Gateway to Dartmoor, providing business support to the local hospitality sector and supporting new accommodation developments will help the town accommodate more stays from those visiting Dartmoor. As there are limitations to new tourism accommodation in Dartmoor, catering to this demand outside the park boundary will enable more visits to the park without the need for new developments.

Other Planned Investments

2.15 West Devon Borough Council was awarded £13.4 million of Levelling Up Funding in January 2023 for a new railway station on the edge of Okehampton, along with cycle facilities and electric vehicle charging points to promote active and green travel. The scheme presents an opportunity to transform Okehampton and the surrounding hamlets into a multi-modal travel exchange for the wider county and will help position the town as a Gateway to Dartmoor and central Devon. The new railway station will support an increase in the numbers of visitors to the town, for tourism and business purposes, and will allow car free access to the moor.

2.16 In recent years Okehampton has seen significant housing growth, resulting in a 15% increase in the size of the local population. A larger population is likely to generate more spending in local businesses, including in hospitality and leisure sectors, as well as providing a wider pool of potential workers to recruit from. Further housing developments are planned in Okehampton, demonstrating that the town is growing and is well placed to become a Gateway to Dartmoor and hub for central Devon.

2.17 Dartmoor National Park is currently preparing an application for National Lottery Heritage Funding for a wide ranging Partnership Programme, named Dartmoor Dynamic Landscapes, which aims to tackle the climate and ecological crisis, health & wellbeing needs and social deprivation including rural isolation. The programme will focus on Okehampton as one of three gateway towns to Dartmoor, aiming to improve accessibility to the Moor, increase active travel and outdoor activities, and to engage the town to play a greater role in the Dartmoor visitor economy.

The Case for Change

Challenge: Declining employment

2.18 Between 2015 and 2020, Okehampton saw a 10% decline in employment. This is a significant decline, compared with the 3% rise seen over the same period for the South West as a whole, and even the average 3% decline seen across all 25 towns in Devon over the same period³. The delivery of the wider approach positioning Okehampton as the Gateway to Dartmoor and as a green outdoor adventure hub will help to tackle this decline in employment.

Opportunity: Extending the tourism season

2.19 Okehampton has a relatively high concentration of employment in tourism related sectors compared with the average for towns in Devon⁴. It has been suggested that employers in these sectors often struggle to support year-round employment, which results in a high proportion of

³ Source: ONS Business Register and Employment Survey.

⁴ Tourism related sectors typically include Retail, Food & Accommodation and Arts, Entertainment & Recreation



seasonal low paid jobs. There is therefore a need to help extend the tourism season to support more year-round employment. A marketing campaign comprising social media promotion, a town app, and coordination with Visit Dartmoor and Dartmoor National Park Authority to capitalise on Okehampton's strategic location and promote the town as a Gateway to Dartmoor and a green outdoor adventure hub will help attract more visitors and spend to the town outside of the summer season, in-turn helping to support year-round employment. Delivery of an events programme in the shoulder months of the peak summer season, complementing those which exist already, will support increased year-round footfall, visitors and spend in Okehampton. Providing business support in the form of social media and marketing training will help to ensure that local employers in the tourism sector are engaged with the wider promotion of the town, and are well placed to benefit from increased visitor numbers. Development of a mountain bike park, open year round, will help attract more visitors to the area, which will generate spend in local hospitality businesses throughout the year.

Opportunity: Physical developments

2.20 It has been suggested that the recent opening of Okehampton railway station has contributed to the decline in employment in Okehampton, as workers can now more easily commute to Exeter for work. Despite this, local stakeholders believe that better connections with Exeter have generated net benefits for Okehampton, through increased visitor numbers and improved access to high quality jobs. Interventions are required to ensure that local businesses benefit from connections to Exeter and local employment infrastructure is sufficient to support growth. The provision of new employment space through physical site developments will help generate additional employment in Okehampton. A potential key site for development is the former Pie Factory on the North Road Industrial Estate, which recently closed down. Developing this site into a mixed-use employment space for light industrial units/workshops and small flexible offices will help provide grow-on space for local SME's, stimulating business growth and generating additional employment. Other potential physical developments include establishing a retail offer around cycling, walking and outdoor adventure as well as a new hotel to accommodate visitors. Developing a new mountain bike park will generate additional employment, through both the construction and operation/maintenance of the park. The park will support ambitions to position Okehampton as an outdoor adventure hub in Devon. In addition, land value uplift benefits can be gained through physical site developments.

Opportunity: Strategic green location

2.21 The opportunities outlined above will be supported by the recent reopening of Okehampton railway station and the upcoming delivery of a new parkway railway station on the eastern edge of the town. Active and low carbon travel options connecting the stations to the town centre are also planned. Together, these investments will facilitate fast and regular connections with Exeter, as well as engaging more residents from the surrounding hinterland with the town centre. They will help position Okehampton as an outdoor adventure hub on the edge of Dartmoor which can be accessed without the need for a car. This is a unique position upon which the above opportunities can capitalise, particularly the marketing campaign in its promotion of Okehampton as a Gateway to Dartmoor and a green outdoor adventure hub.



Market Failure

2.22 The promotion and development of Okehampton generates positive externalities through the wider benefits it brings to local businesses. These positive externalities are not valued by any one business, and therefore require public sector intervention to ensure delivery. Physical site developments for employment space generate positive externalities, but often are not commercially viable so require public intervention to ensure delivery.

Vision and Objectives

2.23 By 2028, Okehampton will be known as a Gateway to Dartmoor, attracting high-quality tourism throughout the year for cycling, walking and other outdoor activities including mountain biking. A variety of events and markets will be held across the year showcasing local artists, crafts and produce. Local shops, cafes, restaurants, and hotels will benefit from increased visitor numbers and spend, which help to generate more year-round employment. As a result of successful ongoing promotion of the town, Okehampton town centre will be vibrant, and enjoy higher footfall from local residents and visitors from further afield who utilise the Okehampton and parkway train stations and active travel facilities to access the town. New physical developments, including a mountain bike park, an outdoor adventure shop and grow-on space for SME's will help support existing businesses, as well as generate additional employment growth.

Objectives

- Increased town centre footfall
- Increased spending in the town
- Increased employment in Okehampton
- Raised profile of Okehampton as Gateway to Dartmoor and green outdoor adventure hub
- Deliver physical developments, including a mountain bike park
- Capitalise on Okehampton's strategic location and low carbon accessibility

Risks, Constraints and Dependencies

2.24 A risk surrounds the scale of these projects. At this stage, the details of the projects have not been set out and therefore there are a number of unknown risks which are likely to arise as the projects are progressed.

2.25 Progressing this project is dependent on coordination between various stakeholders and groups, including the Okehampton Regeneration Board, local businesses, and the Town, Parish, District, and County Councils.

3 Economic Case

3.1 The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

3.2 This chapter sets out:

- The long-list of options considered for this project
- The preferred option
- An assessment of the value-for-money delivered by the scheme

3.3 In this section we present the projects comprising the wider approach separately, so they can be used as part of individual funding bids.

Long-list of options

Project 1: Marketing and promotion

3.4 A marketing campaign comprising social media promotion, a town app, and coordination with Visit Dartmoor and Dartmoor National Park Authority to help raise Okehampton's profile as the Gateway to Dartmoor and a green outdoor adventure hub, particularly to encourage more overnight stays and daytrips to the town from those visiting Dartmoor.

ECONOMIC COSTS

- Financial cost of running marketing campaign, i.e. either through outsourcing or through cost of Council resources if delivered by District Councils. – costs need to be estimated
- Financial cost of developing town app

ECONOMIC BENEFITS

- Increased spending in local businesses
- Net additional employment

NON-MONETISED BENEFITS

- Raised profile of Okehampton as a Gateway to Dartmoor.

Project 2: Business support

3.5 Business support, particularly for leisure and hospitality sectors, in the form of social media and marketing training to ensure local businesses can harness economic benefits from Okehampton's strategic location as the Gateway to Dartmoor and its proximity Exeter.

ECONOMIC COSTS

- Financial cost of delivering training to local businesses - costs need to be estimated

ECONOMIC BENEFITS

- Increased spend in local businesses
- Higher skilled employees

NON-MONETISED BENEFITS

- More engagement from local businesses with the town and with each other



Project 3: Programme of events

3.6 Development of a programme of events in the shoulder months of the peak summer season to increase year round town centre footfall of both residents and visitors.

ECONOMIC COSTS

- Financial costs of organising the events i.e. through event manager or Town Council resources - costs need to be estimated

ECONOMIC BENEFITS

- Increased spend in local businesses through higher visitor numbers

NON-MONETISED BENEFITS

- Raised profile of Okehampton

Project 4: Physical developments

3.7 These will deliver leisure and employment developments, either stand-alone or as part of mixed-use developments. Potential options include developing the former Pie Factory on the North Road Industrial Estate into a mixed-use employment space for light industrial units/workshops and small flexible offices, establishing a retail offer around cycling, walking and outdoor adventure, and establishing a new hotel to accommodate visitors. There is also potential for a new mountain bike park, which can be accessed from the Granite Way starting at Okehampton Train Station.

Mountain bike park case studies

- Bike Park Wales: Founded in 2013, Bike Park Wales attracted 66,000 visitors in its first year. During this time, the park had 20 full-time and 8 part-time employees maintaining and developing trails. In 2015, the park welcomed 406,000 visitors across the year, and after reopening post-pandemic, visitor levels grew by 100% compared with pre-pandemic levels⁵.
- Antur Stiniog Mountain Biking Centre (Wales): This biking centre opened in 2014, and by 2019 it attracted 250,000 visitors across the year. The site has links to local accommodation so bikers can stay for multiple days⁶.
- Glentress Mountain Bike Trail Centre (Scotland): This centre attracts over 300,000 visitors per year as one of the UK's premier mountain biking destinations. As visitors often travel from far away, the site recommends a number of hotels, B&B's and youth hostels in nearby villages and towns for visitors to stay overnight.

ECONOMIC COSTS

- Financial costs of identifying and progressing projects, i.e. consultancy fees, Council resources – costs need to be estimated
- Financial costs of developments – costs need to be estimated

ECONOMIC BENEFITS

- Net additional employment
- Provision of grow on space for local SME's will help stimulating business growth, additional GVA generated through this.

⁵ Welsh Government. The Valleys. <https://www.gov.wales/sites/default/files/publications/2019-08/paper-2-the-valleys.pdf>

⁶ Antur Stiniog. <https://www.anturstiniog.com>

- Land value uplift on development sites
- Wider spend in local area from increased visitor numbers to leisure developments.

NON-MONETISED BENEFITS

- Increased business confidence with improved employment infrastructure may stimulate long term investment.

Outstanding task

Value for money assessment

3.8 Once the financial costs of each project have been identified, the economic costs can be calculated by adjusting the financial costs to include optimism bias, removing the effect of inflation, and discounting to present values.

3.9 With the economic costs and benefits calculated, a value for money assessment can be made, based on DCLG Appraisal guidance:

- Benefit to Cost Ratio <1 = Poor value for money
- Benefit to Cost Ratio >1 but <2 = Acceptable value for money
- Benefit to Cost Ratio >2 = High value for money

4 Financial, Commercial and Management Cases

4.1 For each project, a Financial, Commercial and Management case should be set out. As the projects are at early stages, much of the information required when setting out these cases is yet to be identified. Therefore, we have outlined what needs to be identified to complete this section.

Financial

4.2 The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. The next steps will include:

- Identifying the financial cost of the project – see Section 3 Economic Case.
- Identifying potential sources of funding. Is this secured or unsecured?
- Setting out the overall affordability of the project.

Commercial

4.3 The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

Delivery mechanism

4.4 West Devon District Council will lead this project, in coordination with various stakeholders including Dartmoor National Park Authority, Devon County Council, Okehampton Town Council, as well as private sector organisations involved in the delivery of physical developments (project four), business support training (project two) and potentially a marketing campaign (project one).

Delivery confidence

4.5 Does West Devon Borough Council have any experience delivering similar projects in the past?

Procurement strategy

4.6 Does the Council have a strategy for procuring work?

Management

4.7 The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

4.8 This business case will be taken forward and individual projects pursued by West Devon Borough Council, with support from Dartmoor National Park Authority and Devon County Council.

Timetable

4.9 Is there a timetable for the project? When will it start and end?



Risk management

4.10 How have potential risks been accounted for?

4.11 Stakeholder engagement – The Okehampton Regeneration Board is supportive of these projects in principle, as demonstrated by its agreement to the preparation of this business case. Have any other stakeholders been consulted?

4.12 Monitoring and evaluation plan – How will the projects be monitored over time and how will progress and results be measured to ensure the project can be evaluated?



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