

1.4. Local authority area	Eastbourne Borough
1.5. Description (max 300 words)	<p>Vision:</p> <p>The Devonshire Quarter re-development will deliver a series of major investments to transform Devonshire Park into the UK's most distinctive, talked about cultural destination. Specifically, it will deliver:</p> <ul style="list-style-type: none"> ▪ improved conference facilities – to compete more effectively ▪ Improved arts venues – attracting more visitors ▪ New tennis facilities – for the prestigious Aegon Tournament ▪ Distinct gateway and public realm <p>Through this investment, Devonshire Park will be a major contributor to the future economic vibrancy of Eastbourne town.</p> <p>The programme will cost £44 million. All funding is secure from Eastbourne Borough Council, if a £5 million grant from the Single Local Growth Fund can be secured to deliver the vital first step to unlock the potential of the site – the “Welcome Building”. This will provide:</p> <ul style="list-style-type: none"> ▪ Two new large conference spaces with full HGV access ▪ Central box office/conference delegate reception ▪ Lift access addressing the access issues of the Congress Theatre ▪ Coffee / wine bar ▪ Breakout / hospitality space ▪ Visitor/Delegate information <p>The Welcome Building will address a long standing problem – the conference spaces are outdated and insufficient to meet modern needs, resulting in over £800,000 of lost business last financial year. Overcoming this will make Devonshire Park again a leading venue – securing top delegate day rates, generating significant revenue for the local economy. It will also be the catalyst for the long term development of the site.</p> <p>The project is the top priority for Eastbourne, developed by a strong partnership led by the local Council and the Lawn Tennis Association. All aspects have been developed by a full professional team. The project has full planning permission and is ready to start in April 2017.</p> <p>The Welcome Building will deliver 2,500m² of new floor-space and enable the use of the Congress Theatre and Winter Garden for exhibition and conference use. It will support some 84 additional Full-time Equivalent (FTE) jobs in the local economy, either at Devonshire Park or within the wider visitor economy. The project will also generate 255 new temporary construction-related employment opportunities through the construction works, equivalent to 25 additional FTE jobs. It will also stimulate £4.6m of additional visitor spending in the SELEP area annually. Without the Welcome Centre, these benefits will not be achieved and the local economy will continue to be under threat from a decline in conference and exhibition business</p> <p>The project meets the Growth Deal Criteria of creating direct and indirect jobs, complementing</p>

and stimulating private sector and adding value to previous Growth Deal investments including Eastbourne Town Centre improvements and Eastbourne and South Wealden Local Sustainable Transport package. It will build on existing investment, creating the conditions necessary to attract new businesses and leading to future investment in retail, catering and holiday accommodation.



1.6. Lead applicant

Organisation and land ownership: Eastbourne Borough Council
Lead contact name: Graham Cook, Programme Manager
Email: Graham.Cook@eastbourne.gov.uk
Telephone: 07880 787147

1.7. Total project value

- £44 million to deliver the Masterplan
- Which includes £16 million to develop the new Welcome Building

1.8. SELEP funding request, including type (e.g. LGF, GPF etc.)

The Council are seeking a LGF contribution of £5 million towards the £16million development of the Welcome Building.

1.9. Rationale for SELEP request

Background - The Importance of the Devonshire Park Complex for the Local Economy

Devonshire Park Quarter in Eastbourne is a cultural and sporting town centre destination in a key position linking the rail station and the sea front. It already enjoys success from an internationally renowned Tennis Centre, three Theatres and a Contemporary Art Gallery.

Its importance in the local economy can be demonstrated by:

- The business currently spends £2.8m on staff per annum
- The site directly supports 65 jobs and is estimated to support over 200 additional indirect

jobs in the local economy through its supply chain

- The site attracts over 400,000 visitors a year, of which 7,500 are conference visitors
- The site generates an estimated £18 million in visitor spend in the local economy per annum

Source: "The Current and Potential Economic Impact of Devonshire Park, Focus Consultants, September 2015"

Each of the key facilities on site are briefly described below:

- **Congress Theatre** – A 1,600 capacity Grade II* Listed venue for larger shows / musicals and plenary space for conferences.
- **Winter Garden** – with the Floral Hall and the Gold Room this Grade II Listed large and versatile Victorian pavilion hosts functions, exhibitions, conferences festivals and shows.
- **Exhibition halls at the rear of the Winter Warden** – prefabricated halls providing some 1000m² of exhibition space. Now time expired and in poor condition – to be replaced by the Welcome Building.
- **Devonshire Park Theatre** – A 600 capacity Grade II listed Victorian theatre for plays and musicals.
- **Tennis Centre** - The site is home to the International Lawn Tennis Centre, which hosts six major tennis tournaments each year. This includes one of the premier international tennis tournaments, the AEGON International which is held in June each year and boasts a top-class field, with the women's draw featuring 14 of the world's top 20 players. This brings visitors from overseas, attracts tourists to the area, many of whom stay overnight and increases Eastbourne's reputation on an international scale.
- **The Towner** - an award-winning contemporary art museum for South East England, opened in April 2009 and managed by an independent trust. The last development to be completed on the Devonshire Quarter.

Whilst the Devonshire Quarter contributes substantially to the local economy, it is not realising its full potential - revenue generating opportunities are not being maximised, and the buildings are deteriorating, risking the important heritage of the site and having a negative impact on the visitor offer (see later sections).

Without substantial investment the offer will decline further, visitor numbers will fall, revenue will drop and the long term future of the site will become unsustainable. This will be extremely damaging for the towns' economy as Devonshire Park provides a year round source of visitors and hotel guests.

Developing the **Welcome Centre and the surrounding landscaped gateway** will be the first step in the wider regeneration of the site – it is the part of the Masterplan that can have the most significant impact on visitor numbers, revenue generation and long term financial sustainability. It will also bring the most economic benefits to Eastbourne.

The Welcome Building is a new building located between the Congress Theatre and Winter Garden. The building will provide a fully accessible entrance to the theatre, including lifts to every floor, two new large conference spaces, a central box office, breakout and hospitality areas and a coffee and wine bar that will enjoy views across the tennis lawns to the International Tennis

Centre.

The Welcome Centre will be the first point of contact for visitors arriving on site, creating their vital first impression so important to triggering repeat visits. It will be fronted by substantial landscaping which will radically improve the appearance of the site, provide a hard surface for café users and ad hoc entertainments and signpost to visitors that they have arrived.

The Welcome Building is vital to provide an integrated offer and provide a much improved and visual welcome to Devonshire Park as well as overall improved access to the site. The building will act as a catalyst to the development of the rest of the site. Without the Welcome Building, the ability to drive up the conference market in Eastbourne will be significantly constrained as the conference facilities will remain poor with limited capacity and access will continue to be very difficult.

The Welcome Building is fundamental in meeting the needs of the Conference and Business Event organisers. It provides a stand-alone facility with flexible spaces but also makes the other buildings work better together for those clients that want a flexible solution across the whole site.

The Welcome building is also particularly important in the development of the site to meet the needs and potential of the international tennis programme for Devonshire Park. The park hosts the week-long Aegon International Tennis Tournament each year – the premier pre Wimbledon event. The recent announcement that it will host both men and women players from 2017 will raise the profile of the event even further. The Aegon Tournament, and the other major annual tournaments supporting it at the Park, are key drivers for the local and regional visitor offer - including in reputational and market awareness effects. The Welcome Building will consolidate and dramatically improve the quality of many of the key elements of the site for the tournament. At present, admission, welcome, VIP and media, Player and catering facilities all have to be delivered by temporary structures that struggle to meet the quality standards expected by international audiences. The growth in importance and status of the tournament has the potential to further drive growth in visitor numbers and economic benefits, but investment in the flagship welcome building is key to maintaining a venue competitive with international quality venues in London, Birmingham and elsewhere in Europe.

Thus, the Welcome Building is essential to unlocking the potential of the Devonshire Park site for all uses - cultural, conference and events and international tennis, and will be the catalyst to drive up income generation from the whole site, tangible economic benefits in the local and regional economy and strategic outcomes for all partners..

Supporting Investment

The Council is already developing the supporting infrastructure to complement this investment, by working with the hotel sector to drive up investment in the quality of their offer, an analysis of the conference market which is driving marketing effort and exciting investments in the seafront which are helping to realign the image of the resort.

	<p>Aligning with the SELEP Priorities</p> <p>This project clearly supports the growth ambitions outlined in the ‘SELEP Strategic Economic Plan and Growth Deal’, indeed ‘Creative, Cultural and Media and the Visitor economy’ is one of the LEP’s key growth sectors.</p> <p>The project will support SELEP’s commitment to creating 200,000 sustainable private sector jobs by 2021. It will also align with the recognised need to invest to address the challenges of coastal communities.</p> <p>Tourism is a significant sector in the SELEP area, employing 95,900 people, accounting for about 6.6% of total employment and 2.7% of total economic output. The SELEP recognises the importance of the visitor economy in coastal areas. This project will ensure that visitors continue to come to Eastbourne. Many of these will not just be local day trippers - the investment will attract overseas visitors and overnight stayers, the most lucrative tourist spending market.</p> <p>Devonshire Park is an asset that will make Eastbourne and East Sussex unique, providing a great opportunity to attract visitors from across the UK and overseas. Enhancing the built environment is a key way of making East Sussex an even more attractive place - place-making initiatives like Devonshire Park will create the spaces people want to visit and live in, attracting inward investment.</p> <p>Additional information on how the developments deliver local policy and strategy can be found in later sections.</p>					
<p>1.10. Other funding sources</p>	<p><i>Please consider any constraints, dependencies or risks on the other funding sources</i></p> <p>Eastbourne Borough Council will provide funding through asset disposal, external funding and public borrowing. This is articulated in the Council’s Medium Term Financial Strategy.</p> <p>The funding partners are the Lawn Tennis Association and a major national catering operator which will be managing food and beverage provision across the site when the works are complete.</p>					
<p>1.11. Delivery partners</p>	<table border="1"> <thead> <tr> <th data-bbox="395 1626 810 1697">Partner</th> <th data-bbox="815 1626 1485 1697">Nature and/or value of involvement (financial, operational etc)</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 1704 810 2051">Lawn Tennis Association</td> <td data-bbox="815 1704 1485 2051"> <p>The Lawn Tennis Association (LTA) brings the Aegon International Tennis Tournament to Devonshire Park each June. There is also a number of other LTA sponsored tournaments for Juniors, Seniors and County players during the summer season. The LTA has recently announced that the Aegon will become a dual gender tournament from June 2017 – so it will become the premier pre Wimbledon tournament in the UK.</p> <p>In order to retain the tournament and attract the male players it is necessary to build an additional show court, two additional practice courts and much improved player</p> </td> </tr> </tbody> </table>		Partner	Nature and/or value of involvement (financial, operational etc)	Lawn Tennis Association	<p>The Lawn Tennis Association (LTA) brings the Aegon International Tennis Tournament to Devonshire Park each June. There is also a number of other LTA sponsored tournaments for Juniors, Seniors and County players during the summer season. The LTA has recently announced that the Aegon will become a dual gender tournament from June 2017 – so it will become the premier pre Wimbledon tournament in the UK.</p> <p>In order to retain the tournament and attract the male players it is necessary to build an additional show court, two additional practice courts and much improved player</p>
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		and official's facilities. The Council and LTA have agreed the design of these works and the LTA is providing part of the capital funding.
	Major national caterer	The council will outsource the catering operation for Devonshire Park. This will introduce an exciting new catering offer, improve the revenue performance of the site and attract a capital contribution to the cost of the new café spaces. It is anticipated that this contract will be in place by Summer 2017.
	Towner Contemporary Art Gallery	The nationally recognised Towner Gallery (constructed by the council) is a key partner at Devonshire Park. The council is working with the Gallery to build on the current joint working to develop an offer that builds on the strengths of each partner.
	Eastbourne District Chamber of Commerce, Conference Bureau and Eastbourne Hospitality Association	The council is working closely with these three industry bodies to ensure the redevelopment reflects the experience of their members and optimises the benefit to the town's economy.
	East Sussex County Council	East Sussex County Council has been a key member of the Partnership Group since the project was launched. Officers have provided advice and support on the cultural and engineering aspects of the scheme. A new Cultural Strategy which will integrate the physical facilities and technical skills available at the redeveloped Devonshire Park with the wider arts community of Eastbourne, is being developed with the support and guidance of ESCC officers.
	East Sussex Disability Association	The East Sussex Disability Association have been a key member of the Partnership Group and a formal consultee on the design of the scheme. The current buildings have poor access and addressing this is a priority for the design team.
1.12. Key risks and mitigations	<p><i>Summary form only</i></p> <p>A comprehensive risk register has been developed for the project which focusses on:</p> <ul style="list-style-type: none"> ▪ Organisation and Governance ▪ Programme and Cost ▪ Design and Technical ▪ Finance and Business Planning ▪ Statutory and Legal ▪ Reputation and Political <p>The register has been embedded in the Council's Performance Management programme (Covalent), monitored and updated monthly and on an ad hoc basis as necessary. The risks are reviewed regularly by the Core Team.</p>	

<p>1.13. Start date</p>	<p>Masterplanning commenced in 2012 and a Design Team was appointed in 2014 to develop the concept and take the project through the RIBA stages to anticipated eventual completion in 2020.</p> <p>Planning permission was secured in November 2015, Cabinet approval for scheme funding in December 2015 and the council has procured construction contractors for the 3 elements of the re-development. If funding is secured the construction of the Welcome Building could start in April 2017.</p>
<p>1.14. Practical completion date</p>	<p>December 2018 for the Welcome Building and mid 2019 for the entire scheme</p>
<p>1.15. Project development stage</p>	<p><i>Inception, option selection, feasibility, detailed design, implementation</i></p> <p><i>Inception</i></p> <p>In 2012 a Business Case driven masterplan was developed for the Devonshire Park site to achieve long term sustainability and as a key part of the regeneration of Eastbourne. Arising from this was a requirement to replace the poor quality "temporary" Devonshire Park Halls that had been in place for over 20 years with new, bespoke, and fit for purpose conference space and provide a centralise welcome point to the Park. Extensive option evaluation identified the proposed location between the Congress Theatre and Winter Garden as the optimum siting allowing significant improvements to access to these two buildings and a prominent main entrance with sufficient capacity for circa 1000m² of conference space.</p> <p><i>Option Selection</i></p> <p>More detail on the option selection can be found later in the report, but it is worth highlighting at this early stage that 'Do Nothing' is not an option.</p> <p>Arresting the decline in the fabric and systems of the buildings and preserving their standard of presentation to visitors would alone be a major task.</p> <p>Based on surveys conducted by the Council and design team, and forecasting continued dilapidation the likelihood of further as yet uncovered issues with the site, we estimate that the 'do nothing' option may well carry a price over the immediate future of more than £10m for the Council.</p> <p>The chosen option will deliver the biggest revenue change for the site, bring the biggest economic benefits to the local area and have the greatest likelihood of securing the long term sustainability of the site.</p> <p><i>Feasibility</i></p> <p>With the Multi Disciplinary Design Team appointed to develop the scheme, the preferred option was reviewed in light of comments from stakeholders, particularly Historic England who were concerned about the massing of the building against the listed buildings. Stage 2 Concept Design</p>

	<p>proposed an alternative that looked at sinking the large conference halls underground and creating a lightweight structure above ground.</p> <p>This option was costed and tested with the engineers and the Business Planning and Conference team and found to suit the requirements of the end users whilst addressing the concerns of Historic England to support a planning application.</p> <p>Detailed design</p> <p>Having tested the Feasibility and with the Concept signed off by Cabinet, the detailed design for the Welcome Building has been developed in close discussions with a wide range of stakeholders. The Detailed Design was submitted to planning at the beginning of August 2015 and planning permission secured November 2015. The green light was given to the scheme, subject to funding, by Cabinet in December 2015.</p> <p>Implementation</p> <p>The detailed construction design is underway to deliver this project and the procurement of the main contractor has been completed. Currently the final contract price is being negotiated, but an enabling contract was issued in December 2016 to ensure the project remains on programme.</p>
<p>1.16. Proposed completion of outputs</p>	<p>Direct outputs will be created from 2019 , indirect outputs generated through increased visitor numbers will be achieved in perpetuity.</p>
<p>1.17. Links to other SELEP projects, if applicable</p>	<p>If SELEP approves the Growth Fund bid from Charleston the two projects will provide a complementary and supportive cultural and tourist offer.</p>

<p>2. STRATEGIC CASE</p>	
<p><i>The strategic case determines whether the scheme presents a robust case for change, and how it contributes to delivery of the SEP and SELEP’s wider policy and strategic objectives.</i></p>	
<p>2.1. Challenge or opportunity to be addressed</p>	<p><i>Describe the key characteristics of the challenge to be addressed and the opportunity presented. Provide an overview of the evidence supporting this and the impact of not progressing the scheme.</i></p> <p><i>What is the need? Why now?</i></p> <p>The Welcome Centre will house and deliver the key functions of:</p> <ul style="list-style-type: none"> ▪ Conferencing and start of the art exhibition facilities ▪ Café / Bar

- Provide lift and pedestrian access to all floors of the Congress Theatre facilitating the use of the theatre for the plenary sessions of major conferences
- Encourage tourism through hosting tourist information
- Provide improved facilities for international tennis
- Provide a central ticket office for the theatres, improving the visitor experience
- Through the landscaped gateway provide a signpost to the whole site and provide space for outdoor catering and ad hoc entertainment

The need and opportunity addressed by these key functions are shown below, along with a rationale as to why the work needs to happen now. However, first it is useful to outline the need and opportunity at the overall site:

1. The Overall Site

An independent business plan for the site undertaken by specialists David Clarke Associates highlights:

‘Although the buildings and environment of Devonshire Park are suffering from dilapidation and the inappropriateness of various incremental structures and facilities added over the years, the business at its core has very significant potential’

As a result of the business planning work the Project Team have prioritised the business / revenue generating elements of the site. This will ensure that the site can generate income that can then be re-invested in management and maintenance, ensuring long term sustainability.

The backlog maintenance referred to is in respect of the listed buildings on the site, principally Congress Theatre, Winter Garden and Devonshire Park Theatre. The Council is committed to investing considerably in excess of this sum and will address the full backlog of works across the existing buildings and park. However, the Council has identified that the site has very significant potential to drive wider economic outcomes and regeneration across the town and region and accepts that maintenance alone will not deliver these benefits, which require modernised, additional and high quality facilities competitive in the international conference and events and tennis markets.

The Council is committed to investing considerably in excess of the maintenance cost to generate these additional economic benefits, as well as to ensure the long term viability and resilience of the business through generated income.

This includes the Council is making a substantial investment in the Welcome Building, which is over and above its commitment to comprehensive maintenance and renewal of the historic and retained buildings and grounds, and seeks partner investment from LGF to this specific area of the scheme which is key to delivering the economic benefits and returns forecast across the site.

The business plan for Devonshire Park assumes that maintenance budgets will largely continue to be required. Although the site will require less reactive maintenance, new plant and equipment will require cyclical and contractual maintenance and the success of the business will rely on higher levels of maintenance to maintain the quality of the site than has been the case in recent years. This is reflected in allowances for long term maintenance

once the project is complete from the incomes generated by new and enhanced activity.

2. Conferencing

Venuesadvisor Ltd was appointed to support Eastbourne Borough Council (EBC) and the Business Planning Consultant (David Clarke Associates) develop all relevant areas of the Business Plan pertaining to the Conference and Meetings offer within the proposed development at Devonshire Park. Key findings are shown below:

Need - Conferencing

- The Devonshire Park Centre is one of the main conference venues along the South Coast, with a conference auditorium to seat up to 1,700 delegates, ample exhibition space totalling over 2,100m² and plenty of break-out space.
- It is estimated that the economic value of conferences to Eastbourne is £10 million (Visit Eastbourne).
- Currently, the conference spaces at Devonshire Park are outdated and insufficient. Between **March 2011 and April 2012, the Park recorded almost £800,000 in lost business** due in large part to the unsuitability, the lack of capacity and the low quality of these spaces.

Why Now - Conferencing

- While Eastbourne was one of the first towns in the country to develop a multi-purpose conference and entertainment venue, it has consequently become one of the more dated venues - overtaken by more modern, flexible facilities developed in the intervening half a century in seaside and urban destinations throughout the country. **The facilities at Devonshire Park urgently need to be improved to allow it to compete.**
- For the period March 2011 to April 2012, 159 enquiries were taken by the venues at Devonshire Park of which 105 were lost and 53 were confirmed, a conversion rate of 33%. Of the 105 enquiries that were lost a significant number of bookers made reference to the poor quality of the venue, **the need for investment and a lack of capacity.** Again, this suggests that investment is needed in the facilities to compete.
- The various sources of national data for average day delegate rates places this between £42 and £54, including VAT, and 24 hour rates between £128 and £136. Other venues in the area are achieving at least average rates whilst Eastbourne venues are falling below average. With improved facilities Devonshire Park could charge higher rates, generate more income and improve long term sustainability of the site.

Market Analysis – Conferencing

The market analysis conducted for the business planning has identified day meetings by

corporates, non-profits and public sector as the most numerous type of booking. The analysis also concludes however that the most valuable bookings will be from National Associations with up to 16 bookings for small and medium sized associations across a trading year.

From current enquiries to Eastbourne it is known that while there are occasionally bookings that subsequently confirm for Brighton (1 in the period 2011-2012), the majority of lost enquiries book out in venues which include the Telford International Centre, Riviera Centre Torquay, Southport and Blackpool as well a variety of national University venues outside the South East,

The competition has been and will continue to be outside the region. The plan is to target Corporate, Public and non-profit enquiries from London and the South East including via Agents; and develop Association enquiries which are currently using venues with a similar value proposition.

The scale of the proposals is complementary to others in the area. Venues such as the Brighton Centre with plenary seating for up to 4,800 is of a different scale and the Dome with seating for up to 1800 lacks the flexible breakout space and exhibition space to support the types of Association bookings that are otherwise going to Telford, Torquay, Southport and University venues in Keele, Liverpool or Leicester.

With draft proposals for the re-development of the Brighton Centre, it is likely that Brighton would re-position to become more competitive against venues and destinations that include Glasgow, Edinburgh, Liverpool, Manchester, Birmingham and Belfast – cities which are not in the competitor set for Eastbourne.

Day meeting bookings for the venue will inevitably compete with other local venues including hotels as it does now. However as a non-residential venue, Devonshire Park, would not compete with those businesses for residential conferences. The sales and marketing approach which is being developed is also tasked with increasing and expanding the destination's reach into London to generate additional and new business for the region and which is as likely to see it competing with Yarnfield Park, Staffs or De Vere Venues throughout the UK as it is with a regional competitor.

Sporting and unusual venues such as the County Cricket Ground or Amex Stadium provide a very different experience with access to free and easy parking being a major factor for some clients. Attractions which also contain meeting and event space such as the British Airways i360 are also operating a very different model with waterfront spaces in a busy urban environment that operates a value/pricing model that would not compete directly with Devonshire Park, and which has to work around attraction opening hours for certain events.

Devonshire Park also provides a flexible space with multiple configurations and options for combined meeting, plenary, break out space, exhibition space, registration, catering and outdoor space. This combination of space options and flexibility of use is one of the major elements that sets it apart from other venues within the LEP area.

Impact - Conferencing

- The new development will provide 'break out' meeting spaces, expanding the current offer and bringing facilities up to date to increase their attractiveness as a venue for corporate conferences, dinner / dance, banquet and related events. Specifically, focus will be on increasing the ease of flow to / from the Congress and Winter Garden. It has been estimated that the improved facilities would turn over around £1.2m from conference and events business including catering income.
- Research has shown that the planned conference offer will attract new rather than displacement business. One focus will be international conferences which currently take place in Europe but would be attracted by the niche offer Eastbourne will provide.
- The additional economic impact arising from the project is estimated at £41m in GVA benefits for the SELEP area over the next 15 years.
- The reputational rub-off from new conference business will underpin wider economic objectives. Investment in local accommodation stock usually follows investment in conference facilities, and destination reputation grows nationally and internationally as word spreads among new conference organisers and delegates.
- The scheme provides conferences spaces that are flexible, high quality and integrated. While hire rates and ancillary income can grow to match the quality, the facilities will still be able to maintain a value proposition that give it competitive advantage over competing destinations.
- Tackling the quality of the main conference facility can be a catalyst for renaissance underpinning an uplift in wider economic performance for the entire town.
- The UK conference market is highly competitive and very valuable, representing around 1/3 of the total UK tourism market by value. It is year round rather than seasonal and the value of business tourism visits tends to be far higher than for leisure visitors. In this context, Devonshire Park's conferencing business will be key to the site's sustainability. It will also attract year round tourists to the area, reducing the dependence on the peak holiday seasons.

3. Catering

Catering specialist Kendrick Hobbs were appointed to review the catering potential of the site, including the facilities in the Welcome Centre. The report highlighted:

Catering – Current Local Market/ Competition

- Eastbourne has an active and in parts colourful catering market. There is a healthy quantity of operations aimed at the dominant markets of residents and visitors. Cafés, restaurants and takeaways are prevalent across the central area and the seafront. The main clusters are on Terminus Road, Seaside, South Street and the seafront.

- The town centre is about to undergo development providing 7 new restaurants associated with a new leisure offer and 9 screen cinema. This is due to be opened in 2018 and will come on-stream as the Devonshire Park renewal is progressing.
- Fast food, most not branded, is widespread but of low price. Cafés and coffee shops are prevalent and well used in the town centre and recent new arrivals have bolstered the quality on offer.
- High quality restaurants have been relatively scarce.
- Overall, the provision of catering in Eastbourne can be described as abundant but still relatively unsophisticated. There is some variety and a few innovative operations together with some representation from national brands in the coffee, casual dining and fast food sectors. Some operations have been busy when observed, but others much less so.

From the above we can see that there is a space in the market for a high quality offer that a catering facility at Devonshire Park could fill. A café on site could become a destination restaurant.

Catering – Devonshire Park Potential

- Devonshire Park is a superb potential site in a good location. It is close to the seafront and town centre, and the active arts and sports programme ensure consistent and positive footfall.
- The catering report concludes that as part of the substantial renewal of the site, its management and marketing, a catering operation within Devonshire Park can succeed. The offer should include a mix of accessible public offers, audience orientated bars and services for conference / events and a new public café bar in the ground floor foyer of the Congress Theatre.

Catering – Why Now?

The break in catering operations caused by the redevelopment and the need to attract investment in the catering outlets mean that now is the ideal time to change the catering service. The change also links with the council's plan to attract a signature restaurant to a prime seafront location near Devonshire Park and improve the type and geographic spread of visitor attractions and catering outlets on the seafront.

4. Tennis

It is also worth noting the impact the investment in the catering and conferencing facilities will have on the site's ability to host major tennis tournaments.

As a key partner, the Council and project consultants have worked proactively with the LTA. One of our drivers is to jointly secure the future of Eastbourne as an international tennis venue - meeting international court standards. Improving the conference, meeting space

and catering offer and improving the overall look and feel of the site will be a huge factor in securing the future of the tournament at the site.

Tennis - The Current Situation:

- The Lawn Tennis Association facilities include a 1990s International Tennis Centre including 'Centre' and 'Number 1' courts and 16 grass courts.
- Devonshire Park hosts a major pre-Wimbledon Tennis Tournament in June each year attracting players from across the world. The tournament is currently sponsored by Aegon.
- The tournament has developed and expanded over recent years and generates significant economic benefits for Eastbourne:
 - c. 36,000 visitors each year spending over £9 million in local businesses
 - 44% of visitors stay overnight (65,000 bed night's p.a.)
 - Media value associated with the tournament of £14 million.
- In addition, the Devonshire Park site also hosts regional and international tennis tournaments due to the high standard of its grass courts.

The tennis tournaments remain important in the visibility of the town on the national stage and, in the case of the pre-Wimbledon tournament, give a major economic boost. The commitment of the LTA to continuing this partnership is welcome and will be an ongoing priority for the Council.

Tennis – Why Now?

By investing in the venue The Borough Council are demonstrating their long term commitment to the tennis facility. If work is not done soon there is a risk that the international tournament could be lost.

The LTA have made clear that the scale of revenue spend they incur each year because of the limited facilities at Devonshire Park is not viable and new permanent facilities are essential if the tournament is to continue at Eastbourne.

5. Tourism and Culture

Day visitors to Eastbourne greatly outnumber overnight visitors, and research shows that a large number of existing visitors are relatively local. This project will help to attract visitors from further afield – increasing the likelihood that visitors will stay overnight and spend more money in the local economy.

The East Sussex Cultural Strategy 2013 – 2023 identifies that the ambitious plans for Devonshire Park is likely to be one of the most significant investments in cultural infrastructure nationally in the life span of the strategy.

The project aligns with Priority 2 of the Strategy which aims to create an environment which enables the cultural and creative economy to expand and enhances our ability to attract and retain other businesses. This project will help achieve this vision by being the flagship

	<p>Welcome Building in the Devonshire Park Quarter which will become one of the UK's most distinctive, talked-about cultural places.</p> <p>The project also supports priority 3 of the strategy which aims to develop and promote well packaged cultural tourism offers which celebrate the identity of East Sussex, raise its profile and attract more visitors and businesses to the County.</p> <p>The proposals also align with the East Susses Growth Plan which recognises that East Sussex's competitive advantage is derived from its quality of life, environment, culture and location and to accelerate economic growth the County needs to capitalise upon these competitive advantages. The plan recognises that cultural and leisure attractions bring an injection of income to the economy from visitors, and they are also part of our offer to business because of the enhancement to quality of life. This supports the aspiration for the Devonshire Park Quarter as a catalyst for the future economic vibrancy of Eastbourne.</p> <p>Additional Information regarding the tourism perspective can be found in later sections.</p>
<p>2.2. Description of project aims and SMART objectives</p>	<p><i>Please outline primary aims and objectives</i></p> <p>Conferencing</p> <ul style="list-style-type: none"> ▪ Providing a new, purpose build conferencing facility in Eastbourne by 2020 of 1,000 m². This will secure the future financial sustainability of the conference market in the local area and allow Devonshire Park to compete with other facilities. ▪ Attract 34,150 conference visitors per annum - up from 7,500 currently - and provide much improved catering and conference facilities to improve the experience for visitors, delegates, hirers, performers and audiences and stimulate economic activity by 2020. ▪ Improve the conferencing offer so that the fee charged per head can reach, if not exceed the national average. <p>Café/ Tourist Information</p> <ul style="list-style-type: none"> ▪ To attract an additional 100,000 users at Devonshire Park, including those using the café / bar and the Tourist Information Facilities. <p>Tennis</p> <ul style="list-style-type: none"> ▪ To retain the International Tennis Tournaments and attract other important tournaments to the park. This requires a new £1.7m building providing much improved player facilities, a new show court and two additional practice courts, the realignment of all courts and a new irrigation system.

- **Wider regeneration through investment in the whole site**
- To create additional jobs within the SELEP labour market, focused in the SELEP visitor economy
- To act as a catalyst for securing other funding to preserve and restore the heritage of wider the site, bringing the listed buildings up to a high standard and ensuring they are sensitively improved to sustain their significant heritage, and productive use, for many years to come.
- To support the ongoing strong emphasis on culture, ensuring the 250,000 visitor who use the theatres each year have an improved experience.
- Improve accessibility of the whole site for over 400,000 people as well as its sustainability - both financially and environmentally, improve conditions for staff and increase operational efficiency.
- Provide a more welcoming entrance and public area for the park with clearer links to the town centre and seafront.

Business Case for the wider scheme

Overall, on completion of RIBA stage 2 in March 2015, business consultants estimate the project will create an additional uplift in income of £1.08 million based on 2014/15 figures as follows:

- **Conferencing:** business consultants suggest this will contribute to 40% of the business case with additional income in the order of £380k. The conference advisor estimates that the additional indirect economic impact for the town will be £4.6 million.
- **Catering:** estimated by business consultants to represent 30% of the business case, estimated additional income approximately £300k.
- **Theatres:** estimated by business consultants to represent 20% of the business case, total additional revenue generated from ticket sales and additional sales will be approximately £180k.
- **Accessibility, visibility, quality visitor attraction and savings:** estimated to represent 10% of business case, this will generate an additional £220k.

The creation of the Welcome Centre will be the catalyst for unlocking funding to support the wider masterplan, allowing the above to be delivered.

2.3. Strategic fit

Please detail the SELEP and local objectives/strategies/work programmes/ services which the investment will support

SELEP and National Growth Fund criteria

In terms of Growth Deal criteria the scheme can demonstrate the following fit.

Growing the local economy - the project will complement and stimulate private sector investment and add value to previous Growth Deal investments including Eastbourne Town Centre improvements and Eastbourne and South Wealden Local Sustainable Transport package.

Private sector – the project builds on existing private sector investment including £85m investment in the town centre by Legal and General, creating the conditions necessary to attract new businesses and leading to future investment in retail, catering and holiday accommodation.

Jobs – the Welcome Building will create almost 100 new direct and indirect jobs in Eastbourne as well as 25 FTE employment opportunities for local people through the construction works

Risk– Risk is well managed in the project through:

- The appointment of a very experienced professional team and strong internal governance
- A Business Plan developed by advisors with wide experience in this sector which has been subject to robust internal and external scrutiny
- A scheme design which is driven by the Business Plan priorities and will thus optimise the revenue returns needed to fund the scheme
- An approach to procurement and subsequent project management which will protect the council's position

Deliverability – planning permission is in place, a project team has been procured, land is in our ownership and match funding is confirmed. If Growth Deal funding is secured, the project could start on site in January 2017 with the Welcome Building complete by December 2018 and the entire Devonshire Park Masterplan completed by January 2020.

Costs met elsewhere – The project seeks £5m towards the £16m Welcome Building, part of a £44m Masterplan. Therefore, just 11% over the total costs are sought from the Growth Deal. Eastbourne Borough Council will provide funding through a combination of asset disposal, external funding and public borrowing and we are confident in our funding strategy, based on a robust business plan.

Fit with SELEP strategic objectives - This project clearly supports the growth ambitions outlined in the 'SELEP Strategic Economic Plan and Growth Deal', indeed '**Creative, Cultural and Media and the Visitor economy**' is one of the LEP's key growth sectors. The project will support SELEP's commitment to creating 200,000 sustainable private sector jobs by 2021. It will also align with the recognised need to invest to address the challenges of coastal communities.

Aligning with Other Strategies and Policies

The project will also make a strategic contribution in delivering economic and regeneration initiatives as part of the following Eastbourne Borough Council plans:

Eastbourne Borough Council Corporate Plan 2010-2015

The Corporate Plan recognises the social and economic challenges facing Eastbourne, setting out a vision for 2026:

“By 2026 Eastbourne will be a premier seaside destination within an enhanced green setting. To meet everyone’s needs Eastbourne will be a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change.”

The Council’s Priority Themes to deliver this are: Prosperous Economy, Quality Environment, Thriving Communities and Sustainable Performance

The need for investment is highlighted in the plan as follows:

- Eastbourne will be a nationally recognised outstanding seaside destination
- Eastbourne will have a high quality built and natural environment highlighting the cultural heritage and tourist offer of the Borough, surpassing UK towns of a similar size
- Eastbourne will have an exciting and wide range of cultural activities combining opportunities for learning, participation and shared experiences for residents and tourists
- A wide programme of events and activities will encourage opportunities for partnership and investment in the cultural economy and growth of Eastbourne as a marketable destination
- Families and young people will be supported and have access to a wide range of activities and facilities to reach their full potential
- Our communities will have the resources they need to achieve high levels of volunteering
- Our communities will be active in developing priorities for tourism, culture and sport including managing sports, leisure, creative and artistic activities; events and festivals; ensuring greater participation and opportunities to share and enjoy the widespread cultural provision in the Borough.

The development of Devonshire Park is identified as a specific priority in the Corporate Plan for providing a quality cultural brand alongside diverse arts and leisure programmes.

East Sussex County Council Plan, 2015-16

The Plan sets out the County Council's ambitions and what they plan to achieve by 2018 - it identifies four overarching priority outcomes:

- Driving economic growth
- Keeping vulnerable people safe
- Helping people help themselves

- Making best use of resources

Making best use of resources is the key priority, and any other activity or accompanying resources must take this into consideration. The remaining three priority outcomes guide which activities and direct resources are to be used, reflected in the Council Plan activities and targets.

East Sussex Cultural Strategy, 2013 - 2023

The strategy was developed by those with responsibility to provide services in the County – local authorities and public partners, third sector providers, key cultural providers and leaders. The strategy is the interface between regional, national and international policy and local areas, a two-way relationship providing strategic context for local policy whilst projecting a collective voice at a strategic level. The three priorities for the next ten years are:

Priority 1: Create an environment where great cultural experiences are available to everyone to enhance their quality of life

Priority 2: Create an environment which enables the cultural and creative economy to expand and enhances our ability to attract and retain other businesses.

Priority 3: Develop and promote well packaged cultural tourism offers which celebrate the identity of East Sussex, raise its profile, and attract more visitors and businesses to the County

The Devonshire Park scheme in particular addresses Priority 3 by providing a visitor hotspot which will generate spinoff visits to surrounding attractions (such as the proposed enhanced offer at Charleston) and food and beverage outlets.

Emerging Eastbourne Cultural Innovation Strategy

A new Cultural Strategy which will integrate the physical facilities and technical skills available at the redeveloped Devonshire Park with the wider arts community of Eastbourne, is being developed with the support and guidance of ESCC officers.

National Policy - Five Point Plan

On the 17th July, 2015, the Government announced a new Five Point Plan to boost tourism across the UK - spreading the benefits of one of the country's fastest growing sectors beyond London, in a bid to create jobs and rebalance the economy.

A new inter-ministerial group will co-ordinate and align action across Government. The group, is headed by the Culture Secretary, and includes ministers from the Department for Communities and Local Government, BIS, DEFRA, Home Office, and the Foreign and Commonwealth Office. It will focus on five key areas:

- A better co-ordinated sector: Encouraging local attractions and tourism organisations to collaborate to grow the sector for everyone - rather than competing

- Skills and jobs: Driving and retaining talent in the sector to encourage growth
- Common sense regulation: Reforming regulation sensibly to drive competition and improve the tourism offer for visitors
- Transport: Forging innovative links between the transport and tourism sectors to help visitors travel outside of the capital
- An improved welcome: Delivering a world class welcome at the Border

Alignment with Other Local Regeneration Projects

The project will also align with other Local Regeneration Projects delivering economic growth:

- Town Centre plans (Arndale Centre Improvements, Terminus Road improvements, Enterprise Centre/Network Rail).
- new Leisure Centre at the Sovereign site
- Wish Tower Restaurant
- Sovereign Harbour Innovation Park
- Sand Beach Volleyball
- Redoubt Fortress refurbishment
- New Seafront Plan
- Cycling along the seafront
- New tennis programme

In addition, the Council has successfully bid for a £1.8M Coastal Communities Fund grant and a £2M grant to promote tourism resulting from the Pier fire in July 2014 for:

- Princes Park Café Refurbishment, new main entrance / plaza and seafront link including new zebra crossing
- Sea Houses Square Plaza improvements and commercial space refurbishment
- Seaside Road façade improvements
- Apprenticeships, employment and training in construction
- Focus on I.T. and young people in high tech businesses
- Culture trail, support local artists and signage project and history trail.
- Christmas market and lights
- Refurbishment of Pier attraction.
- Tourism and event Marketing initiatives

Eastbourne Visitor Research, 2012-13 (Visit Eastbourne)

This research was carried out by TNS during 2012 to 2013. It measured visitation levels including inbound and domestic visitors to the resort, overnight and day visitors plus residents. It also assessed the non-visitor demographics, looked at key competitors, identified awareness of Eastbourne as holiday destination and the perceived barriers to visiting the resort. The report highlighted:

- One in five were looking for more cultural facilities – another priority given that this was again particularly likely to be mentioned by younger, first time visitors. Deals on accommodation were also a priority for first time visitors (their primary concern) and the 35-54 year-old segment.

The work proposed at Devonshire Park can clearly support this.

The Eastbourne Tourism Accommodation Study 2014

This study highlights the economic significance of tourism as an important economic driver, attracting circa 2.04m visitor nights in 2013, generating an estimated £261.3m in direct expenditure and contributing 19.5% of all jobs.

The study states that:

‘the redevelopment of the Devonshire Park Complex is likely to have a significant impact on the future development of the tourism and accommodation sector in Eastbourne. Devonshire Park, a flagship development, has the potential to transform Eastbourne and realise the 2027 vision for the town that will stimulate investor confidence and economic growth’

**2.4. Summary outputs
(3.2 will contain
more detail)**

	16/17	17/18	18/19	19/20	20/21	Totals
Direct Jobs (construction-related)	33	135	86			255 gross job years (equivalent to 25 gross FTE jobs)
Indirect Jobs (operational and within the wider visitor economy)				30 additional FTE jobs	84 additional FTE jobs	84 additional FTE jobs per annum
Visitor Spend				An additional £1.64m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP per annum
Conference Venue				1 purpose built conference venue		1 purpose built conference venue
Conference Visitors				17,075 conference visitors	34,150 conference visitors	34,150 conference visitors per year

	Commercial Floorspace – Devonshire Park				2,500sqm		2,500 sqm
	Commercial Floorspace – indirectly supported in the local economy					The potential to support circa 400sqm retail space and 750sqm for food and beverage and demand to support 22 bed spaces	The potential to support circa 400sqm retail space and 750sqm for food and beverage and demand to support 22 bed spaces
<p><i>Note1 : 1 FTE job = 30 hours per week or more; Permanent job = 12 months or more</i></p>							
2.5. Planning policy context, consents and permissions	<p><i>Please include timeline where appropriate</i></p> <p>Planning Permission and Listed Building Consent for the entire scheme was granted in November 2015. Almost all pre construction conditions have now been discharged.</p>						
2.6. Delivery constraints	<p><i>High level constraints or other factored which may present a material risk to delivery</i></p> <p>The council has selected a major national contractor to deliver the scheme. Negotiations to reach financial close are underway, with the intention of completing the contract by March 2017. In order to ensure delivery to plan, the contractor was issued with an order to start some enabling works in December 2016.</p> <p>A major risk for timescale was whether Southern Water would be able to divert their major sewers within time. This work is complete and other utilities are on site now.</p>						
2.7. Scheme dependencies	<p><i>Please provide details of any related or dependent activities that if not resolved to a satisfactory conclusion would mean that the full economic benefits of the scheme would not be realised.</i></p> <p>For Eastbourne and East Sussex to fully benefit from the uplift in conference business requires investment by the hotel sector. The council is working with both trade bodies and a number of hotels to explore how the benefits of this scheme can be exploited.</p> <p>The Conference Marketing Team at Devonshire Park are working with national agencies such as VisitEngland and VisitBritain to develop bespoke conference marketing packages of the kind offered by other destination marketing organisations that depend on business tourism. To this end they are also developing a conference hotel marketing group that can help build a higher standard of accommodation provision for delegates across a range of provider types from larger 4 star purpose built hotels to smaller boutique and family-run businesses. There are already a range of nearby hotels that match the higher end conference offer and it is envisaged that this group will extend and begin to include providers beyond the immediate vicinity of Devonshire Park. The conference marketing team will be expanded prior to the opening of the new 'Welcome Building with a view to selling</p>						

	<p>conferences and exhibitions to clients several years in advance of their planned events.</p> <p>With the recent confirmation from the LTA that the Aegon tournament will be dual gender from 2017, a contract is now being signed to build a new Tennis Village at Devonshire Park. The new building will be in place by May 2017 in time for the 2017 tournament. Construction of an additional Show Court is now underway.</p> <p>The investment in the town centre retail area in partnership with Legal & General and East Sussex County Council is now underway, with the early phase works nearing completion. This will provide visitors to Devonshire Park with a much improved retail and dining offer, together with a better train/bus interchange.</p> <p>In terms of competitor investment in new venues we are aware of two relevant schemes (a) the Black Rock Centre in Brighton and (b) the Fairfield Halls, Croydon. We understand that the Black Rock scheme, which will replace the existing Brighton Centre, will be a primarily entertainment venue rather than conference focused. The Fairfield Halls provides more direct competition but, if as expected the QE2 Centre will be needed as decant space for the works to Parliament, then Fairfield Halls will absorb that London based business.</p> <p>The benefits of all three venues re-launching over a short period of time is that a high quality and varied offer for the South East, compares favourably to the variety of venues found in the North of England. Experience there has shown how new venues in places that include Newcastle, Leeds, Manchester, Liverpool have all grown the market much more than they have cannibalised it for each other.</p>
<p>2.8. Scope of scheme and scalability</p>	<p><i>Please summarise what the scope of the scheme is. Provide details of whether there is the potential to reduce the projects costs but still achieve the desired outcomes – or increase projects costs for much improved outcomes.</i></p> <p>The Welcome Building addresses three key issues:</p> <ul style="list-style-type: none"> • The need for a much improved the conference/exhibition offer with purpose built exhibition space/ break out spaces together with supporting technology and catering • Solving the access issues of the Congress Theatre and Winter Garden through the construction of a large lift which serves all three buildings. Introducing suitably sized lifts into the Congress and Winter Garden would otherwise be very difficult due to their listed status • Allowing a far better and more profitable catering offer on site by releasing the foyer of the Congress and creating a new café in the Welcome Building <p>The scale of the Welcome Building is the result of a detailed analysis by the business planning consultants. It is large enough to attract the right type of mid market conferences without being too large for Eastbourne as a location. This means that it is difficult to reduce the size of the building without badly damaging the business case.</p>
<p>2.9. Options if funding is not secured</p>	<p><i>Please summarise what would happen if the funding for the scheme was not secured - would an alternative solution be implemented and if so please identify how it differs from the proposed scheme and how it would be funded</i></p>

Is doing nothing an option?

Funding Not Secured:

The Welcome Building is so vital to the wider redevelopment of Devonshire Park, if No LGF funding was available for the project, the Council would need to divert resources from other parts of the Devonshire Park development to enable the Welcome Building to proceed.

There would also inevitably be a need to make cost savings and key elements of the scheme such as the gateway public realm investments would need to be dropped.

There would also need to be significant value engineering to make costs savings across the whole scheme which will impact on the viability of business plan.

The extent and specification of the Welcome Building would have to be reduced to a minimum scheme to ensure access and workability of the theatre/winter garden. This would significantly prejudice the improvements required for the Aegon international tennis and for the growth of the conference business. The impact of this reduced investment would be:

- Reduced long term income and business resilience across the Devonshire Park business
- A weaker Conference and Events offer and consequent reduced economic value to the town and region
- Poorer cultural and quality of life/skills and personal outcomes for residents

Do Nothing:

Do nothing is not an option - arresting the decline in the fabric and systems of the buildings and preserving their standard of presentation to visitors would alone be a major task.

Based on surveys conducted by the Council and design team, and forecasting continued dilapidation the likelihood of further as yet uncovered issues with the site, we estimate that the 'do nothing' option may well carry a price over the immediate future of more than £10m for the Council.

3. ECONOMIC CASE

The economic case determines whether the scheme demonstrates value for money. It presents evidence on the impact of the scheme on the economy as well as its environmental, social and spatial impacts.

For projects requesting over £5m of SELEP directed funding, a separate economic appraisal should be undertaken and supplied alongside this application form. This should provide:

- *A calculation of Benefit Cost Ratio according to Government guidelines*
- *Proper inclusion of optimism bias and contingency linked to a quantified risk assessment*
- *Inclusion of deadweight, leakages, displacement and multipliers*
- *An appraisal spreadsheet with clearly identified, justified and sensitivity-tested assumptions and costs*

3.1. Impact Assessment

The delivery of the Welcome Centre at Devonshire Park will strengthen Eastbourne’s conferencing offer and enable the town to attract new visitors to East Sussex and the wider South East LEP area. The Devonshire Quarter is already one of the main conference venues along the South Coast, capable to hosting a range of conferences for up to 1,700 delegates.

The primary quantified economic benefit of the project lies in the ability of the Welcome Centre to attract new delegates to the area and it is anticipated that the project will enable Devonshire Park to attract a further 26,650 visitors per year, bringing overall delegate visitor numbers to around 34,150 annually once the Welcome Centre fully operational.

The spending of these additional visitors is expected to support new long-term jobs, both at Devonshire Park and in the wider SELEP visitor economy. As such, the approach to modelling the economic benefits is to estimate the 10 year effects of net additional job gains within the SELEP labour market. The modelling has been informed by relevant evidence and assumptions developed to inform The Current and Potential Economic Impact of Devonshire Park study (September 2015).

Investment in the delivery of the project will also bring new temporary employment opportunities in the construction sector arising during the delivery of the project. As such, the economic benefits arising during the construction phase of the project are also considered within the modelling.

The two benefit streams assessed in the impact assessment are:

1. gross construction-related effects arising during the delivery of the project; and,
2. wider induced employment effects in the SELEP visitor economy, including additional operational employment gains at Devonshire Park itself.

From gross jobs, net additional employment is also calculated drawing on national guidance and local evidence to estimate the deadweight, leakage, displacement and economic multiplier effects. GVA per job metrics for East Sussex are used to estimate the effects of net additional employment gains to the economy and these are also expressed in Net Present Value (NPV) terms.

The table below illustrates how identified benefits significantly outweigh disbenefits:

Project benefits	Project dis-benefits
Enhanced quality and prestige of Devonshire Park as a national/international destination	Increased usage will increase car journeys – increased carbon emissions
Preserved and enhanced heritage significance of the site	The potential to displace visitors away from other existing local attractions, anticipated to be small
Improved park and public realm	
Improved experience for visitors, delegates and audiences	
Increased attractiveness for hirers, performers and touring companies	
Improved tennis facilities and park accessibility	
Improved business and environmental sustainability	

	<p>Increased income generation and reduced revenue costs</p>
<p>3.2. Outputs]</p>	<p>To determine the overall additionality of the project, the economic modelling considers the benefits that could be achieved in a 'Preferred Option' scenario and in a 'Reference Case' scenario (see section 3.6 Options). Deducting the economic benefits achieved in the Reference Case from those achieved in the Preferred Option has allowed for an estimate of additional economic benefits that can be attributed to the project.</p> <p>In the Preferred Option, the economic outputs assessed are the gross and net additional FTE employment effects arising during the construction phase (2016/17-2018/19) and the effects of the first 10 years of the Welcome Centre being operational (2019/20-2028/29). It is anticipated that it will take two years for the Welcome Centre to fully generate economic benefits within the SELEP visitor economy.</p> <p>In the Reference Case, without investment in delivering the project, no construction-related benefits are considered within the modelling. However, it is anticipated that without the Welcome Centre, Devonshire Park would continue to host conferences and events in future years at a similar level to what it is currently hosting. In practice, there may be risks around the ability of Devonshire Park to sustain current visitor levels as competing facilities in the region improve their offer.</p> <p>For both options, the economic modelling considers the construction-related and operational benefits achieved over a 15 year period (2016/17 – 2030/31). In practice, it is anticipated that the Welcome Centre will continue to be operational beyond such dates.</p> <p>Gross Employment Effects</p> <p><u>Gross Direct Construction-related Jobs</u></p> <p>In the Preferred Option, it is estimated that a construction spend of £15.34m would support 254 gross construction job years between 2016/17 and 2018/19, based on a benchmark of 16.6 direct construction job years per £1m of investment in Private Commercial Development (CLG, Calculating Cost Per Job, 2015). This is equivalent to 25 gross direct FTE jobs (applying standard metric of 10 construction jobs years being equivalent to 1 FTE job).</p> <p>As this investment would not come forward in a Reference Case scenario, no construction-related benefits would be achieved.</p>

Gross Induced Devonshire Park Operational Jobs and wider induced jobs within the Visitor Economy.

Devonshire Park is currently attracting around 7,500 conference delegates per year. Based on an estimated average ‘spend per visitor’ benchmark (£342 per visitor, *The Economic Impact of the UK Meeting and Event Industry, MPI Foundation*), it is estimated that visitors to Devonshire Park are already spending £2.565m per year during their trips, either within Devonshire Park or the wider visitor economy.

Evidence taken from ‘*The Current and Potential Economic Impact of Devonshire Park*’ (September 2015) suggests that 62% of visitors to Devonshire Park’s conferences and events are currently visiting from outside of East Sussex, and it is estimated that around 50% of conference visitors are currently attracted from within the SELEP area. In economic terms, the spending of these 3,750 visitors can be considered as “deadweight” within the modelling, as it can be assumed that this spending activity would take place with the SELEP area regardless of the visits to Devonshire Park. On this basis, it is estimated that conference and event activities at Devonshire Park are already generating £1.28m of additional spending within the SELEP visitor economy annually.

By applying an established “spend per job” metric of £54,000 per job in the visitor economy (Deloitte, Oxford Economics 2013), it is estimated that the spending of conference visitors to Devonshire Park from outside of the SELEP area is already supporting 24 gross induced jobs within the SELEP labour marker, either at Devonshire Park or within the wider visitor economy. In the Reference Case, it is anticipated that this level of spending will continue regardless of the investment in the project.

The delivery of the Welcome Centre will, however, enable Devonshire Park to increase its annual conference delegate numbers to 35,150. Applying the same assumptions would see a total of £11.68m of visitor spending per year, of which £5.84m would be additional to the SELEP area. Based on the £54,000 spend per job benchmark, it is estimated that once operational, additional spending by delegates from outside of the SELEP area has the potential to support a total of 108 induced FTE jobs, either at Devonshire Park or within the wider SELEP visitor economy.

Deducting the 24 gross induced FTE jobs supported in the Reference Case from the 108 gross FTE jobs achieved in the Preferred Option gives an overall estimate of additional gross operational FTE jobs achieved through the project. It is therefore estimated that **the project has the potential to generate an additional 84 gross induced FTE jobs at Devonshire Park and the SELEP visitor economy once the Welcome Centre is fully operational.**

The table below outlines the overall assumptions regarding annual visitor numbers, their spending within the visitor economy and the FTE jobs that additional delegate spending brings either at Devonshire Park or within the wider SELEP visitor economy in both the Reference Case and the Preferred Option.

Devonshire Park - Visitors, spending and gross induced FTE jobs supported			
	Reference Case	Preferred Option	Project additionality
Total annual visitors	7,500	34,150	+25,650
Spend per visitor	£342 per visitor		
Total annual spending in the visitor	£2.565m	£11.679m	+£9.114m

economy			
Proportion of spending by SELEP residents	-50% (Deadweight)		
Total additional spending within SELEP	£1.283m	£5.840m	+£4.557m
Turnover per Visitor Economy FTE job	£54,000 per FTE job		
Total induced FTE jobs	24 FTEs	108 FTEs	+84 FTEs

Summary of additional gross FTE jobs

Through the delivery of the project, it is estimated that a total of **254 job years (equivalent to 25 FTE jobs) could be generated during the construction-phase** and once delivered a **total of 84 longer-term FTE jobs would be generated at Devonshire Park and within the wider visitor economy of the SELEP.**

Net additional FTE jobs

To estimate net additional employment in the SELEP labour market, prudent adjustments have been made to reflect leakage (-10%), displacement (-25%) and indirect and induced (multiplier) effects (1.4) in both the Preferred Option and the Reference Case. These have drawn on national guidelines including HCA Additionality Guide (2015) and research by BIS (Occasional Paper 1: Research to improve the assessment of Additionality, 2009).

In both the Reference Case and the Preferred Option, no multiplier effects are considered within the assessment of net additional jobs supported at Devonshire Park or within the wider visitor economy as these FTE jobs will be supported through the spending of additional delegate visitors to the area and can therefore already be considered to be 'induced'.

In applying these assumptions, it is estimated that the **project has the potential to generate a total of 81 net additional FTE jobs**, comprising:

- 241 net additional jobs years (equivalent to 24 net additional FTE jobs) during construction; and,
- 57 net additional induced FTE jobs at Devonshire Park or wider the visitor economy of the SELEP once the Welcome Centre is fully operational

Sensitivities

Whilst it is anticipated that the Reference Case position would remain unchanged, a number of sensitivity tests have been applied to the Preferred Option to reflect uncertainties in the assumptions used.

The main risks associated with the delivery of economic benefits associated with the project include the potential for fewer than anticipated delegate visitors and associated impacts of visitor economy jobs and the potential for higher levels of leakage and displacement. A further risk to the delivery of jobs includes the potential for delays associated with the delivery of the project (planning risk etc.).

Based on these main risks, three potential scenarios have been considered within the modelling. These are as follows:

- **Scenario 1:** 20% fewer delegates and higher levels of leakage (+5%) and displacement (+10%) during construction and operation;
- **Scenario 2:** Three-year delay in the delivery of the project; and,

- **Scenario 3:** 20% fewer delegates, higher leakage (+5%) and displacement (+10%) and three year delivery delay

The table below presents the gross and net additional employment effects when these scenarios are applied to the Preferred Option for the project.

Project Sensitivities – Preferred Option (less Reference Case)				
	Construction effects		Operational effects	
	Gross direct FTE jobs (10 years per FTE job)	Net additional FTE jobs (10 years per FTE job)	Gross direct and visitor economy FTE jobs	Net additional FTE jobs
Preferred Option	25 by 2018/19	24 by 2018/19	84 by 2020/21	57 by 2020/21
Scenario 1: Fewer delegates + higher leakage and displacement	25 by 2018/19	20 by 2018/19	63 by 2020/21	32 by 2020/21
Scenario 2: Three year delivery delay	25 by 2021/22	24 by 2021/22	84 by 2023/24	57 by 2023/24
Scenario 3: Fewer delegates, higher leakage and displacement and three year delivery delay	25 by 2021/22	20 by 2021/22	63 by 2023/24	32 by 2023/24

As such, it is estimated that the project will have a modest but beneficial impact on the SELEP labour market. Given that the project will bring a long-term uplift in delegate visitor numbers to the area, it is anticipated that the project will have a greater beneficial impact on the economy, considered within the value for money assessment below.

3.3. Wider benefits

The wider economic impact of the scheme has been identified above – in addition it is useful to note the following key points identified in the business plan which highlight the wider benefits:

- In the economy of the town this project is very significant. The Devonshire Park operation spends some £7.5m per annum and, even if only a proportion of this is spent in the local economy, Devonshire Park constitutes one of the larger purchasers of services and supplies.
- Of this, almost £2m is spent in salaries and wages in the business involved in the project - the site is a significant employer offering stable and rewarding jobs in the local economy.
- In addition, visitor spend in local shops and restaurants plays a huge role in supporting local businesses.
- With a footfall of 400,000 visits a year the site has a strong business basis to build on. Retaining these existing visitors is important, as is attracting new visitors.
- Much improved conference facilities to attract a higher value conference market.
- Higher profile of the Heritage aspect of the Park to attract visitors and support the conference business case through offering 21st C conference facilities in a range of unique 19th, 20th and 21st C buildings.
- Improved Tennis facilities will future-proof the major tournaments and attract others. These represent a high value to the town's economy and attract positive media

	<p>coverage</p> <ul style="list-style-type: none"> • Higher profile of Devonshire Park as a cultural destination attracting a more diverse audience. • Up to date technical equipment and improved environmental conditions in the show venues to future proof their commercial viability • Public realm improvements with a clearer and more attractive link to the seafront and the planned redevelopment at the Wish Tower to provide complementary attractions • Improved commercial kitchen and on-site Catering offer to support the higher value conferences and attract sales throughout the day when the site is currently quiet. 																					
<p>3.4. Standards</p>	<p>The Project is targeted to achieve BREEAM 'Very Good' for the Welcome Building. In addition to this, at the heart of the project is the ambition to enhance accessibility to the various buildings and the full site and an access consultant has been engaged with the project throughout to ensure that this is at the forefront of the design. Regular consultation with the local accessibility group has helped to maintain the high standard of access within the project.</p>																					
<p>3.5. Value for money assessment</p>	<p>Gross Value Added and Benefit Cost Ratio</p> <p>An assessment of Gross Value Added (GVA) has been undertaken to estimate the effects of net additional FTE jobs on the productivity of the SELEP economy, the economic return on investment and the value for public investment. This is based on ONS GVA per job estimates for East Sussex in the construction sector (£86,222 GVA per job), the visitor economy (£31,009 GVA per job) and the county's wider economy (£52,522 GVA per job).</p> <p>The estimated cumulative GVA is based on a time profile of annual employment and GVA achieved in both the Reference Case and the Preferred Option. In the Preferred Option, it is anticipated that the Welcome Centre will take three years to deliver (2016/17-2018/19) and that once delivered (2019/20), it will take two years to fully realise the benefits of visitor spending. It is therefore assumed that all visitor-spending related jobs at Devonshire Park or within the wider visitor economy will be achieved by 2020/21. In the Reference Case, the GVA is claimed over a ten-year period from 2019/20.</p> <p>To calculate the Net Present Value (NPV, discounted at 3.5% p/a) of the investment, it is assumed that the jobs supported at Devonshire Park and within the wider SELEP visitor economy would persist within the labour market for at least 10 years. This is in line with guidance developed to support the national evaluation of Regional Development Agencies (BIS / PwC, 2009). Construction-related employment effects have already been assessed in terms of job years and as such, no persistence effects are applied.</p> <p>The results of this modelling and the overall assessment of Cost Benefit arising from the project is outlined in the table below:</p> <table border="1" data-bbox="456 1644 1465 1951"> <thead> <tr> <th colspan="7">GVA and Value for Money – Preferred Option (less Reference Case)</th> </tr> <tr> <th></th> <th>GVA</th> <th>NPV</th> <th>LGF investment requirement</th> <th>Benefit Cost Ratio (BCR)</th> <th>Total Net Jobs</th> <th>LGF Cost per Net Job</th> </tr> </thead> <tbody> <tr> <td>LGF</td> <td>£40.6m</td> <td>£34.6m</td> <td>£5.0m</td> <td>1 : 6.9</td> <td>81 FTEs</td> <td>£61,710</td> </tr> </tbody> </table> <p>Against an investment of £5.0m from the LGF, it is anticipated that the project could achieve reasonably good value for money, when compared to a cost per net additional job benchmark identified for image, events and tourism interventions of £79,133 (PWC/BERR</p>	GVA and Value for Money – Preferred Option (less Reference Case)								GVA	NPV	LGF investment requirement	Benefit Cost Ratio (BCR)	Total Net Jobs	LGF Cost per Net Job	LGF	£40.6m	£34.6m	£5.0m	1 : 6.9	81 FTEs	£61,710
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LGF	£40.6m	£34.6m	£5.0m	1 : 6.9	81 FTEs	£61,710																

Evaluation of RDA activity, 2009).

Applying the same assumptions and considerations for the scenarios developed for the sensitivities gives the following results:

GVA and Value for Money – Sensitivities					
	GVA	NPV	Benefit Cost Ratio (BCR) - LGF	Total Net Jobs	LGF Cost per Net Job
SC1	£29.4m	£25.4m	1 : 5.1	51 FTEs	£97,162
SC2	£37.2m	£29.1m	1 : 5.8	81 FTEs	£61,710
SC3	£27.2m	£21.6m	1 : 4.3	51 FTEs	£97,162

Even with these sensitivities applied, the project still represents reasonable value for money when compared to the recognised cost per net additional job benchmark - £79,133 for image, events and tourism regeneration projects.

Optimism Bias, Leakage, Displacement and Multiplier effects

A 44% increase in project cost requirements has been applied to the overall public sector project costs to account for optimism bias. This is based on Supplementary Green Book Guidance for Optimism Bias (HM Treasury) and reflects the upper end levels of optimism bias in capital projects for standard civil engineering. In practice, some of this bias can be mitigated based on Eastbourne Borough Council’s experience of delivering new capital projects at Devonshire Park and across the borough, but OB is retained at 44% at this stage for sensitivity purposes.

Given the size of the SELEP area, our approach to estimating the levels of leakage, displacement and multiplier effects has drawn on ready reckoner evidence reported at the regional level in national guidance. The SELEP area is a similar size to the South East Region and so using regional analysis appeared to be more appropriate than sub-regional ready reckoners.

For leakage effects, we have assumed that a high proportion of jobs at Devonshire Park will attract workers from the immediate labour market and that the likely extent of the labour catchment area will not extend far beyond Eastbourne itself. In practice, it is likely that leakage effects will be smaller than presented, given that Census 2011 evidence suggests that 99% of people working in Eastbourne currently live within the South East. In the economic case, we have adopted a prudent approach that draws on ready reckoner assumptions for low levels of leakage at regional level from the HCA Additionality Guide.

For displacement of operational jobs, we have made the assumption that displacement will also be at the median level. This is because there are a limited number of similar conference facilities in the SELEP area (or along the South Coast) from which activities could be displaced (product market displacement). Specifically, we have used guidance from BIS 2009 research into additionality, which suggests that median level displacement for projects targeting “business development and competitiveness” at the regional level will be in the order of 25%.

Multiplier effects have drawn on averages reported by the Scottish Government through its Input-Output tables (2013) - 1.4 is considered to be a benchmark standard.

Reflecting uncertainties in the levels of leakage and displacement, we have included a scenario within the economic case sensitivities which considers higher levels of leakage and displacement. In this scenario, the project still demonstrates good value for money.

Based on these adjustments, the Benefit Cost Ratio and public sector cost per job would be as follows:

Value for Money (LGF, including upper level optimism bias)		
	Benefit Cost Ratio (BCR)	LGF Cost per Net Job
Preferred Option	1 : 4.8	£88,863
Scenario 1: fewer delegates, higher leakage and displacement	1 : 3.5	£139,914
Scenario 2: Three year delivery delay	1 : 4.1	£88,863
Scenario 3: Fewer delegates, higher leakage and displacement and three year delivery delay	1 : 3.0	£139,914

With these adjustments, the investment still represents reasonable value for money when compared to established benchmarks. The BCR estimate for the project is therefore considered to be reasonably robust.

Investment Leverage

The LGF ask of £5.0m will contribute towards the costs of a £16.1m scheme, which represents 31% of the total project costs. This would give a leverage ratio of 3.2 : 1. We anticipate that securing the £5.0m grant from the SELEP will be the catalyst for the wider development of the £44.0m Masterplan – this would increase the leverage ratio to 8.8 : 1, which would represent an excellent return on the LGF investment.

3.6. Options assessed

Options process

To arrive at a Preferred Option for the project, various investment options have been considered. The overriding Strategic Objective for the project is to stimulate an overall uplift in visitors to Devonshire Park and improve the financial sustainability of one of Eastbourne’s most prized assets.

The options process that we undertook can be seen below:

The Do Nothing Option

Discussions with specialists, councillors, visitors and users quickly discounted the ‘Do Nothing’ option. This can be seen in the SWOT analysis below:

SWOT ANALYSIS– “DO NOTHING” OPTION (REFERENCE CASE)	
Strengths	Weaknesses
<p>Minimises spend required by the local authority.</p> <p>Reduces any disruption that would be caused during the build.</p> <p>No loss of business resulting from closure during build period.</p>	<p>Without transformation over and above the basics of maintenance, the site is likely to cease very quickly to be a viable conference destination and thereafter to decline as a cultural attraction over the ten years ahead. Seaside towns face serious competition and even among seaside towns of the south coast, the pace of</p>

		<p>regeneration and renewal, often led by culture and attractions, means that Eastbourne risks losing its position.</p> <p>The site alone also contributes 40% of the Council's entire carbon footprint as a result of obsolete systems and energy ineffective fabric. If buildings are not improved there will be no way of reducing the carbon footprint.</p>
	<p>Opportunities</p>	<p>Threats</p>
	<p>Leaves the site open for other opportunities as and when they arise in the future.</p>	<p>The International Tennis Tournament is a key business driver. It has a complex but defined set of spatial requirements – currently met across the site in existing and temporary spaces – some of it unsatisfactorily. If investment is not made it could be lost to the town.</p> <p>The 'Do Nothing' option of simply dealing with the maintenance deficit of the site will not protect Devonshire Park from further risk and the likelihood of decline. Arresting the decline in the fabric and systems of the buildings and preserving their standard of presentation to visitors would alone be a major task.</p> <p>Based on surveys conducted by the Council and Design Team, and forecasting continued dilapidation the likelihood of further as yet uncovered issues with the site, we estimate that the 'do nothing' option may well carry a price over the immediate future of more than £10m for the Council.</p>
<p>Further Options Analysis: To inform the discussions around what the preferred option for the site might look like the project team considered the key drivers and aims for the project.</p> <p>One of the key drivers for the project is the long term financial security of the Devonshire Park site.</p> <p>Eastbourne Borough Council commissioned David Clarke Associates first in October 2012, and since then in an ongoing capacity, to carry out a review of the current Devonshire Park business, its potential for growth and financial returns to optimise financial performance and economic and cultural value for the town.</p> <p>Business Plan Analysis identified the key business drivers for the redevelopment as being a combination of continued and increased theatre and entertainment business, substantial growth in the conference and events business and associated significant income from catering.</p>		

The conclusion of the business planning work endorsed a high level of ambition and vision for the renewal of Devonshire Park – the ‘Do Optimum’ Option. The Do Optimum Option relates to the wider masterplan of the site, the components of which were detailed in previous sections.

The SWOT analysis for the ‘Do Optimum’ is shown below:

SWOT ANALYSIS – “DO OPTIMUM” OPTION	
Strengths	Weaknesses
<p>The transformed Devonshire Park would be one of the UK’s most distinctive and talked-about cultural places. It would celebrate the unique heritage of the site and enrich lives through its programmes and activities.</p> <p>The Park would welcome hundreds of thousands of people every year to theatre, music, exhibitions, tennis, conferences and events, and just to visit and enjoy its facilities.</p> <p>Devonshire Park will be a natural place for people to gather; engaging local people and bringing new visitors to Eastbourne, ensuring the sustainability of the Park for future generations.</p> <p>The heritage of the site would be preserved for future generations.</p>	<p>Whilst delivering significant benefits, this option will require equally significant funding.</p>
Opportunities	Threats
<p>The renewal should deliver business value by improving the visitor experience, improving the capacity of the site to meet both tournament and visitor requirements, consolidating current temporary ‘fixes’ into permanent spaces to reduce cost, and enabling the Devonshire Park operator to command visitor catering and other incomes.</p>	<p>There is potential for loss of income during the build. Build schedule would need to be developed around the programming at the site including the tennis.</p> <p>The ability to secure funding for such a large scheme, and co-ordinate the needs and requirements of the different funders would be a challenge.</p>

With funding limited, to secure the whole £44m is a significant challenge. The project team then took the decision to prioritise different elements of their Masterplan.

The key arguments considered by the Project Team were whether to prioritise investment in the ‘conservation and care of the key historic buildings and develop the arts offer’ or focus on making the scheme work as a ‘business driver and cultural/ tourism destination’ and start to generate the much needed income for the site and the wider economy.

These are explained in more detail below and a SWOT Analysis for each of these options are shown below:

i. Conservation and Care of the Key Historic Buildings and Develop the Arts

This option would see money invested in the fabric of the heritage buildings on site, specifically the theatre – restoring and preserving their heritage significance and allowing more people to learn about their heritage.

ii. Business Driver and Cultural / Tourism Destination

This will see the development of the Welcome Centre on the site which will house improved conferencing, events space, box office, café / bar and tourist information facilities. Its development will also help to secure the long term future of the International Tennis at the site.

SWOT ANALYSIS– “HERITAGE/ARTS FOCUS” OPTION	
Strengths	Weaknesses
<p>The three theatre venues all trade already. Over 200,000 ticket sales a year mean that there is a strong audience upon which to build if investment is made.</p> <p>The Congress Theatre and Winter Garden must be conserved and brought up to standard to enable uses for theatre, music, dinners and events that meet the standards expected by modern audiences and customers, whilst celebrating and revealing their historic quality. Investment in this option would address this.</p>	<p>The revenue generating opportunities from the commercial elements continue to not reach their potential.</p>
Opportunities	Threats
<p>Visitor satisfaction surveying of current audiences registers a generally very positive experience - visitor satisfaction surveying tends to have a bias toward positive ratings - but larger proportions of responses in the fair/poor categories when customers are asked about ‘cleanliness and tidiness of venue’, ‘range of shows on offer’ and on a number of value for money perception questions – across those indicators that will rely for improvement on investment in facilities and product development.</p> <p>When asked about their visit overall, only 40% ticked excellent. Although a further 42% ticked good, venues at the top of their game regularly shift the large majority of respondents from good to excellent. When asked how likely they were to come again, only 57% gave the most positive response available.</p>	<p>Investment in the heritage could play more of a role of increasing the experience of existing users rather than attracting new users.</p> <p>Benefits are felt in terms of preserving the heritage / fabric of the buildings rather than maximising the economic benefits.</p>

This indicates the quality of experience that visitors get is not convincing them to be committed regulars in sufficient numbers. Investment in the theatres will help to ensure that theatregoers make return visits.

SWOT ANALYSIS– “INCOME DRIVERS / TOURISM OFFER” OPTION – (PREFERRED OPTION)

Strengths

The site has traditionally positioned itself in this market, with a series of basic offers in the various facilities. These facilities are well past their best and the conference business has declined in volume and notably in the price commanded in the market. Through investment, Devonshire Park can be brought back up to standard, with a completely renewed offer, brand and positioning, increased volume of business and increased price based on the transformation of the site.

Feedback from consultants shows the following - *‘The site must have a really strong USP, brand, identity and organising principle to underpin its appeal across products and markets. Developing the Welcome Facility will support this, providing a first point of contact for visitors’.*

Weaknesses

With a focus on the economic factors the heritage of the site could continue to deteriorate.

There could be significant disruption to the site during the construction period.

Opportunities

Expert business planners tell us: ‘We think there is significant market potential for catering to audiences, to conference and events and through provision of public café’

‘Despite the efforts of the team at Devonshire Park, the current performance in the conference and event market is very limited.

There is much that could be done to improve systems, marketing and conference management, but without systematic improvement of the facilities, return on these improvements will be

Threats

Could take away conference business from other providers.

Drop in the conference market could mean that business planning projections are not realised.

	<p><i>limited and will tail off as the buildings continue to decline. From this low base, we believe it would be possible to significantly improve performance in the sorts of midmarket conference and in smaller meetings that already consider Eastbourne.</i></p> <p><i>Agents and conference bookers at a certain level in the industry tell us that there remains a willingness to consider Eastbourne – and that Devonshire Park is regularly put forward as a possible venue by agents’</i></p> <p>In light of the above, the Preferred Option is to take forward the economically focussed option in the short term (“INCOME DRIVERS / TOURISM OFFER”), with a view to the heritage elements being carried out when funding allows.</p> <p>This will mean that income opportunities can be maximised and the project can begin to fulfil its role supporting the economic prosperity of the area.</p>
<p>3.7. Scheme assessment</p>	<p>In order to reach a Preferred Option for the project, the merits of each option have been considered in terms of its contribution towards the overriding strategic objective for the project (outlined in section 3.6 above).</p> <p>An appraisal of the Preferred Option has then been undertaken to estimate the economic benefits of the project, in terms of additional FTE job outputs and the additional GVA returns to the economy over the next 20 years. In doing so, the economic appraisal has also considered the “do nothing” reference case option. This has been undertaken in order to determine the additionality of the investment in the project.</p> <p>From this, it has been possible to then consider whether the project represents good value for money to the public purse. Reflecting uncertainties in the scale of economic benefits that could be achieved through the project and the potential for higher than anticipated project costs, a number of sensitivities have also been included within the modelling to consider a “worst case” scenario.</p> <p>The project team involved in the decision making process included:</p> <ul style="list-style-type: none"> • Robert Cottrill, Chief Executive • Phil Evans, Director of Tourism and Enterprise • Nazeya Hussain, Director of Regeneration and Planning • Graham Cook, Programme Manager – G2C Consulting <p>This has been supported by work from specialist consultants including:</p> <ul style="list-style-type: none"> • David Clarke Associates – Business Planning • Mark Hobbs – Catering Consultants • Venuesadvisor Ltd – Conferencing • GENECON Ltd – Economic Impact Assessment • SomeOne – branding consultants <p>All of these documents are available if required and support the economic case for the intervention.</p> <p>Our evaluation methodology for the project for both during and post completion is outlined</p>

in later sections.

4. COMMERCIAL CASE

The commercial case determines whether the scheme is commercially viable. It presents evidence on risk allocation and transfer, contract timescales, implementation timescales and details of the capability and skills of the team delivering the project.

4.1. Procurement

Please provide details of the procurement route and strategy that will be used for the project. This should include details of the procurement mechanism to be used, details of whether it is an existing framework and contract, the timescales associated with the procurements and details of other routes that were considered for delivery and reasons why these were rejected.

A full procurement and implementation strategy has been developed for the project. This included detailed consideration of the phasing and programming, the procurement route, the procurement strategy, and the contractual arrangements.

Phasing and Programming

A detailed high level appraisal of the phasing and programming of the works was undertaken during Stage 2 – Concept Design, to consider the optimum means of maintaining business as usual at Devonshire Park and thus minimise impact both on the site and the wider economy. Out of this exercise it became clear that the Welcome Building should be the leading major construction works as its completion unlocks much of the rest of the site. It would also be a key sign of commitment to the project and the regeneration it embodies.

Procurement Route

Consideration was given to the timescales, the requirement for best value and cost certainty, and of course quality. Given some of the complexities of the site and the requirement for a high standard of build, coupled with the fact that whilst the programme is compressed it isn't overly constrained, and therefore traditional procurement was agreed as the best approach. Design & Build was discounted due to the potential loss in quality and also the interaction of the building with the listed buildings either side. Management Contracting or Construction Management were both also discounted due to not securing price certainty until further down the line. There was also not the time pressure on the project that normally leads down an MC or CM route.

Procurement Strategy

Consideration was given both to the use of frameworks and the use of an open market exercise. Having reviewed the frameworks that might be suitable for such a project, it was decided that there was not a sufficient list of contractors on any one framework to ensure appropriate competitiveness and experience for a project of this nature. An OJEU compliant Competitive Procedure with Negotiation was chosen to give access to the full market range and secure expressions of interest from the most suitable contractors available. The second stage negotiation process helps to secure contractors input into programme and buildability before settling on a fixed price to deliver the contract.

Given the nature of the works, JCT Standard Building Contract with Contractors Design will be the form of contract as this has the right balance of risk and management and good understanding from the market.

	<p>Following this route a major national construction contractor has been appointed and we are negotiating financial close.. The contractor has confirmed that the construction programme set out in the document can be achieved.</p>
<p>4.2. Commercial dependencies</p>	
<p>4.3. Commercial sustainability</p>	<p><i>Please can you identify how the project will be commercially sustainable? Will the project require on going revenue support? If so how will this be funded?</i></p> <p><i>Please verify the project’s sustainability by including cash flow projections post-completion.</i></p> <p>The cash flow forecast developed for this scheme by DCA is the result of extensive sensitivity analysis prepared by the Council to ensure that any future revenue commitment required is understood now and built into our future financial plans.</p> <p>This forms part of a suite of work which shows that trading is likely to exceed the levels built into the prudent forecasts submitted, and the Council has confidence that in the long term the site will have the potential to be self-sustaining. In the meantime, however, we are content to forecast and build into our wider financial planning, a modest potential continued annual contribution from the Council because:</p> <ul style="list-style-type: none"> • This protects us from variations in market conditions which may lead to slower development of new business, or reduced margins while the business builds up • We remain committed to the support of cultural activity at the site which is primarily targeted at social and economic benefit of residents, particularly younger and harder to reach communities. • This subsidy is built into the overall forecasts and is partly met from continued EBC investment and partly from surpluses on the commercial entertainment, trading, catering and conference and event business driven by the renewed site and by the provision of the welcome building • We remain strategically committed to investment in facilities and marketing of the conference and events business of the site in recognition of the critical role and very substantial return the site generates for the local economy and hospitality sector in particular. <p>The Council has recognised, in approving its investments in the project in the basis of the financial forecasts you have seen, that even if continued annual investment is required, it will be justified by this range and scale of benefit. This has been regularly approved by Council and Cabinet over the period of development of the plan.</p>
<p>4.4. Compatibility with State Aid rules</p>	<p><i>Does funding this scheme constitute state aid?</i></p> <p><i>If so, what regulations are being applied and what advice has been received to demonstrate compatibility? Are you eligible to receive grant aid at the level requested within the State Aid Regulations?</i></p> <p>Funding this scheme does not constitute State Aid.</p>
<p>4.5. Commercial viability</p>	<p><i>Please provide:</i></p> <ol style="list-style-type: none"> 1. <i>Evidence to show the risk allocation and transfer between the promoter and contractor and timescales identified in procurement and/or contract management strategy</i>

2. *Definition of approach taken to assess commercial viability*

3. *Arrangements for cost overrun*

4. *Letter from local authority S151 officer*

1. The project holds a master Risk Register which identifies key risks to the project on a high level basis but also specific construction risks identified by the Project Team. The risks identified are allocated to individual parties within the risk register for management. Upon appointment of the construction contractor, they will become responsible for managing the Health and Safety arrangements on site, interacting with neighbours and the local community, sub-contractors and quality of workmanship. The construction programme also becomes the responsibility of the contractor in terms of a set time period for the works, although the Client will retain some responsibility for this in respect of the design information and costs should they be incorrect or requirements be changed. The risks associated with change have been minimised through enabling packages of works for the site services and robust surveys as noted in response 3.

2. The Business Plan which has guided the design priorities for the scheme was developed by David Clarke Associates (DCA), a firm of business planning consultants which specialise in driving income improvements and funding bids for heritage and arts venues. They have examined in detail the risks and opportunities for the scheme and used catering and conference specialist advisors to evaluate the marketplace and potential earnings. They have adopted a prudent approach to all assumptions. The Business Plan developed by DCA has been critically reviewed by both internal staff (both operational and financial) and specialist advisors from Capita who have agreed it is sound.

3. The opportunities for overrun are being minimised by thorough pre-construction surveys, substantial enabling works (asbestos surveys, utility diversions etc.) and development of a thorough construction phasing plan. The procurement process as identified above places considerable emphasis on the contractor developing a sound construction programme and appointing key sub-contractors early. The scheme budget includes a substantial client contingency and any additional cost claims by the contractor will be robustly challenged by the council's retained quantity surveyor.

4. Letter from Chief Financial Officer

I am confident that the Council's capital and revenue risks for this project have been minimised by:

- The appointment of a very experienced professional team and strong internal governance
- A Business Plan developed by advisors with wide experience in this sector which has been subject to robust internal and external scrutiny
- A scheme design which is driven by the Business Plan priorities and will thus optimise the revenue returns needed to fund the scheme
- An approach to procurement and subsequent project management which will protect the council's position

Alan Osborne

***Deputy Chief Executive and Chief Financial Officer
Eastbourne Borough Council***

5. FINANCIAL CASE

To be completed in conjunction with the spreadsheet in Part B

5.1. Total project cost and basis for estimates	£44m for entire Devonshire Park redevelopment scheme.
5.2. Total SELEP funding request	£5m capital grant towards the £16m cost of the Welcome Building.
5.3. Other sources of funding	<p>Eastbourne Borough Council will provide funding through a combination of asset disposal, external funding and public borrowing. This is articulated in the Council's Medium Term Financial Strategy.</p> <p>Our funding partners are the Lawn Tennis Association and a major national catering operator which will be managing food and beverage provision across the site when the works are complete.</p>

5.4. Summary financial profile – expand as appropriate

(£m)		16/17	17/18	18/19	19/20	20/21	Total
Source of funding – List here the amount of funding sought							
SELEP request			3.4	1.6			5
Applicant contribution			7.383	3.717			11.1
Third party & other contributions (specify per row)							
Borrowing							
Local contribution total (leverage)							
Total			10.783	5.317			16.1
Costs - List here the elements of gross costs, excluding optimism bias.							
e.g.							
Procurement			0.013				0.013
Detailed design			0.298				0.298
Technical Design			0.237	0.063			0.300
Management			0.141	0.011			0.152
Construction – Building			8.809	3.848			12.657
Construction – Associated Public Realm			0.304	0.912			1.216
Contingency			0.981	0.483			1.464
VAT			Nil	Nil			NIL
Total			10.783	5.317			16.1



5.5. Viability: How secure are the external sources of funding?

Please provide evidence of the security of the specified third party contributions

Type	Source	How secure?	When will the money be available?
<i>Public</i>	e.g. SELEP LGF		
<i>Private</i>	LTA	Heads of Terms agreed and formal grant document now being developed	Stage payments during 2016/17 as new player's building constructed
	Catering Contractor	Work is underway now with our catering consultant to develop this procurement. Tenders will be issued in autumn 2016 and we anticipate appointing a contractor by summer 2017.	Stage Payments as the new facilities are developed. This will form part of the catering contract.

5.6. Cost overruns

Please describe how cost overruns will be met by other funding sources given that SELEP contributions will be capped at the offer awarded

The £44m budget includes a client contingency based on the advice of our retained Quantity Surveyor

5.7. Delivery timescales

What are the main risks associated with the delivery timescales of the project?
Please identify how this will impact on the cost of the project

They main risks are:

- Obtaining a competitive tender – we have tendered and selected a contractor. We are now negotiating financial close.
- Realignment of utilities outside the Welcome Building and asbestos within the banqueting suite which is to be demolished – we have been engaged with all utilities for the past 12 months and the key utility (Southern Water)

	<p>have completed their works .</p> <p>We have carried out a full intrusive asbestos survey and have a plan for removal</p> <ul style="list-style-type: none"> • Project delay once the contractor is on site – the professional team have been working over the last year on a detailed phasing plan. In the first stage tender one of the key elements is for the tenderers to develop a works programme. We will implement a strong project management approach with the contractor.
5.8.	<p><i>Identify key risks to the scheme funding and any mitigations</i></p> <p>Cabinet approval is in place for the scheme and it is approved within the council's Medium Term Financial Strategy</p>
5.9. Alternative funding mechanisms	<p><i>If loan funding is requested how will it be repaid?</i></p> <p>Not relevant</p> <p><i>Do you anticipate that the total value of the investment will be repaid? If not, how much will be repaid?</i></p>

6. DELIVERY/MANAGEMENT CASE

The management case determines whether the scheme is achievable. It provides evidence of project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.

6.1. Project management

Please provide details of who will be Senior Responsible Officer for delivering the scheme and the different roles and responsibilities they will play. Please also detail the governance structure for the project identifying how key decisions have or will be made, how the scheme will be monitored and details of the contract management arrangements. Please provide an organogram if available.

Please find attached the organogram for the project.

The key roles within the wider governance structure are:

- Council Cabinet – formal agreement of scheme objectives and budget
- Project Board – an member Board chaired by the Council Leader which provides authority to the responsible Director and the project team to take decisions on design, timetable and financial issues
- Steering Group – a monthly officer board which is chaired by the lead Director and holds to account the project team
- Core Team – a weekly officer team which provides a swift resolution to issues and guidance for the external advisors

The Cabinet has authorised the lead Director to take all necessary decisions to make planning applications, institute procurement processes and appoint contractors within the agreed design and budget envelope.

6.2. Outputs

Please identify how the outputs for the scheme will be achieved within the programme timescales and details of how the project will be monitored and evaluated. Please also complete the outputs delivery table.

Please complete with any baseline information.

Output	16/17	17/18	18/19	19/20	20/21	Total
Direct jobs (Construction-related)	33	35	86			254 gross job years (equivalent to 25 additional gross FTE jobs)
Indirect jobs (Operational and wider visitor economy)				30 additional FTEs	84 additional FTEs	84 additional gross FTEs by 2020/21
Jobs safeguarded	Whilst we believe that the investment will secure the future of Devonshire Park and therefore the existing jobs on site this will be difficult to quantify/evidence, we therefore have not included them in the outputs. We would be happy to discuss this with the LEP to see if there is a way of collecting this information if we are invited to full application stage.					
Employment space	n/a					
Housing starts	n/a					
Housing completions	n/a					
Learners supported	n/a					
Visitor Spend				An additional £1.64m	An additional £4.56m	An additional £4.56m spent by visitors in SELEP

				spent by visitors in SELEP	spent by visitors in SELEP	per annum
Conference Venue				1 purpose built conference venue	1 purpose built conference venue	1 purpose built conference venue
Conference Visitors				17,075 conference visitors	34,150 conference visitors	34,150 conference visitors per year
Commercial Floorspace – Devonshire Park				2,500sqm		2,500sqm
Commercial Floorspace – indirectly supported in the local economy					The potential to support circa 400sqm retail space and 750sqm for food and beverage and demand to support 22 bed spaces	The potential to support circa 400sqm retail space and 750sqm for food and beverage and demand to support 22 bed spaces

Output	21/22	22/23	23/24	24/25	25/26	Total
Direct jobs (construction-related)						
Indirect jobs (operational and within the wider SELEP visitor economy)	84 FTEs					
Jobs safeguarded						See previous
Employment space	n/a					
Housing starts	n/a					

	Housing completions	n/a					
	Learners supported	n/a					
	Jobs safeguarded						
	Visitor Spend	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP	An additional £4.56m spent by visitors in SELEP per annum
	Conference Venue						1 purpose built venue
	Conference visitors	34,150 conference visitors	34,150 conference visitors	34,150 conference visitors	34,150 conference visitors	34,150 conference visitors	34,150 conference visitors per year
	Commercial Floorspace						
	Indirect Commercial Floorspace						The potential to support circa 400sqm retail space and 750sqm for food and beverage and demand to support 22 bed spaces

Our methodology for evaluating the project is detailed in later sections. An economic impact will be undertaken post project with data captured from local businesses to evidence the assumptions around the indirect outputs.

6.3. How will outputs be monitored ?

Outputs will be monitored using the following methods:

- Direct jobs – evidence of the jobs advertised and details of those recruited will be supplied to the LEP
- Indirect jobs – The economic impact assessment will be updated post project to assess the actual impact rather than the assumed impact. Here we will undertake consultation with local businesses and those in the Devonshire Park supply chain to understand the impacts the investment has had on their businesses.
- Visitor Spend – here we will undertake consultation with visitors to understand how much they spend in the economy on their trip and what they spent it on.

- Conference Venue – This will be a built structure, signed off by the architects.
- Conference Visitors – conference organisers will keep a log of attendance at the conferences.
- Commercial Floorspace – indirectly supported in the local economy - Here we will undertake consultation with local businesses and those in the Devonshire Park supply chain to understand the impacts the investment has had on their businesses.
- Visitors to Site – numbers to the site will be monitored.

6.4. Milestones

Please identify the key milestones and projects stages relating to the delivery of this project in the table below. Please ensure a Gantt chart has been attached to this application form, clearly identifying the milestones for the project, the key construction stages, the critical path and all interdependencies.

Milestones	Date
<u>RIBA Stage 3 – Developed Design</u>	March 2015 – December 2015
• Prepare Planning Application and Listed Building Consent	July 2015
• Submit Planning Application	August 2015
• Issue Budget information for Cabinet	Nov 2015
• Planning and Listed Building Consent	Nov 2015
• Cabinet approval to proceed to Stage 4	Dec 2015
<u>Procurement of Construction Contractor</u>	May 2015 to Sept 2016
<u>RIBA Stage 4 – Technical Design</u>	January 2016 – August 2016
<u>RIBA Stages 5-6 Construction & Handover – Welcome Building</u>	January 2017 = September 2018
<u>RIBA Stages 5 – 6 Construction & Handover – Congress Theatre</u>	January 2017 – June 2018
<u>RIBA Stages 5 – 6 Construction & Handover – Winter Garden</u>	January 2018 – June 2019
<u>Project Performance review</u>	July 2019
<u>RIBA Stage 7 – In Use survey and evaluation</u>	June 2020
<u>Project Complete</u>	July 2020

Please see attached detailed Gantt chart. Note that the Construction programme to be proposed by the Contractor will detail the key milestones during construction.

<p>6.5. Stakeholder management & governance</p>	<p><i>Please provide a summary of the stakeholder management plan for the scheme. Include any governance arrangements which will materially impact on the delivery of the scheme.</i></p> <p><i>Provide brief description of how key statutory stakeholders will be managed and engaged, in line with Communication and Stakeholder Management Strategy.</i></p> <p><i>In broad terms consider: supplier, owner, customer, competitor, employee, regulator, partner and management. Specifically consider: local authorities, the Highways Agency, statutory consultees, landowners, transport operators, local residents, utility companies, train operating companies, external campaigns, etc.</i></p> <p><i>Identify champion, supporter, neutral, critic, opponent and potential objections</i></p> <p><i>Define stakeholder's involvement (response, accountable, consulted, support, informed)</i></p> <p>Stakeholder Chart attached</p> <p>The key stakeholders meet with the Council quarterly through the Partnership Group where they are briefed on progress and options are tested with them. Key members of this Group are:</p> <ul style="list-style-type: none"> • East Sussex County Council • Historic England • Chamber of Commerce • Conference Bureau (represents hotels and other bodies in the local conference trade) • Eastbourne Society • Theatres Trust <p>Letters of support for the scheme from a number of key partners and the Member of Parliament are attached.</p> <p>In addition to the Partnership Group meetings the project team meet:</p> <ul style="list-style-type: none"> • Historic England with the council's conservation officer to ensure all heritage planning issues are addressed correctly and quickly • A number of key hoteliers and local companies specialising in different aspects of the conference industry to drive forward a co-ordinated approach to developing the conference business
<p>6.6. Organisation track record</p>	<p><i>Please briefly describe the track record of the organisation in delivering schemes of this type, including whether they were completed to time and budget.</i></p> <p>The Council has recently delivered in partnership a new commercial office at Sovereign Harbour and the first stage of the Arndale shopping centre redevelopment. Both projects were to time and budget.</p> <p>Recognising this scheme is a very large and complex development the council has appointed a number of external advisors with wide experience of arts/leisure/heritage construction schemes:</p> <ul style="list-style-type: none"> • Graham Cook, Programme Manager – former Deputy Chief Executive of a large district council with wide experience of corporate governance, multi partner regeneration schemes and the construction and refurbishment of large public buildings including leisure centres and a theatre • Focus Consultants – Project Managers with wide experience in public sector arts, sports and heritage schemes including the V&A, Imperial War Museum and the Nottingham Playhouse • Levitt Bernstein Architects – a practice with a portfolio including the Colston Hall, Bristol and the Royal Exchange Theatre, Manchester • Huntley Cartwright Quantity Surveyors – a practice with a wide portfolio of sporting, heritage and cultural buildings

<p>6.7. Assurance</p>	<p><i>Please provide s151 Officer confirmation that adequate assurance systems are in place. Please also provide evidence of financial performance over 3 years.</i></p> <p>I am confident that the Council’s capital and revenue risks for this project have been minimised by:</p> <ul style="list-style-type: none"> • The appointment of a very experienced professional team and strong internal governance • A Business Plan developed by advisors with wide experience in this sector which has been subject to robust internal and external scrutiny • A scheme design which is driven by the Business Plan priorities and will thus optimise the revenue returns needed to fund the scheme • Strong processes for risk identification and management • An approach to procurement and subsequent project management which will protect the council’s position <p>Alan Osborne Deputy Chief Executive and Chief Financial Officer Eastbourne Borough Council</p> <p>Copies of the Council’s last 3 years accounts are attached together with audit letters from the Council’s external auditor.</p>
<p>6.8. Equalities Impact Assessment</p>	<p><i>Please provide evidence of your Equalities Impact Assessment here.</i></p> <p>See attached Equalities Impact Assessment</p>
<p>6.9. Monitoring and evaluation</p>	<p>A full and detailed Evaluation and Monitoring Plan will be developed for the project.</p> <p>The methodology for the evaluation allows for a <i>formative, progressive</i> and <i>summative</i> evaluation of the project to be undertaken. It takes an <i>inclusive</i> and <i>transparent</i> approach to the evaluation and is one which is <i>realistic</i> and <i>achievable</i> within the resources available. It will include consultation with users, visitors, staff, stakeholders and partners and local businesses as well as those delivering the capital build.</p> <p>The benefits realisation plan will focus on whether:</p> <ul style="list-style-type: none"> • The revenue improvements (both in total cash and quality of conference bookings) for the site have been achieved • The wider employment and trading benefits in the wider town economy have been secured and can be evidenced • The reputation of Eastbourne and Devonshire Quarter have been improved and the degree of awareness of the DQ brand

Data will be collected through a variety of methods: focus groups, face to face consultation with visitors, telephone interviews, on line questionnaires etc.

The evaluation will be longitudinal, covering the whole period of the project and the two years post completion. This will ensure that we get a full picture of both the capital delivery and the outputs that are realised from the scheme.

It will particularly focuses on answering the following key questions of:

- How Devonshire Park will measure and track progress towards achieving the project outcomes and the impact of the scheme.
- The indicators Devonshire Park will use to assess the extent to which the projected project outcomes are being achieved.
- How Devonshire Park will collect the data and information required to measure the changes that result from the scheme.
- When Devonshire Park will collect the information.
- How Devonshire Park will use this information to improve how they run their building and the services and activities they offer.
- When the evaluation evidence will be available to the LEP.

In brief:

The following Key Performance Indicators (KPI's) will be monitored for the Devonshire Park Project:

- Number of visitors to the Welcome Centre and increased visitors to the rest of the facilities
- Number of visits to the café/ restaurant
- Frequency levels of repeat visitors to café/ restaurant
- Number of people engaged in activities
- Energy efficiency of the building
- Income generation from commercial activity
- Geo-demographic profile of visitors from different areas in our target catchments
- Number and quality of conferences held
- Bed spaces generated through Devonshire Park activities

Measures of Success

In addition, the following qualitative measures of success will be monitored:

- Visitor satisfaction
- Staff satisfaction
- Number of negative comments made
- Perception of the area surrounding Devonshire Park
- Satisfaction and engagement levels overall
- Evidence of fun, enjoyment and creativity at Devonshire Park
- Capacity development within Devonshire Park staff and management
- Additional Spend in local shops, restaurants and hotels

Risks and Critical Success factors

The achievement of the planned benefits may be put at risk because of:

- Late delivery of the capital scheme
- The capital scheme not including key elements which are key to the business case
- Economic downturn in the wider economy which depresses spending on cultural events and conferences

The following critical success factors must be in place for the benefits to be realised:

- Insufficient (volume and quality) marketing and sales activity
- Not starting the marketing activity early enough
- Not increasing the marketing and sales staff numbers in accordance with the agreed plan

Key Evaluation Questions

The evaluation report will also answer the following:

- How the capital project is/ was delivered
- If the project's strategic and delivery objectives are being met
- What difference the project is making in terms people
- If the needs of target audiences are being met following the project
- If the project outcomes are as expected
- If there are any unanticipated project outcomes
- If the financial outputs are being met following the project
- If the project management has been effective
- If key project milestones have been met
- If the project is making a contribution to relevant strategies at a local level
- What the impact of the project has been for the local area and local residents
- If the project has encountered any constraints and how these have been managed
- Effectiveness of partnership working and expected future impacts
- Effectiveness of leadership and governance and expected future impacts
- Examples of good or innovative practice highlighted during the project
- Is there a clear vision for the future following the project

As part of the evaluation we will also update the economic impact work based on data collated from local businesses and visitors about actual spend per head, conferences etc.

Dissemination

The existing partnership group which represents the commercial, statutory and voluntary sectors will be retained during the life of the project and act as first point of contact for disseminating outcomes. A regular newsletter is issued to partners to enable them to brief their constituents.

In addition the project will have continuous web presence and be supported by a full communications campaign.

6.10. Post completion	<p><i>What are the plans for the project on completion? Will there be a change of ownership, will the project be refinanced? How will this be managed?</i></p> <p>The site and operations will remain in the Council's ownership. A detailed Business Plan is in place to achieve the increased revenues and a new management structure will implement this. There is no intention to refinance the scheme other than the Council's normal Treasury Management practices.</p>
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7. RISK ANALYSIS

Likelihood and impact scores:

5: Very high; 4: High; 3: Medium; 2: Low; 1: Very low

Risk	Likelihood*	Impact*	Mitigation
Failure to align the Project Brief with Business Case leading to the delivery of a project that will not perform as required financially	1	3	Ensure that business plan and project brief are aligned by holding regular review /update meetings between the business planners and client team
Discovery of unforeseeable & unknowns during the construction phase of the project e.g. asbestos, archaeological finds, etc. leading to delays to the programme and extra costs to the project	3	5	Undertake full and comprehensive surveys; retain appropriate budget and programme contingency allowance
Programme overrun as a result of delayed construction works and impact on future operations such as conferencing leading to loss of income	3	4	Undertake a thorough and robust programming exercise for the construction works and build in a buffer; allow "soft" bookings only in the immediate period following practical completion.
Planning constraints impacting on the design of the scheme affecting the requirements of the business plan and phasing requirements causing delays to the programme and increases in costs as a result of additional design / consultants fees, with planning permission secured, limited availability for any value engineering that may be	2	3	Ongoing discussions with the planning officers; Planning Consultant appointed to assist in the submission and discharge of the Planning conditions. All pre-construction conditions now discharged.

required when tenders are returned.			
New 'Iconic' vision not achieved, not creating the required new impact as a result of restraints to the design and therefore failing to meet the requirements of the Client brief and business plan	1	5	Maintaining current project structure and consultation with the relevant stakeholders, review scheme in line with business plan and client brief on a regular basis and at the end of each project stage.
Increasing scope and inflation impacting on the ability / affordability to deliver the scheme that has been proposed. The end of Stage 3 value engineered to budget	4	4	Constant monitoring of the proposals by the cost consultant, flagging early if the proposals are creeping above the available budget
Future market assumptions / capital costs / revenue streams and longevity are not as predicted meaning the scheme is not affordable in the long term	2	5	Ensure continual review of the business plan and market conditions, ensuring the scheme is developed in line with the requirements of the business plan and altering if required to suit the market requirements
Failure to procure the Contractor / Contractors in line with OJEU requirements, EBC local policy & funders requirements leading to penalties / delays / legal challenges	1	4	Ensure a robust procurement procedure is produced taking into account all key requirements e.g. OJEU & EBC Procurement rules, implemented and strictly followed
Failure to provide suitable disabled access and parking to site	1	4	Develop a strategy to ensure that suitable alternative parking locations are identified in the surrounding area and develop a coherent signage strategy to inform the users; Ongoing involvement of local accessibility group
Potential impact of the known brick culvert in the ground below the new Welcome Building leading to delays in the programme for re-design and additional costs	1	2	Ensure full investigative surveys are undertaken where possible to full understand the extent of the Brick Culvert and include contingencies in the cost plan to deal with unforeseen alterations to the design; Agreement reached with Southern Water regarding the drainage solution required in writing
Change in key personnel leading to change in project brief or loss of key knowledge of the scheme, leading to delays and additional costs for re-design of the scheme	2	2	Ensure a high level sign off of the overall project strategy and retain as many of the key client staff members as possible in order to prevent brief change
Changes from VE aren't fully coordinated/consistent leading to creep in budget.	3	4	Clear instruction on VE, review by the Design Team to ensure consistent understanding of the decisions, any changes that arise through the integration of the VE into the designs to be flagged through change control. Risk also lies in the first reserve list.

8. DECLARATIONS

8.1. Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?	No
8.2. Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors	No

8.3. Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	No
<p>If the answer is "yes" to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.</p>	
<p>I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies, who may be involved in considering the business case.</p> <p>I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. I also declare that, except as otherwise stated on this form, I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it. I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.</p>	
8.4. Signature of Applicant	
8.5. Print Full Name	Graham George Cook
8.6. Designation	Programme Manager
8.7. Date	22/02/17