

Stirling and Clackmannanshire City Region Deal – *The Japanese Gardens – Business Justification Case*

Executive summary

This paper seeks Joint Committee approval of the Business Justification Case for the Japanese Gardens Project. This project is part of the Capital Fund for Clackmannanshire within the City Region Deal.

Authors

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Recommendations

Joint Committee is asked to:

1. Approve the Business Justification Case for the Japanese Gardens, and;
2. Note the activity that has commenced as part of the project.

Implications

None

Legal & Risk Implications and Mitigation

As part of City Region Deal Governance arrangements, approval of the Business Justification Case by Joint Committee is required to permit the project to progress to claim funding. The project, which has spent substantially at risk, would be placed at risk if approval were not given.

Background

1. The project, supported via the Capital Fund for Clackmannanshire and with a value of £750,000, intends to restore the historic Japanese Garden at Cowden. The Japanese Garden is part of the City Region Deal's investment in Culture, Heritage & Tourism.
2. The Japanese Garden at Cowden was commissioned by the explorer Ella Christie in 1908 after an inspiring visit to Kyoto. Created by Taki Handa, the only woman credited with the design of a garden of its type.
3. The Japanese Garden was destroyed by vandals in 1963 and it was almost lost forever until a careful restoration project by a charitable trust began in 2014. Due to overwhelming interest the garden opened to visitors while restoration work was in progress.
4. City Region Deal investment is needed to help develop the infrastructure and permanent facilities required for the continued operation of this unique new tourism offer for Clackmannanshire.

Considerations

5. The project has spent at risk, with much of the project's activity already undertaken. This has placed a strain on the charity's budgets, whilst also increasing both turnover and visitor numbers to the attraction.
6. The Business Justification Case (BJC) notes the following outputs and outcomes for the Japanese Gardens project:

Outputs

- Restoration completed, including: the Tea House; gardens and pathways, and; enabling infrastructure.
- Unique high-quality event and exhibition space is created.
- Japanese Garden becomes part of the City Region's Inclusive Skills Ecosystem (linked to organisations including Clackmannanshire Works programme & Forth Valley College).

Outcomes

- Improved visitor capacity allowing the Japanese Garden to sustain significantly higher visitor numbers and events.
- The Garden will provide opportunities to promote tourism across the city region.
- Volunteering, learning and work experience opportunities.
- A unique cultural and historical asset to be leveraged by organisations across the City Region.

Alignment with City Region Deal Outcomes

7. The BJC makes a commitment to the inclusive skills ecosystem, but not the other strategic outcomes as stated in the City Region Deal Benefits Realisation Plan. The proposal does provide opportunities to develop activity to support an "inclusive skills ecosystem" and "inclusive economic growth" and building towards "shared prosperity".
8. These are noted above and in the Benefits Realisation Plan appendix A10 in the BJC. Of note are the aims of providing 1,200 hours of volunteering opportunities and sustaining at least 30 employment opportunities annually. Targets are to be reviewed annually with "City Region Deal partners".
9. Delivery Partners and stakeholders will continue to work with the Japanese Gardens to ensure that alignment with Strategic Outcomes is a key element of future work at the Gardens.

Evidence of Success

10. It is worth noting that the Japanese Gardens have spent at risk to implement many of the developments outlined above. This has resulted in better than expected visitor numbers and revenues for the Japanese Gardens.
11. The data shows that paying visitor numbers in 2021 are around three times higher in year four than projected for year five. This is a positive story for the Gardens and for the investment of the City Region Deal, which will support the revival of a unique visitor attraction in the region.
12. Revenues are also higher than anticipated. The Business Justification Case shows that this exceeds estimates (projected to be in excess of £600,000 in 2022). The initial projected revenue growth is shown in the Business Justification Case.
13. This performance provides a firm platform for the Japanese Gardens to deliver on the wider benefits through access to employment and volunteering.

Resource Implications

Financial Details

The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

Finance Officers have been consulted and have agreed the financial implications as set out in the report. Yes

Staffing

The full implications on staffing are set out in the report. Yes

Exempt Reports

Is this report exempt? Yes

Equalities Impact

Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes

Legality

It has been confirmed that in adopting the recommendations contained in this report, the Joint Committee is acting within its legal powers. Yes

Sustainability and Environmental

It has been confirmed that sustainability and environmental issues have been considered within the report. Yes

Policy Implications

None

Consultations

None

Background Papers

Have you used other documents to compile your report?

None

Appendices

Please list any appendices attached to this report. If there are no appendices, please state "none".

1. Japanese Gardens – Business Justification Case

Approved by:

Pete Leonard, Strategic Director, Place

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Stirling and Clackmannanshire City Region Deal

Business Case Summary – Japanese Gardens,
July 2022

Japanese Gardens

Purpose

The purpose of the paper is to outline the Japanese Gardens project and progress toward Joint Committee decision.

The Japanese Gardens

The project, supported via the Capital Fund for Clackmannanshire and with a value of £750,000, intends to restore the historic Japanese Garden at Cowden. The Japanese Garden is part of the City Region Deal's investment in Culture, Heritage & Tourism.

The Japanese Garden at Cowden was commissioned by the explorer Ella Christie in 1908 after an inspiring visit to Kyoto. Created by Taki Handa, the only woman credited with the design of a garden of its type.

The Japanese Garden was destroyed by vandals in 1963 and it was almost lost forever until a careful restoration project by a charitable trust began in 2014. Due to overwhelming interest the garden opened to visitors while restoration work was in progress.

City Region Deal investment is needed to help develop the infrastructure and permanent facilities required for the continued operation of this unique new tourism offer for Clackmannanshire.

Project Outputs and Outcomes

The Business Justification Case (BJC) notes the following outputs and outcomes:

Outputs

- Restoration completed, including: the Tea House; gardens and pathways, and; enabling infrastructure.
- Unique high-quality event and exhibition space is created.
- Japanese Garden becomes part of the City Region's Inclusive Skills Ecosystem (linked to organisations including Clackmannanshire Works programme & Forth Valley College).

Outcomes

- Improved visitor capacity allowing the Japanese Garden to sustain significantly higher visitor numbers and events.
- The Garden will provide opportunities to promote tourism across the city region.
- Volunteering, learning and work experience opportunities.
- A unique cultural and historical asset to be leveraged by organisations across the City Region.

Alignment with City Region Deal Outcomes

The BJC does not make specific commitments toward the four strategic outcomes as stated in the CRD Benefits Realisation Plan. However, the proposal does provide opportunities to develop activity to support an "inclusive skills ecosystem" and "inclusive economic growth" and building towards "shared prosperity".

These are noted above and in the Benefits Realisation Plan appendix A10 in the BJC. Of note are the aims of providing 1,200 hours of volunteering opportunities and sustaining at least 30 employment opportunities annually. Targets are to be reviewed annually with "City Region Deal partners".

Evidence of Success

It is worth noting that the Japanese Gardens have spent at risk to implement many of the developments outlined above. This has resulted in better than expected visitor numbers and

revenues for the Japanese Gardens. The data shows that paying visitor numbers in 2021 are around three times higher in year four than projected for year five.

Table 1 shows the visitor numbers up to September 2021:

Table 1: visitor numbers

Area	2018	2019	2020	2021*
Planned	7,000	8,000	9,000	10,000
Actual	8,000	18,000	23,000	38,000

Source: Japanese Garden

* Actual visitors up to September 2021 only

Revenues are also higher than anticipated. Table 2 shows the growth in revenues and the BJC shows that this exceeds the projections (projected to be in excess of £600,000 in 2022). The initial projected revenue growth is shown in Table 2.

Table 2: summary of revenue and expenditure, 2019-20 to 2033-34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Expenditure															
Capital Expenditure	£268	£268	£200	£225	£5	£5	£5	£5	£5	£5	£5	£5	£5	£5	£5
Operating Expenditure	£365	£420	£480	£480	£490	£490	£509	£520	£530	£540	£550	£560	£570	£570	£580
Total Expenditure	£633	£688	£680	£705	£495	£495	£514	£525	£535	£545	£555	£565	£575	£575	£585
Funding															
CAPEX funding (CRD)				£750											
CAPEX funding (donations from previous years)															
CAPEX funding (borrowing)	£179	£271	£95	-£545											
OPEX funding (revenue)	£379	£347	£500	£500	£520	£520	£540	£550	£560	£570	£580	£590	£600	£610	£620
Third party funding	£75	£70	£65												
Total funding (incl. borrowing)	£633	£688	£660	£705	£520	£520	£540	£550	£560	£570	£580	£590	£600	£610	£620

This performance provides a firm platform for the Japanese Gardens to deliver on the wider benefits through access to employment and volunteering.

Latest Position

The Japanese Gardens was on-boarded by Joint Committee at its meeting in December 2021, one of two projects under the Capital Fund for Clackmannanshire element of the City Region Deal.

The BJC is was recommended for approval by Chief Officers Group, and approved by government on 28 June 2022.

Recommendation

It is recommended that Joint Committee:

- a) Note the progress of the Japanese Gardens, and;
- b) Approve the Business Justification Case.

Japanese Garden Business Case



Japanese Garden Business Case

The Japanese Garden commissioned by the explorer Ella Christie in 1908 after an inspiring visit to Kyoto.

Created by Taki Handa, the only woman credited with the design of a garden of its type.



The Garden was destroyed in 1963 and a restoration project began in 2014.

City Region Deal investment (£750,000) was sought to develop the permanent facilities needed to develop a unique new tourism offer for Clackmannanshire.

Japanese Garden Business Case

The Deal project will see the full restoration of the Japanese Garden including the Tea House, gardens and pathways and enabling infrastructure.

Project overseen by charitable trust (established to restore the Garden).

Original plan based on 7,000 visitors in year one rising to 11,000 in five years.

The garden opened fully in July 2018 with 2,000 visitors in the first 17 days.

Visitor numbers have increased each year, nearly 38,000 paid visitors in 2021.

Nearly nine out of ten visitors are from outside of Clackmannanshire.



Japanese Garden Business Case

The project has proceeded at risk, before approval of Deal funding.

Business plan based on annual income of £520,000, latest revenue figures (2021-22) are likely to be more than £600,000.

Over 15 years the project will generate **£4.4 million of GVA** (discounted) with a benefit to (public) cost ratio of **5.9** (Deal funding of £750,000).

The project will help to sustain jobs, training and volunteering opportunities in an area suffering from employment deprivation.

All employment opportunities considered within the Deal's shared prosperity agenda and inclusive skills ecosystem.

Japanese Garden Business Case

SMART objectives include:

Sustain 30 employment opportunities each year (all opportunities considered for people on a journey to employment and promoting opportunities for underrepresented groups)

Provide at least 500 volunteering, learning and work experience opportunities each year (7,500 opportunities over 15 years), the project is already working with Clacks Works & Clacks Community Payback

Hold at least 10 special events each year including weddings, other ceremonies and festivals. This will help to showcase the natural assets of the city region and build repeat tourism