

# South East Local Enterprise Partnership: Growing Places Fund

## Introduction and background – Growing Places Fund Round 3

The Growing Places Fund (GPF) was established by the Ministry for Housing, Communities and Local Government (MHCLG) (formerly the Department for Communities and Local Government - DCLG) and the Department for Transport (DfT) in 2011 to unlock economic growth, create jobs, build houses and help ‘kick start’ development at stalled sites. GPF operates as a recyclable loans scheme. In the case of the South East Local Enterprise Partnership (SELEP) a total of £49.2m GPF was made available, of which £54.5m GPF has already been allocated through Rounds 1 and 2. Repayments are now being made on these original loan investments, creating the opportunity for reinvestment of GPF through Round 3. Through GPF Round 3, SELEP seeks to invest up to £20.724m (amount of GPF available over the next two years to 2021/22), in projects which require capital loan investment.

The process for the allocation and award of GPF includes three stages:

- *Stage 1 – Expression of Interest and Federated Area sifting and prioritisation of projects by Strategic Fit*
- *Stage 2 – Project prioritisation by SELEP Investment Panel*
- *Stage 3 – SELEP Accountability Board funding decision*

In Stage 2, schemes prioritised by the Federated Areas (during Stage 1 of the process) will be required to develop and submit a Strategic Outline Business Case which provides the strategic, economic, financial and deliverability evidence in support of the proposal. Applicants are invited to complete all sections of this document which will inform the prioritisation process undertaken by the SELEP Investment Panel.

## Loan agreements

SELEP will allocate the GPF through loan agreements with the lead County Council/Unitary Authorities, who will then enter into agreements with scheme promoters.

Primary Loan Agreements will be entered into between Essex County Council (as Accountable Body for SELEP), the ‘Lender’ and the relevant Upper Tier authority, the ‘Borrower’ (County or Unitary Authorities).

The Primary Loan Agreement will include:

<ul style="list-style-type: none"> <li>• A capped facility for capital expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• A definition of the works (infrastructure)</li> </ul>
<ul style="list-style-type: none"> <li>• Drawdown conditions based on certification of works</li> </ul>	<ul style="list-style-type: none"> <li>• A loan term</li> </ul>
<ul style="list-style-type: none"> <li>• Drawdown profile</li> </ul>	<ul style="list-style-type: none"> <li>• Repayment profile</li> </ul>
<ul style="list-style-type: none"> <li>• Interest rate – Interest will be charged at a fixed rate of 2% below the Public Works Loan Board rate or zero (whichever is higher) at the point of the loan agreement being entered in</li> </ul>	<ul style="list-style-type: none"> <li>• Missed repayment fine – A late repayment fine will be incurred if the project fails to make loan repayments as per the schedule agreed within the Loan Agreement. The fine will be equivalent to the charging of interest at market rate from the point of default on the loan repayment</li> </ul>
<ul style="list-style-type: none"> <li>• Clawback conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring requirements</li> </ul>

Where appropriate Primary Loan Agreements will be conditional upon a subsidiary agreement being entered into between the Borrower and a third party.

## **The Primary Loan Agreement will provide a contractual obligation for the Borrower to repay the loan according to the repayment profile.**

## Growing Places Fund Business Case Template

Please enter your answers in the white space beneath the question (and/or complete the table). All questions **must** be answered.

### 1. Scheme Summary

**Scheme Promoter:** Rother District Council

**Project Name:** Barnhorn Green Commercial and Health Development

**Federated Board:** *Team East Sussex*

**Lead County Council/Unitary Authority:** *East Sussex County Council*

**Development Location:** Land at Brooklands Road, Bexhill

#### **Project Description:**

Barnhorn Green is an allocated employment and health zone adjacent to a large housing development in Bexhill.

Designated to ensure that housing growth in the area is sustainable through the provision of jobs and primary healthcare this site has been purchased by the local authority after a lack of interest from the very limited private commercial development sector in the area.

The scheme has outline planning permission for 2750 of office accommodation, 750sqm of light industrial, and 700sqm for D1 doctor's surgery. Rother District Council as developer will be looking to deliver the entirety of the site with the commercial elements to be built speculatively. Discussions with the local CCG and Primary Healthcare provider have been positive, with regular meetings held to plan the way forward. The following appointments have been made on the scheme to date (November 2020):

- Hunt Commercial (whole site advice and specialist employment space advice and lease negotiations)
- Primary Care Surveyors (GP specialist advice and PID & OBC preparation for CCG funding & lease)
- Potter Raper Limited (Employers Agent including roles of PD, CA, QS)
- RH Partnership (architect for whole site, with design team including structural & civil engineers, MEP, BREEAM & other specialists)

The total cost of the scheme is estimated to be £10M.

The need for RDC to bring forward this is scheme, rather than a private developer, is primarily due to longstanding market failure in the commercial sector in the Bexhill area. Whilst great strides have been made in improving the commercial offer in Bexhill, thanks in part due to the continued faith that SE LEP has shown with its investment in the area, this has yet to fully address the historic market failures in the town. The financial appraisal for the scheme shows that the capital value of the final development currently appears to be lower than the cost of development. This is due to a lack of sufficient historical transactions on similar developments in the area. The knock-on effect of this is that it makes it very difficult for smaller developers to access sufficient credit to bring forward the site. RDC is able to assess the site on an income basis rather than a capital value basis and believes that by leading this development we can continue and expand the work of establishing a marketplace and demonstrating the high level of need in in the area for good quality, new commercial workspace.

**Project Development Stages:**

Project development stages			GPF funding required (yes or no)
Stage	Partners	Status	
<b>Land Acquisition</b>		<b>Complete</b>	No
<b>Approval for Surgery Funding</b>	Hastings and Rother CCG	<b>Underway</b>	No
<b>Refreshed site surveys as required by planning</b>		<b>Underway</b>	No
<b>Full Planning application</b>		<b>Underway</b>	No
<b>Contractor Procurement</b>		<b>Not Started</b>	No
<b>Construction</b>		<b>Not Started</b>	<b>Yes</b>
<b>Internal Fit out for Surgery</b>		<b>Not Started</b>	No
<b>Letting + Occupation</b>		<b>Not Started</b>	No
<b>Defects Period</b>		<b>Not Started</b>	No

**GPF Required: £1.75m**

## 2. Strategic Fit

### Policy and Strategic Context:

This scheme aligns with both regional and local strategic economic growth objectives.

> Regional - The SE LEP Strategic Economic Statement has 5 key priorities. This project very much fits into the 'Creating Places' priority area (pages 45-49). The new commercial space will allow businesses to grow locally without the need to relocate will help provide the long-term economic opportunity that underpins housing and wider growth in the area. The provision of top-quality healthcare is also key to creating places that are sustainable, will be successful in the long term, and will enhance the lives of residents in the area.

> East Sussex Growth Strategy – This strategy breaks down into three 'Pillars' of Business, Place, and People. Of these, this project helps to meet the ambitions of two of these themes. The commercial workspace element will add to the 'Business' pillar by 'enabling the delivery of a pipeline of suitable business premises'. The provision of expanded primary healthcare is directly supporting the delivery of 700 new homes in the area and therefore 'Enabling the provision of a good choice of quality and affordable homes'.

> Located at the heart of the A259/A21 Growth Corridor, Bexhill has been a key investment area for the SE LEP. It has also demonstrated the greatest progress in delivering benefits against schemes delivered and represents a safer investment for funding against weaker performing areas. Identified as a category 'c' European economic assistance area it is clear that Bexhill needs to continue to be a priority recipient of economic development funding.

Building on existing investment: Bexhill has been a priority recipient of Local Growth Funds in rounds 1-3(b), this investment has been primarily for improving transport infrastructure, opening up land for development, and development of large new commercial buildings. The success being shown at the North East Bexhill urban extension demonstrates the return on investment potential in the town. This scheme will begin to unlock much needed new housing in the area. The lack of sufficient primary healthcare in the area has been cited by objectors to local developments as one of the key concerns around housing growth in the area. This development will overcome that issue whilst meeting Local Plan need for improved GP access.

Local Plan and RDC Corporate Plan: The need for primary healthcare expansion in this area is cited in the Local Plan as a key infrastructure requirement for housing growth in West Bexhill and is listed in the Rother District Infrastructure Delivery Plan. This is also an identified site in the Local Plan with the 3500sqm counted as part of the 60,000sqm need across the district. The plan identifies the need to ensure that whilst a significant proportion of this floorspace requirement can be met by the North East Bexhill urban extension it is necessary to ensure that housing growth across the district is accompanied by smaller local business space provision. This scheme is an identified project in the Rother District Council Corporate Plan 2014-2021, the plan had originally envisaged that the scheme would be delivered wholly, or in part by the private sector however the market failure outlined above has meant that RDC have needed to take this scheme forward themselves.

Impacts of Covid-19: The main strategic partners for the phase 1 medical development element of this scheme were diverted from this project whilst dealing with the impacts of the global health pandemic. This has resulted in a delay in fixing space requirements for the medical centre, which in turn delayed the ability to appoint a design team. However, the pandemic arriving at this early development stage of the project has presented an opportunity to ensure the new medical building is designed to be able to accommodate new ways of delivering and accessing primary health care. The delay, whilst not ideal, has ensured that the focus on this scheme can be meeting new requirements that will emerge as a result of Covid-19. To mitigate the delay, phases 1 and 2 will be delivered in alignment, and it is still planned that site works will mobilise in October 2021 (subject to planning), enabling the cashflow to meet the funding request of GPF expenditure by March 2022. The ability to future proof the design of both phase 1 and 2 elements of this scheme will support the local economic recovery plan as businesses will be seeking flexible premises that can easily be adapted to deal with social distancing restrictions and new ways of working. This means appropriate, clean, modern office and light industrial space will be in demand as the economy starts to pick up and businesses seek facilities in which to operate and grow.

### Need for Intervention:

There are three distinct and identifiable reasons that demonstrate the need for intervention at this site.

- 1) Link between housing delivery and Primary Health provision – The ability to deliver new homes in this area is significantly hindered by the lack of sufficient primary health provision. This is the reason why the development of the ‘Rosewood’ housing scheme at this site (200+ homes) allocated the land for the surgery as part of its outline planning. This surgery will also enable the delivery of over 700 other dwellings in the immediate area. However, in the 5 years since the awarding of the permission there has been no move by any of the existing local providers, the CCG, or health care specialist developers to acquire and deliver this site. This is why the Council felt the need to intervene.
- 2) Lack of Capital Funding – The CCG does not have access to Capital funding for the development of new Primary Health surgeries. It is expected that individual GP surgeries provide their own capital funding and receive revenue support from the CCG. This capital funding gap is usually filled by private developers with a specialism in Primary Health development however no specialist developer has come forward to intervene in this site.
- 3) Market failure for commercial space - Whilst great strides have been made in delivering new commercial space this has not yet led to a fully functioning marketplace in which developers are able to access financing for commercial development. Costs of development in the SE versus final valuations on commercial property Often mean that land for commercial development has little or no residual value meaning that landowners are unwilling to sell and will retain land in the hopes of achieving a higher value in the future. This often means waiting until such a time messages more likely that they will achieve permission for housing on that land.

### Impact of Non-Intervention (Do nothing):

Failure to intervene on this site will not necessarily mean that no development comes forward, but it will however hinder the ability to bring forward development in the immediate future. It also means that this site would likely have been brought forward for housing rather than health and commercial use. This would have led to the continued undersupply of required commercial space locally to support the required growth in jobs.

The impact of no project coming forward at all on this site will result in failure to contribute to economic regeneration through creating jobs and employment, lack of provision of appropriate facilities to meet local demand for primary healthcare requirements, and failure to comply with the s106 conditions and requirements for this land parcel.

### Funding Options:

Much of the funding for this scheme will be provided through borrowing by the council from the PWLB. However, the recent change in interest rates from the PWLB means that the viability of this scheme is questionable particularly in an unproven marketplace for commercial use such as Bexhill. The council have explored opportunities for bidding to the community infrastructure levy pot however there has been insufficient money available through this funding stream support this development.

Capital funding from the council's reserves is not a viable option due to the value of this scheme. At the time of project inception, other grants were not suitable, and as the project has started (development) additional grants cannot be secured as schemes already in progress will not be funded. GPF as a source of funding is the most appropriate for a portion of the delivery of the scheme as it provides certainty of low or zero interest, which supports mitigation of some of the council's financial risk.

## 3. Infrastructure requirements

### Infrastructure Requirements:

Whilst being considered as part of the overall funding and financing approach to the site the figure of £1.75m requested from the Growing Places Fund is the cost of delivery for the construction of the GP Surgery. This will enable the Council to fund the speculative development of the commercial floor space.

## 4. Cost and funding

### Funding breakdown:

RDC Cabinet has approved for the allocation of £10m towards this project within the capital programme. This is based upon borrowing for the scheme being achieved at a certain overall % rate, to which the GPF is a critical factor. The financial appraisal for the scheme, including project costs, was undertaken by an externally appointed commercial surveyor, therefore was carried out to industry professional standards.

Funding source	Funding security	Funding profile						Total
		20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	
<b>Capital Funding sources</b>								
SELEP – GPF	Insecure		1750					<b>1750</b>
Council Borrowing	Secure	374	1606	5898	366			<b>8244</b>
Funded locally	Secure				2	2	2	<b>6</b>
<b>Revenue Funding sources</b>								
<b>Total funding requirement</b>		<b>374</b>	<b>3356</b>	<b>5898</b>	<b>368</b>	<b>2</b>	<b>2</b>	<b>10000</b>

### GPF flexibility

The project tolerances allow for the GPF loan to be received in either of the financial years of the project delivery.

It should be noted that the request for GPF equates to only 17.5% of the overall scheme cost.

As this scheme has the council's full approval for borrowing to fund to completion (through PWLB and GPF) there is no financial risk. The spending review outcomes are being analysed by the council's s151 officer and team in terms of ability to borrow, however this scheme is a primarily a regeneration scheme therefore will remain suitable for PWLB financing.

### Cost breakdown:

*[For the stages of development where GPF funding is sought please provide a breakdown of the associated costs, including any overheads, contingency, quantified risk allowances etc., as per the table below. Add a row for each cost]*

Cost type	Expenditure profile						Total £000
	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	
<b>Professional Fees</b>							
Employers Agent	20.9	83.7	83.7	62.8			<b>251.1</b>
Architect & Design Team	139.5	139.5	139.6				<b>418.6</b>
Engineers	75.3	150.7	150.7				<b>376.7</b>
Surveyors & Surveys	77.9	131.8	83.7				<b>293.4</b>
Legal, Marketing & Accounting	14.3	14.3	130.2	70.4			<b>229.2</b>
Planning / Building Reg	6.9	50.2					<b>57.1</b>
Project Management	21	20.9	20.9	20.9			<b>83.7</b>
<b>Construction</b>							
Works		2490.4	4786.9				<b>7277.3</b>
Retention				209.3			<b>209.3</b>
Quantified Risk Assessment (QRA)	17.3	274.7	502.5	3.1			<b>797.6</b>
Monitoring and Evaluation*				2	2	2	<b>6</b>
<b>Total cost</b>	<b>373.1</b>	<b>3356.2</b>	<b>5898.2</b>	<b>368.5</b>	<b>2</b>	<b>2</b>	<b>10000.0</b>
Inflation (%)	3%	3%	3%	3%	3%	3%	

\* Costs associated with monitoring and evaluation represent revenue spend and must therefore be funded locally.

## 5. Deliverability

### Planning, Approvals and Specialist Studies:

Outline Planning was granted for the whole site (known locally as the Rosewood development) in 2013 (RR/2012/1978/P) which allocated employment and GP space to ensure jobs and healthcare infrastructure could be provided for the increasing population in west Bexhill. Whilst this has now lapsed for submission of reserved matters, it sets the principal for development and pre-application discussions for a full planning application are underway with the local planning authority. Due to Covid-19 the ecology survey and mitigation window was missed in 2020, therefore these studies will be carried out at the earliest opportunity whilst the full plans are being developed to RIBA stage 3+.

The project has been formally registered for pre-application advice with an inception meeting held with the case officer 15 December 2020. The project programme has been developed to consider the planning process timeframes. In addition, as this site is delivering a s106 requirement, failure to secure permission is exceptionally low. Therefore, there is minimal risk of delay or issues to the timescales or funding repayments as a result of the planning process.

### Procurement:

All works for this scheme will be procured through the East Sussex Procurement Hub which is a shared service for all public procurement amongst local authorities in the County. As part of the construction procurement there will be a requirement in the planning permission that a local construction skills plan is written and implemented through the construction skills coordinator hosted by Rother District Council. As part of all EU level procurements tenderers are required to consider social value. As part of their qualitative response and this will be scored in line with the requirements of the tender process. The standard approach to a quality price ratio is 60% in favour of quality as such social value additionality can play an important role in the award of contracts. Contractors are asked to consider social value in the context of skills and education either through the hiring of apprentices or through supporting local skills initiatives as well as other interactions with the local community and the support of social services.

### Property Ownership and Legal Requirements:

Rother District Council as the scheme promoter acquired the land holding freehold in May 2019. This is now registered with Land Registry.

### Equality:

An EqIA has been carried out (RDC internal EqIA assessment template) and is included as Appendix B (separate document). There are no adverse impacts on any group based on gender, race, age, sexuality or ability.



**Project milestones:**

*[Please complete the table below to show the key project milestones. This should include the expected project completion date]*

Project milestone	Description	Indicative start date	Indicative due date
<i>Appointment of commercial surveyor</i>	<i>To prepare initial business case and be retained for advice on mix and leases</i>	<i>01/01/2019</i>	<i>31/03/2019</i>
<i>Land acquired</i>	<i>Following RDC approval</i>	<i>01/07/2019</i>	<i>31/07/2019</i>
<i>Cabinet Approval</i>	<i>Approval for complete project delivery to occupation</i>	<i>04/11/2019</i>	<i>04/11/2019</i>
<i>Project approach meeting</i>	<i>Determination of NHS Specification</i>	<i>07/02/2020</i>	<i>29/02/2020</i>
<i>Primary Healthcare Consultant Appointment</i>	<i>Specialist advice on GP development</i>	<i>01/03/2020</i>	<i>30/04/2020</i>
<i>EA procurement &amp; appointment</i>	<i>Including PD (CDM), CA, QS</i>	<i>22/04/2020</i>	<i>27/07/2020</i>
<i>Architect procurement &amp; appointment</i>	<i>Including MEP, utilities, BREEAM and planning</i>	<i>27/07/2020</i>	<i>06.11.2020</i>
GP/NHS staged business case / funding agreement approval	CCG and Sec of State Funding approval	01/04/2020	31/03/2021
Full planning application submitted	For whole site development	01/11/2020	05/04/2021
Planning Committee	Full planning application determination	15/07/2021	15/07/2021
Planning permission issued	Decision notice issued (to be included in contractor ITT)	31/07/2021	31/07/2021
Contractor Procurement	ITT pack to be prepared in advance whilst planning application being considered	01/08/2021	15/10/2021
CONSTRUCTION	In excess of £1.75m will be fully spend by March 2022 (within the first 6 months of mobilisation)	01/10/2021	31/12/2022
Marketing employment units & lease preparation	Can be done 'off-plan' to start with.	01/04/2022	31/12/2022
GP and Employment units occupied	Allowing for some internal fit-out over 3 months	01/01/2023	31/01/2023
Defects Rectification Period (12 months)	Monitored by EA monthly	01/01/2023	31/12/2023

## 6. Expected benefits

### Overall Project Impacts:

The project will 'directly' see the delivery of a new commercial employment and health zone opportunity on the 1.6 ha currently greenfield Barnhorn Green development site in West Bexhill. The site itself has outline planning permission for 2,750 sqm of Gross External Area (GEA) B1a office space, alongside 750 sqm of GEA B1c light industrial space and a 700 sqm D1 doctors surgery.

More widely, there are seven wider housing sites in the West Bexhill area that collectively form a major 700-unit housing opportunity. Initial phase housing delivery, comprising 270 units, has been approved through planning and most of these units are either completed or underway - treated as deadweight within the economic appraisal. The remaining West Bexhill Housing opportunity (totalling 430 units) will however depend on the delivery of the proposed GP surgery and as such the 'direct' delivery of the new development on the Barnhorn site will also support the delivery of 'indirect' future phase housing.

As the developer, Rother District Council (RDC) are seeking fully develop the site, and the delivery of speculative development is itself being promoted as a means to address long standing viability challenges for commercial development in the Bexhill area. Without the GPF investment the project would not be progressed and the counterfactual position is therefore that no impacts could be achieved. All impacts claimed by 'unlocking' the growth opportunity in West Bexhill can therefore be considered to be wholly additional to the GPF loan.

In economic terms, there are a range of 'direct' and 'indirect' scheme impacts associated with the project, including:

- **Direct impacts** include (a) new employment opportunities supported through the investment in construction works and (b) a temporary boost to the GVA contribution of the local construction sector. The project will also bring (c) direct uplifts in commercial Land Values (LVUs) achieved on the site, the principles for which are established through HMT Green Book and the MHCLG Appraisal Guide.
- **Indirect 'follow on' impacts** include (d) the resultant new Full Time Equivalent (FTE) office, manufacturing and health service jobs supported on the site following the completion of the new build and (e) the resultant longer term cumulative GVA that could within the SELEP economy. Further (f) indirect LVU's impacts could be achieved on seven wider housing sites in the West Bexhill area, with the delivery of the GP surgery enabling these sites to be permissible through planning. In bringing about an increase in employment opportunities locally, the project also has potential to help redress current imbalances in performance of the local labour market, thereby bringing about (g) Labour Supply Impacts (LSI), the principles for which are established through both HMT Green Book and WebTAG.

The supporting economic impact model, prepared by GENECON, first assesses gross impacts. Prudent adjustments for leakage and displacement / substitution have then been made to gross impact results to arrive at estimates for net impacts to the SELEP area.

Given the location of the site in the SELEP area leakage is estimated to be low (-10%). The Rother and Hastings Joint Employment Land Review identifies an underdeveloped commercial space across Rother and Hastings, inferring low levels of displacement. Similarly, the delivery of the GP surgery is a direct response to a recognised need locally and therefore displacement is considered to be nil / negligible among these jobs. On balance displacement is assessed at the lower end (-25%).

Whilst for completeness all economic impacts have been assessed – including gross and net jobs, GVA, LVU and LSI impacts – we understand that to adhere to the SELEP Appraisal Framework, only net LVU and LSI impacts can be carried forward into VfM / BCR tests. Note, some of the GVA impacts claimed will be included within LSI impact results, although as GVA is excluded from the VfM tests, this is inconsequential.

The table overleaf shows gross and net (to SELEP) impacts in totality and by date.

	Outcomes	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 onwards	Total
Direct project outcomes (gross terms)	Commercial floorspace delivered			3,570				<b>3,570 sqm NIA</b>
	Gross construction Job years		11	34				<b>45 job years</b>
	Construction GVA (undiscounted)		£1.0m	£3.0m				<b>£4.0m gross GVA</b>
	Gross Commercial LVU (undiscounted)			£9.3m				<b>£9.3m gross LVU</b>
Direct projects outcomes (net terms, after additionality)	Net construction job years		8	23				<b>30 job years</b>
	Net construction GVA (undiscounted)		£0.7m	£2.0m				<b>£2.7m net GVA</b>
	Net commercial LVU (undiscounted)			£7.0m				<b>£7.0m net LVU</b>
Indirect project outcomes (gross terms)	Gross FTE Operational Jobs			109	88			<b>197 gross FTEs</b>
	Gross Operational GVA (10-year impacts, undiscounted)			£5.2m	£9.4m	£9.4m	£69.7m	<b>£93.7m gross GVA</b>
	Housing Units			43	43	43	300	<b>429 Units</b>
	Gross residential LVU (undiscounted)			£5.1m	£5.1m	£5.1m	£36.0m	<b>£51.4m Gross LVU</b>
Indirect project outcomes (net terms)	Net Operational FTE Jobs			74	59			<b>133 net FTEs</b>
	Net Operational GVA (10-year impacts, undiscounted)			£3.5m	£6.3m	£6.3m	£47.1m	<b>£63.2m net GVA</b>
	Net residential LVU (undiscounted)			£3.9m	£3.9m	£3.9m	£27.0m	<b>£38.5m Net LVU</b>
	Gross / Net Workforce re/entrants			11	9			<b>20 entrants</b>
	Welfare-related Labour Supply GDP Impacts (10-year impacts, undiscounted)			£0.2m	£0.4m	£0.4m	£3.2m	<b>£4.4m net LSI</b>

### Calculation of Project Impacts:

The realisation of benefits is contingent on £8.25m of matched investment by RDC. There is known to be significant demand for commercial development in the Bexhill area and a presently limited supply of commercial accommodation and, as noted in the commercial case, it is considered that there will be high levels of demand for the future delivered commercial space on the site.

Although future yet to be secured private leverage will ultimately ensure the take-up of the new housing and therefore the realisation of future 'indirect' benefits, each of the housing sites is within the planning system and some early phase (deadweight) housing has either been delivered or is underway in West Bexhill. Given that the Local Plan has identified a significant need for housing in Bexhill, targeting 3,100 units in Bexhill between 2011 and 2028, we can place reasonably certainty on ensuring the indirect housing impacts.

The following five gross and net benefit streams have been monetised:

**Gross and Net Construction Employment Effects (Direct)** – An ONS benchmark of £186,574 turnover per construction job year in the South East alongside a base construction cost estimate of £8.4m has been used to estimate gross construction job years supported directly through the delivery of the project, estimated at 45 gross construction jobs, or 5 gross FTEs when applying industry standard job years to FTE conversions (10 to 1). Prudent deductions for leakage (-10%) and displacement (-25%) has then been made to arrive at an estimate of 30 net construction job years, or 3 net construction FTEs.

**Gross and Net Operational FTE jobs (Indirect)** – Conversion from GEA to NIA space (at 85%) has been made based on HCA Employment Densities Guide (EDG) evidence. Similarly, the EDG has been used to estimate the jobs capacity of new space, with ready reckoners of 12 sqm of NIA space per FTE office job, 47 sqm NIA of B1c Light Industrial FTE job and 25 sqm NIA per GP FTE job being used. For prudence, a 15% deduction has then been made to reflect inevitable periods of underoccupancy in the commercial development to arrive at an estimate for estimate of gross FTE jobs, estimated at 197 gross operational FTEs. Prudent deductions for leakage (-10%) and displacement (-25%) at the SELEP level has then been applied to arrive at an estimate of 133 net FTE jobs.

**Cumulative GVA impacts – Construction and Operational (Direct and Indirect)** – Sector-based ONS GVA per job benchmarks for construction (£89,100 per FTE), office (£48,500 per FTE) manufacturing employment (£68,100 per FTE) and health services (£27,200 per FTE) in East Sussex has been applied to estimate the cumulative GVA returns to the SELEP economy arising from both gross and net employment gains. For construction activities, GVA per job metrics have been applied to construction job year projections and for operational FTE jobs it is considered the new jobs would be present for 10 years. In practice it is likely that the new space will support employment opportunities well beyond the first 10 years. On this basis, it is estimated £2.7m of net construction and £63.2m of net operational GVA could be generated within the SELEP economy by 2032/33, totalling £65.9m in net GVA, or £50.9m at NPV.

**Gross and Net LVU (Direct and Indirect)** – The 1.5 ha project site is currently in greenfield use and estimates for current LV are based on ready reckoner evidence of £22,500 per ha for agricultural land in the SELEP area reported by VOA / MHCLG (2017), estimates at £34k. Future 'direct' commercial land and property values are based development appraisal evidence, estimated at £9.3m in future LV. On this basis gross 'direct' LVU on the project site is estimated at £9.3m. For the predominantly greenfield 17.4 ha of net housing land enabled through the delivery of the GP services, MHCLG / VOA evidence for Rother has also been used. Accounting for some low value industrial space / outbuildings on a few of the seven housing sites, the current value of the land is estimated at around £1.6m. When delivered it is estimated that the future gross LV will be in the order of £52.9m. On this basis total direct commercial and indirect residential LVU is estimated at £60.6m. A prudent deduction for displacement (-25%) gives a net LVU estimate of £45.5m, or £36.4m at NPV.

**Labour Supply Impacts (Indirect)** – In providing an overall increase in job capacities and densities in the Rother area, the project has potential to help encourage greater take-up of job opportunities locally, thereby encouraging improved labour supply. At 74% (ONS, YE to June 2019), Rother has a significantly lower

Employment Rate than the wider SELEP average (78%) and in real terms redressing the 3.3pp deficit would require around 1,700 working-age residents re-/engaging in employment. Given the shortfall in jobs locally, it is therefore not unreasonable to assume that 10% of future gross FTE jobs would be filled by those re/engaging in the labour force. Application of sector-based ONS GDP per FTE job estimates for East Sussex has been applied to a projection of workforce entrants (10% of gross FTEs) to determine the overall GDP generated by workforce re/entrants encouraged back into employment over the first 10 years, and in line with WebTAG Principles, 40% of GDP can be claimed in welfare-related impacts, estimated at £4.4m, or £3.3m at NPV. These GDP impacts are a mix of additional tax revenues and negated welfare payments nationally.

The benefits assessment and calculations for this scheme were undertaken by an externally appointed consultant therefore carried out in line with industry professional standards.

### **Social and Environmental benefits**

In addition to the direct and indirect economic benefits of this scheme, additional environmental and social value will be realised.

The existing GPs, staff and patients currently using the old surgery in Little Common will be provided with a modern facility which will be designed to have the ability to adapt to changing ways of working and future primary healthcare requirements. Not only will it have the capacity to fill the existing gap in demand locally but will enable provision of medical services for the growing population in this area of west Bexhill.

The employment space will provide space for business start-up, existing business growth and attracting new businesses to Bexhill. Again, the accommodation will be designed for maximum flexibility whilst considering the impact on neighbours.

All designs will enable modern methods of construction (MMC) and aim for BREEAM excellent in the GP and office element with the remainder of the site seeking carbon neutrality. This will ensure sustainability and support businesses to meet not only their environmental policies, but also contribute to the wider ambition of a carbon neutral district by 2030 and other local, regional and national plans for addressing climate change.

### The Role of GPF in Benefit Realisation:

Financial viability for the project is at best marginal and alongside committed funds by RDC, the Council acting as developer had planned to meet the funding gap through prudential borrowing from the PWLB. A national review into borrowing rates has however led to a sudden increase in PWLB interest rates has meant that the project is no longer financially viable. Borrowing on GPF terms will however bring the project back into viability, by saving a total of around £0.4m in avoided borrowing costs on the new PWLB rates.

RDC cannot commit any further investment towards the project from its own funds and in the absence of any other favourable financing mechanisms or a highly unlikely private developer-led response to the opportunity, the counterfactual position is that the project would be delayed indefinitely. The GPF loan would therefore wholly 'unlock' the 'direct' commercial development opportunity on the Barnhorn site.

More widely, the investment in the GP surgery is vital to ensuring that further wider planned housing development schemes in West Bexhill can be progressed locally, as without enhanced capacity for the planned health infrastructure, it is highly probably that the 430 housing units would not be permissible through planning.

Whilst RDC would typically look to recover funds for health infrastructure through planning-led mechanisms (CIL / s106 / s278 agreements), this is not possible as without the GP surgery in place no further housing could be permitted. This 'catch 22' position means that the future housing scheme would effectively be stall without the GPF loan. There is no other location option locally that could feasibly accommodate the GP surgery and as such, the GPF will also wholly 'unlock' the wider 'indirect' development opportunities.

### Value for Money (VfM) assessment:

The VfM assessment follows the approach forwarded within the SELEP Assurance Framework and the approach to monetisation of impact streams for inclusion in BCR test is also consistent with MHCLG Appraisal Guide and DfT's WebTAG methodologies. Monetisation of two impact streams (net LVU and LSI) are carried forward into the BCR calculation.

Based on £10.6m of net LVU's at NPV and £4.7m of LSI at NPV, **the combined net LVU and LSI impacts is estimated at £49.8m, or £39.7m at NPV.**

Whilst the overall gross cost of the GPF loan will be £1.75m, repayment by 2025/26 will mean that the only cost to SELEP would be in foregone interest that it could otherwise have accrued through retention. Based on a projection of annual loan drawdown and repayments and an assumed interest rate of 2%, **the estimated foregone GPF interest cost to SELEP would be £165,000, or £149,602 at NPV.**

When the NPV of the interest cost is assessed against the combined NPV of LVU and LSI results the overall **BCR position would be 132.8 : 1, inferring exceptional Value for Money returns on the GPF loan.**

RDC is also committing £8.25m towards the project (£7.9m at NPV) and whilst some of the local contribution may be recoverable, for the purpose of the BCR tests it is considered that the funding will be wholly non-recoverable.

On this basis the overall public cost will be £8.3m, or £8.1m at NPV. **The total public sector BCR position will therefore be 5.8 : 1, again suggesting excellent returns** and notwithstanding the wider project potential to enable 133 net SELEP FTE jobs, around 430 new housing units and around £66m in cumulative GVA impacts within the SELEP economy over the first 10 years, or £51m in GVA at NPV

## 7. Contribution to the Establishment of a Revolving Fund

### GPF Repayment Mechanism:

The advice we have received suggests that the likely marketplace for standalone office accommodation will be from potential owner/occupiers. This is in contrast to the light industrial where demand in the area is typically from leased accommodation. The sale of some office accommodation to an occupier would release the capital necessary to repay the GPF loan. Failing that, once construction of the scheme is complete and the development is fully tenanted the Council will seek to refinance the GPF portion of the loan to the already approved form of PWLB borrowing. The council is in the fortunate position of being able to borrow with relative ease should it be necessary to do so for the repayment of the GPF financing.

### GPF Repayment Schedule:

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total £
GPF Repayment (Capital)						1750	1750

### GPF Repayment Risk:

As a local authority we are able to access borrowing through the PWLB to offset our Capital programme. Given the recent changes to the PWLB borrowing rates this is now a lender of last resort for the Council. However, should other re-financing mechanisms not be available at the time then this will ensure that the GPF can be repaid in line with expected schedules. The gross revenue income calculated for the leasing of the GP and employment space was calculated by an independent commercial surveyor prior to investing in the land acquisition. These figures were based initially on the employment mix indicated at outline planning. However, there is flexibility to accommodate adaptable space that will enable the final scheme to meet a variety of demand in a post-Covid-19 commercial market. The repayment of the GPF loan is not dependant on the ability to fully let the units as the project risk mitigation considers the need to use PWLB to repay this.

**Financial Viability:**

*[Please provide an initial statement highlighting the underlying assumptions and expected viability of the GPF investment; **maximum 0.5 pages**. Following this, please include a cashflow that shows both the Drawdown and Repayment schedules for the GPF funding. All costs and revenues need to be sourced and clearly referenced. If the GPF is expected to unlock further funding that will be used, in part, to repay the GPF loan this should be clearly annotated]*

**Cash flow:**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 onwards
<b>Incoming</b>							
Growing Places Fund drawdown		1750					
PWLB Borrowing	374	1606	5898	366		1590	
Funded locally				2	2	2	
Gross Rev income (rental)				320	640	640	640
<b>Outgoing</b>							
Growing Places Fund repayment						1750	
Development Costs	374	3356	5898	368	2	2	
PWLB repayment		120	120	240	480	480	480
<b>Net income</b>	<b>0</b>	<b>-120</b>	<b>-120</b>	<b>+80</b>	<b>+160</b>	<b>0</b>	<b>+160</b>
<b>Cumulative total</b>	<b>0</b>	<b>-120</b>	<b>-240</b>	<b>-160</b>	<b>0</b>	<b>0</b>	<b>+160</b>



## 8. Risks

### Risk Register:

A full risk register is attached at Appendix D – updated November 2020.

RDC's approach to risk management reviews lessons learned from previous schemes of a similar nature, tailored to understand the project and site specific constraints and opportunities in the context of 'real time' to ensure internal (organisational) and external local, regional, national and global factors are considered.

The initial risk assessment on a project is used to identify key actions, feed into timescales for major milestones and therefore support the preparation of the programme. Prior to procurement of the EA, the risk register was reviewed by the council's internal audit officers to carry out a quality check and provide suggestions for further consideration. The updated risk assessment is appended to all ITT documents to ensure all appointed professionals are fully aware of project risks and mitigation from the outset. The appointed EA then takes on the risk register to include construction and technical risks and manage and monitor throughout the project from inception to completion (including end of defects).

The risk register attached to this business case is the internally audited version included within professional tender packages, and analyses project risk (scope, time, cost, quality) not construction/technical risk. A more general project risk narrative follows:

### Scope:

The main risks to the scope result from the required change in focus from the original OP which aimed to deliver majority office space, which is no longer appropriate given the Covid-19 pandemic. In addition to this, the GPs require a space larger than originally anticipated. Site specific constraints such as ecology and the need for BREEAM excellence for the GP surgery require a remodelling of the mix on site. These risks are being mitigated through a robust site constraints and options analysis, with various site layout options being tabled for input from the commercial surveyors, ecology and BREEAM consultants, and via the pre-app process.

### Time:

The main risks to the timeframe currently are the planning process and the availability of the NHS to engage. This is mitigated through allowance of contingency in the detailed design and planning process milestones, and through regular monthly meetings set up with the GPs and CCG, which are held every month and provide positive actions for project progress.

### Cost:

The main risks to the cost are unknowns in terms of the impact of Covid-19 and Brexit on the supply chain. This is mitigated through sufficient contingency within the construction budget to allow for these unknowns. The financial estimations within the business plan for construction, fees and costs are industry standard.

### Quality:

The main risk to quality is the combination of the scope, time and cost risk factors which are being actively monitored and mitigated. The quality of the outcomes is a risk but having the design team on board with an EA and appropriately experienced specialist surveyors (commercial and health) provides reassurance that the expected quality standards will be met.

## 9. State aid

### State Aid:

As with previous rounds of funding, commercial space that is built speculatively for rental at full market rates can be classified as exempt from state aid regulation under Article 56 of the general block exemption rules- delivery of local infrastructure.

The delivery of the GP's surgery will not breach the state aid thresholds as it cannot be considered that it distorts trade between member states.

## 10. Monitoring and evaluation

### Monitoring and Evaluation:

The monitoring and evaluation plan is included at Appendix E.

The project manager will complete the quarterly reports as required, with a full project report in 2025/26 at point of GPF loan repayment.

The project manager is permanently employed by Rother District Council therefore will provide continuity on this.

Tenant and management/operational surveys will be carried out at the 1, 3 and 5 year points after completion to seek data to allow analysis on job growth, wage levels, satisfaction with facilities. In addition to this, feedback will be sought on the added value elements related to social, environmental and wellbeing benefits.

## 11. Declaration (To be completed by applicant)

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
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
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

*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.*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer, and other public sector bodies who may be involved in considering the Business Case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The supporting appendices to the Business Case will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix G.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix G) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

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 confirm that the risk analysis included in this Business Case identifies all known project risks and I agree to follow public procurement regulations to the extent applicable during the delivery of the project. I declare that the GPF investment does not contravene State Aid regulations.

All spend of Growing Places Fund funding will be compliant with the Loan Agreement.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the loan amount.

<i>Signature of applicant</i>	<i>Ben Hook</i>
<i>Print full name</i>	<i>Ben Hook</i>
<i>Designation</i>	<i>Head of Service</i>

*The lead County Council/Unitary Authority should also provide a signed S151 Officer Letter to support the submission – see example letter in Appendix F*

# Appendices

Appendix A	Location, layout and site plans
Appendix B	Equality Impact Assessment
Appendix C	GPF repayment mechanism – supporting documentation
Appendix D	Risk register
Appendix E	Monitoring and Evaluation Plan
Appendix F	Example letter of support from S151 officer of relevant Upper Tier Authority
Appendix G	Categories for Exemption – redactions to main Business Case

Add or remove appendices as appropriate

## Appendix A – Site Plan



 **Indicative site boundary**

## Appendix B – Equalities Impact Assessment

Please see separate document in Rother District Council EqIA template format

## Appendix D – Risk register

Project Title:	SP7: SP7 Barnhorn Emp & GP	LOW	1	&	3	Low Priority - these risks are considered acceptable - monitor
Project Manager:	Cheryl Poole	MEDIUM	5	&	9	Activity Necessary - action plan for possible implementation
RA Date:	30.11.2020	HIGH	15	&	25	High Priority - Contingency - give immediate attention
RA Version:	Rev 3	CLOSED	0	&	0	Change scores to zero once no longer a risk

Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
SP7.R01	Political	Failure to approve progress	Development	Robust Cabinet report, demonstrating good business case	0	0	0	Closed	ATR HoS	Cabinet approved project progress at 4 Nov Cabinet meeting
SP7.R02	Political	Failure to secure funding in current economic climate	Development	Robust Cabinet report, demonstrating good business case	0	0	0	Closed	ATR HoS	Cabinet approved £10m at 4 Nov Cabinet meeting: political appetite for project
SP7.R03	Political	Failure to secure GP engagement	Development	Early discussions with ESHT and Little Common GP surgery	0	0	0	Closed	ATR HoS	RDC senior officers have been in liaison with ESHT on the project.
SP7.R04	Political	Delays with process of bringing GP practice on board	Development	Compliance with allocated S106 conditions; robust CIL application	0	0	0	Closed	ATR HoS	Project manager currently liaising with a specialist consultant to understand the process, which is a 12month 3 stage process

Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
SP7.R05	Political	Delays in original programme as set out in Cabinet report	Development & Delivery	Prepare new programme and ensure this is communicated to Key stakeholders	0	0	0	Closed	ATR HoS	The 4 Nov Cabinet report suggested planning would be granted by Mar 2020. This would have been impossible. New programme issued to RDC HOS for ATR. Construction still able to start autumn 2021.
SP7.R06	Economic	Failure to secure Growing Places Funding	Development	Robust application led by leisure consultant	3	1	3	Open	ATR HoS	This funding will reduce the need for borrowing the full £10m and improve the business case, mitigating financial risk.
SP7.R07	Economic	Failure to provide the most economically advantageous commercial mix	Development	Use appointed commercial consultant to ensure RDC opts for best mix	3	3	9	Open	ATR HoS & Estates	Commercial surveyor appointed to support and advise RDC on the commercial viability
SP7.R08	Economic	Lack of tender returns	Development & Delivery	Ensure all specs are attractive to the market	2	3	6	Open	MPM / ESPH	EA and Design Team appointed. Only remaining procurement risk is contractor.
SP7.R09	Economic	Construction tender returns higher than budget	Development	Ensure spec is flexible enough to allow innovation / request additional funds / reduce spec	1	5	5	Open	EA/MPM/ESPH	The project has been costed by Commercial Surveyor, so is unlikely to come in over budget
SP7.R10	Social	Neighbour objections to development	Development & Delivery	Engage throughout development & delivery as per coms plan	3	1	3	Open	MPM / ESCC Coms	EA and DT engagement plans submitted as part of ITT, giving consideration to social restrictions



Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
SP7.R11	Social	Lack of buy-in from Key Stakeholders	Development & Delivery	Engage throughout development & delivery as per coms plan	3	1	3	Open	MPM / ESCC Coms	Key stakeholders all positive about the benefits of this scheme.
SP7.R12	Social	Inability to meet/manage user expectations	Development & Delivery	Understand MoSCoW priorities from end users; set clear parameters	3	3	9	Open	MPM / ESCC Coms	Liaison with RDC Estates to ensure the facility mix is suitable and manageable
SP7.R13	Technological	Full planning delayed	Development	Early liaison with LPA; Build in contingency	3	2	6	Open	MPM / LPA	Whilst there are some planning delays in the LPA, key corporate projects are held in high priority
SP7.R14	Technological	Full planning not granted	Development	Re-submit alternative scheme	1	4	4	Open	MPM / LPA	Highly unlikely as principal fixed in outline planning permission
SP7.R15	Technological	Additional site constraints identified upon contractor mobilisation	Delivery	Request options for overcoming issues; agree most suitable solutions; contingency built into budget	1	3	3	Open	MPM / EA / Contractor	All surveys being carried out throughout design phase. This should mitigate/eliminate this
SP7.R16	Legal	Resource issues in preparation of contract documents	Development	Provide SPT programme to Legal department for resource planning; consider external support	3	3	9	Open	MPM / Legal	Resource issues highlighted to HOS and CEO

Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
SP7.R17	Legal	ESPH resource issues in preparation of ITTs	Development	Provide SPT programme to ESPH for resource planning	3	3	9	Open	MPM / ESPH	Resource issues highlighted to HOS and CEO
SP7.R18	Legal	Post-completion contract disputes	Post-completion	Maintain robust project records; ensure EA complies with contract & industry requirements; ensure project communications are compliant	3	1	3	Open	MPM / EA / Legal	Project manager experience in post contract disputes – knowledge of early avoidance. Robust record keeping
SP7.R19	Environmental	Site issues and inclement conditions delay site progress	Development & Delivery	Contingency built into programme	3	3	9	Open	MPM / EA / Contractor	As per EA programme
SP7.R20	Environmental	Carbon impact of construction	Development	Ensure construction spec considers environmental impact as part of quality	1	3	3	Open	MPM / EA / ESPH	This was a major consideration in the design team ITT
SP7.R21	Environmental	Failure to consider sustainable operation and maintenance	Development	Ensure construction spec considers environmental impact as part of quality	1	3	3	Open	MPM / EA / ESPH	This was a major consideration in the design team ITT

Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
SP7.R22	Economic	PWLB Interest rates	Development & Delivery	Attempt to secure GPF to reduce the need for PLWB borrowing. Accept that the ROI may fluctuate as PLWB go up and down	3	3	9	Open	ATR HoS	Working on GPF bid to secure c£1.75m of v. low interest loan that would mean borrowing less from PLWB and therefore less interest repayable over the lifetime of the loan.
SP7.R23	Economic	Treatment of VAT for the site	Development & Delivery	Set out a plan with s151 officer to ensure VAT status is appropriate for the scheme	3	3	9	Open	ATR HoS / MPM	Set up a meeting with senior officers, project manager and finance (s151)
SP7.R24	Technological	Impacts of Covid-19 on ways of working	Development & Delivery	Consultants set up with technology to enable continuation of work. Contractor able to work under government guidelines and protocols	3	3	9	Open	MPM / EA	Project manager to continue to monitor effectiveness of communications and engagement between consultants. EA to monitor onsite compliance
SP7.R25	Social	Impacts of Covid-19 on community engagement	Development & Delivery	Presentations to be delivered online with option for hard copies on request	3	1	3	Open	MPM / EA	This has been carried out successfully for a number of development schemes in the last 6 months - use the same approach to ensure consistency.
SP7.R26	Economic	Impacts of Covid-19 on business plan	Development & Delivery	Design approach to allow for flexibility and sustainability - assets can be	3	3	9	Open	MPM / EA	This could be seen as an opportunity - project was not too far down the line to consider new ways of working.

Risk ID	Category (PESTLE)	Risk	Project stage	Risk Mitigation / management Actions	Current Likelihood (1/3/5)	Current Impact (1/3/5)	Current Score & RAG Status	Risk Status	Owner	Risk assurance
				easily adapted for future needs						

MPM: major projects manager

ATR HoS: Acquisitions, Transformation and Regeneration Head of Service

ESPH: East Sussex Procurement Hub

EA: Employers Agent

## Appendix E – Monitoring and Evaluation Plan

Outcome/benefit to be measured	Expected outcome	Monitoring approach	Benefit realisation timetable
Delivery of new commercial workspace	3,570 sqm NIA of new commercial workspace	Delivery of workspace to be monitored through the detailed design process, engaging relevant businesses and tracking the planning application.	Workspace to be delivered by Dec 2022.
Construction jobs created	30 construction jobs throughout construction period	Delivery of jobs to be monitored through tender submission resource plans and monthly on-site monitoring.	From site mobilisation Oct/Nov 2021 through to completion, Dec 2022.
Operational job creation	133 net operational FTE jobs	Delivery of jobs to be monitored through lease arrangements and engagement with occupants of new workspace through tenancy surveys.	From occupation Mar 2023 – a gradual process to full occupancy throughout 24 months (to Mar 2025).
Unlocking of residential units	Provision of workspace and a GP surgery will unlock local 429 local residential developments	Delivery of local residential units in West Bexhill to be monitored through tracking of planning applications and approvals, and new Local Plan policy.	From scheme occupation Mar 2023
Direct net commercial Land Value Uplift	£7.0m net LVU (direct)	Valuations on completion/occupation.	From scheme occupation Mar 2023
Indirect net residential Land Value Uplift	£38.5m net LVU (indirect)	Valuations on completion/occupation.	From scheme occupation Mar 2023
Social benefits	Improved access to primary healthcare	Surveys undertaken with the GPs and CCG, gaining feedback on new ways of working and patient satisfaction for the facilities.	From scheme occupation Mar 2023
Environmental benefits	Good/excellent energy efficiency of new facilities	Comparison of new facilities to other existing facilities for energy consumption (per sqm to ensure like for like).	From scheme occupation Mar 2023
Wellbeing benefits	Improved working environment & flexibility	Surveys to be carried out with tenants of all new facilities on site	From scheme occupation Mar 2023

*The Monitoring and Evaluation Plan should include all outcomes stated in section 6 and should set out how the delivery of these outcomes will be measured. Updates on benefits realisation will be sought quarterly both during project delivery and post project completion.*

## Appendix F – Example S151 Officer Letter to support Business Case submission – Growing Places Fund

Dear Colleague,

In submitting this project Business Case, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this Business Case is accurate and complete.
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where insufficient funding has been identified to deliver the project, this risk has been identified within the Business Case.
- The identified project expenditure represents capital spend. GPF cannot be used to cover revenue costs.
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.
- The delivery body has considered the public sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the project’s development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project.
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting.
- The project will be delivered under the conditions of the Loan Agreement which will be agreed with the SELEP Accountable Body, including the repayment of the Growing Places Fund loan in accordance with an approved repayment schedule.
- The requested GPF investment does not contravene State Aid regulations.
- The appropriate checks have been undertaken and it has been confirmed that this funding application is from a creditable source which has the means to repay the loan.

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,

SRO (Director Level) Ben Hook.....

S151 Officer .....

## Appendix G – Categories of exempt information

There is a clear public interest in publishing information and being open and transparent. But sometimes there is information which we can't publish because it would cause significant harm to the scheme promoter - for example by damaging a commercial deal or harming their position in a court case. Equally sometimes publishing information can harm someone who receives a service from the scheme promoter or one of their partners.

The law recognises this and allows for information to be placed in a confidential appendix if:

- a) it falls within any of paragraphs 1 to 7 below; and
  - b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
1. Information relating to any individual;
  2. Information which is likely to reveal the identity of an individual;
  3. Information relating to the financial or business affairs of any particular person (including the authority holding that information);
  4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority;
  5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;
  6. Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order of direction under any enactment;
  7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.