

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

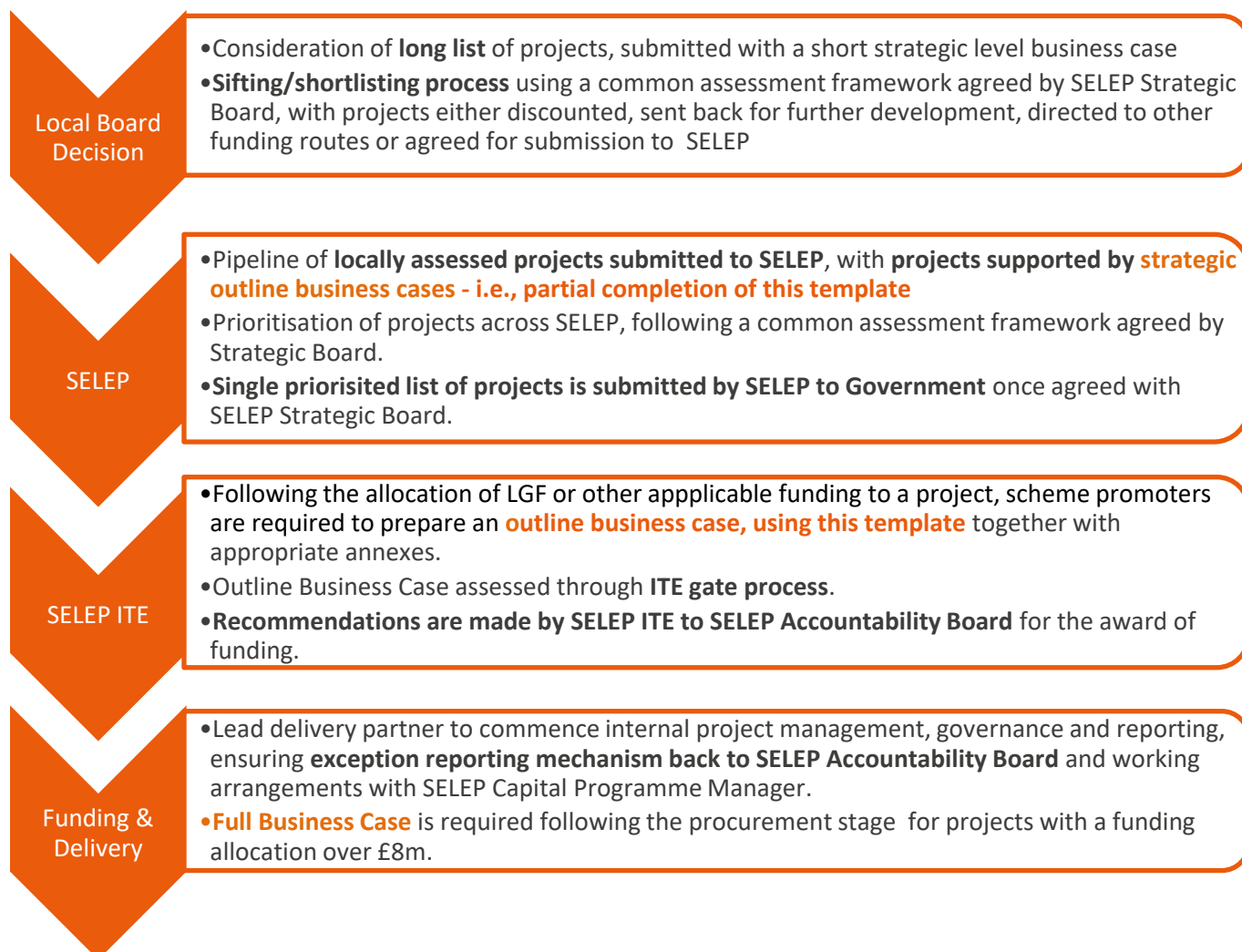
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

The standard process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the



Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:

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Authorised by	Peter Sharp
Date authorised	9 th October 2020

1. PROJECT OVERVIEW

1.1. Project name:

Creative Hub, 4 Fisher Street

1.2. Project type:

Site development

1.3. Federated Board Area:

East Sussex

1.4. Lead County Council / Unitary Authority:

East Sussex County Council

1.5. Development location:

4 Fisher Street, Lewes, BN7 2DG

1.6. Project Summary:

The aim of the project is to convert vacant Grade-II listed former office premises in Lewes town centre into a co-working hub for creative industries businesses. The last known use of the site was for the Housing Department of Lewes District Council.

The site has been vacant since for over a decade during which time there have been no other enquiries from developers or other parties to bring the building back into use. It continues to incur maintenance, business rates, utilities, insurance and alarm costs to Lewes District Council of £45,000 per year. The aim is to bring the office back into use so that it meets the demand for co-working space from the growing creative sector in the town and the wider Greater Brighton City Region. It will also generate valuable footfall for town centre businesses at the upper end of the High Street.

Specifically, the reconfigured building will include; a street level co-working café; a reception and information point; a rear co-working and freelance desk area; a high speed managed broadband with Wi-Fi access as well as fixed terminals; contemporary office spaces on floors 1 and 2 on flexible terms to encourage small creative companies to grow; and a boardroom and mini conference space with full internet access and video facilities.

The Hub will be managed by the Werks Group, a specialist provider of co-working space and business support for the creative industries sector. The project will also include a programme of events and support workshops, based on the Werks Group model that has successfully been developed in Brighton & Hove.

£264,735 of public sector investment (£250,000 GBF and £14,735 Lewes DC) would:

- Leverage in £381,652 of additional private sector investment;
- Deliver 533 sq. m of redeveloped commercial floorspace;
- Bring an historic public asset in a central location back into active economic use;
- Deliver a Land Value Uplift of £420,689;

- Provide much-needed dedicated, flexible floorspace for the CDIT sector in a specialist business support environment;
- Provide capacity for 30 gross direct new jobs (15 net new jobs);
- 13 new office units and 2 co-working areas; and
- Increase footfall to the upper end of the town centre, as a result of new workers, a ground floor café and programme of events at the site.

The funding request for this project is small (£0.25m GBF). As such, there is no requirement to provide a Benefit Cost Ratio. However, our calculations estimate that the programme delivers an Initial BCR to the public sector of 1.53 based on Land Value Uplift. No external benefits have been monetised. However, we expect the external benefits to include:

- Additional (unquantified) footfall in the upper High Street;
- Specialist business support for businesses in the town's CDIT sector;
- Improved aesthetics to the exterior of the building; and
- Reputational benefits to Lewes as a centre for the Greater Brighton CDIT sector.

The value of these benefits would need to be a modest £369,889 over the ten year reference period in order for the project to achieve high value (BCR 2.0) for money.

1.7. Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
Lewes District Council	Freehold site owner and applicant
The Werks Group	Lead delivery partner

1.8. Promoting Body:

Lewes District Council

1.9. Senior Responsible Owner (SRO):

For Lewes District Council - Peter Sharp, Head of Regeneration, 01273 085044 / 07826 903742, peter.sharp@lewes-eastbourne.gov.uk

It is noted ESCC will also provide a named Senior Responsible Owner.

1.10. Total project value and funding sources:

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
<i>The Werks Group</i>	£381,652	This private sector funding is dependent on securing sufficient GBF to enable the delivery of a successful Creative Hub.
<i>Getting Building Fund</i>	£250,000	A reduced level of GBF grant would impact on the ability of providing a viable Creative Hub.

		Listed Buildings consent may be required for alternations that impact the significance of the building. Where appropriate, Listed Buildings consent will be applied for.
Lewes DC	£14,735	This public sector funding is dependent on securing sufficient GBF to enable the delivery of a successful Creative Hub.
Total project value	£646,387	

1.11. SELEP funding request, including type (LGF, GPF, GBF etc.):

£250,000 from GBF.

1.12. Exemptions:

The scheme's business case is not subject to any exemptions as per the SELEP Assurance Framework 2017.

1.13. Key dates:

Headline project timetables and milestones is set out below:

1. Lease document (Heads of terms) signed – 14th July (see copy as separate Appendix)
2. Inception of the refurbishment: 4th August 2020
3. Completion of Phase 1: Clearance and making ready 12th September 2020
4. Review and apply for any Listed Building consents deemed necessary – by 30th September 2020
5. Completion of Phase 2: Making the building watertight 20th October 2020
6. Completion of Phase 3: Greening the building (lighting, heating and solar) 11th December 2020
7. Completion of Phase 4: Café and ground floor refurbishment 11th December 2020
8. Completion of Phase 5: 1st floor refurbishment 22nd January 2021
9. Completion of Phase 6: 2nd floor refurbishment 19th February 2021
10. Completion of Phase 7: Official opening 16th March 2021

1.14. Project development stage:

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Option selection	Lewes DC cabinet report	Agreement to lease with the Werks approved	February 2020
Lease document (Heads of terms)	Heads of Terms agreed	Lease documentation signed	July 2020
Project development stages to be completed			
Task	Description	Timescale	
Completion of Phase 1	Clearance and making ready	12 th September 2020	
Listed Buildings consent review	Apply for, if deemed necessary	30 th September 2020	
Completion of Phase 2	Making the building watertight	20 th October 2020	

Completion of Phase 3	Greening the building (lighting, heating and solar)	11 th December 2020
Completion of Phase 4	Café and ground floor refurbishment	11 th December 2020
Completion of Phase 5	1 st floor refurbishment	22 nd January 2021
Completion of Phase 6	2 nd floor refurbishment	19 th February 2021
Completion of Phase 7	Official opening:	16 th March 2021

1.15. Proposed completion of outputs:

Getting Building Fund investment will see the transformation of a disused vacant commercial property into a flexible and vibrant co-working Creative Hub space over three floors in a central and desirable position within Lewes town centre.

The funding will enable the creation of creative office, meeting and event spaces to support the creative sector in Greater Brighton City Region and the wider South East. The new hub will include touch down, short occupation and longer term leased office space for creative industries to support new business growth and enterprise.

- Lever £381,652 of private sector investment;
- Deliver 533 sq. m of redeveloped commercial floorspace;
- Bring and public asset in a central location back into active economic use;
- Deliver a Land Value Uplift of £420,689;
- Provide much-needed dedicated, flexible floorspace for the CDIT sector in a specialist business support environment;
- Provide capacity for an 30 gross direct new jobs (15 net new jobs);
- 13 new office units and 2 co-working areas; and
- Increase footfall in the town centre, as a result of new workers, a ground floor café and programme of events at the site.

2. STRATEGIC CASE

2.1. Scope / Scheme Description:

Scheme Summary

The aim of the project is to convert vacant Lewes District Council office premises in Lewes town centre into a co-working hub for creative industries businesses.

The site has been vacant since 2010, during which time there have been no other enquiries from developers or other parties to bring the building back into use. It continues to incur business rates and maintenance costs to Lewes District Council of £45,000 per year. The aim is to bring the office back into use so that it meets the demand for co-working space from the creative sector in the town.

Specifically, the reconfigured building will include:

- A street level co-working café;
- A reception and information point;
- A rear co-working and freelance desk area
- High speed managed broadband with Wi-Fi access as well as fixed terminals;

- Contemporary office spaces on floors 1 and 2 on flexible terms to encourage small creative companies to grow; and
- A boardroom and mini conference space with full internet access and video facilities.

The Hub will be managed by the Werks Group, a specialist provider of co-working space and business support for the creative industries sector. The project will also include a programme of events and support workshops, based on the Werks Group model that has successfully been developed in Brighton & Hove.

Issues and Intended Benefits

a) Support the growth of the creative and cultural sector

Nationally, the creative industries are one of the fastest growing sectors, contributing £111 billion to the UK economy in 2018, employing two million people. It is a key sector of the UK's export economy and the Greater Brighton city region is one of the UK's digital and creative centres.

In Lewes District there are 630 creative businesses (BRES, ONS Via NOMISWEB), which represents 14% of all businesses, but there is a lack of flexible, supported shared space for freelancers and start-ups. The redevelopment of the town's North Street Quarter identified a demand for affordable artists' workshops, including ensuring that there was sufficient suitable space for creative businesses displaced as a result of the North Street Quarter redevelopment.

The town centre has other shared office spaces, including the Lewes Enterprise Centre, the Malling Business Centre, The Hive, The Candlemakers, the Star Brewery and Fisher Street Studios. However, these spaces are either not dedicated creative spaces, or they do not provide the business support that the Werks Group proposes for this site.

In addition, new creative space at Atelier Lewes is a planned development that will provide 13,000 sq.ft of flexible, B1 creative space that can be used as studios, offices and making spaces. However, this is located on Brooks Road, around half a mile from Fisher Street on the other side of the River Ouse. The Fisher Street development complements Atelier Lewes, in that it provides incubator space and on-site business support for freelancers and micro businesses, whilst the Atelier site will enable growing businesses to be retained within Lewes town. Equally, Fisher Street supports the North Street Quarter redevelopment, offering smaller managed workspace for start-ups and freelancers that is currently lost to other areas – particularly within Brighton & Hove, outside of the SELEP region.

Intended Benefits:

- 533 sq. m of new creative commercial floorspace redeveloped
- 30 gross FTE jobs

b) Bringing back a derelict building into economic use

The former council offices have been vacant since 2010 and are not in economic use. Lewes District Council currently receives no income from the site in rent or in business rates contributions and incurs costs to maintain the building in its current form. The Preferred Option to develop flexible Creative Workspace, managed by sector specialists the Werks Group, will mean that a prime site in a town centre location will be brought back into economic use.

Intended Benefits:

- Redevelopment of disused office building
- Land value uplift of £420,689

c) Increasing town centre footfall

Latest data shows footfall in Lewes town centre to have decreased; 390,000 visitors in July 2020 compared to 625,000 in July 2019, with a 30% decrease in dwell time¹. The redevelopment of the site will provide 13 new offices and 2 co-working spaces, a café that is open to the public and a programme of events and activities to the Werks Members and non-members. Opening the Creative Hub at Fisher Street will attract new business visitors which will add further footfall and spending in the town centre to support local businesses.

d) Providing an additional income stream for the Council to pay for essential local services

The Covid-19 pandemic has added significant pressures to Lewes District Council's budget. It means that all its assets need to be reviewed to ensure that they deliver both economic value to the district and financial value to the Council itself. The proposed agreement with The Werks Group is expected to result in the asset delivering an income to the Council over the medium term and reversing the current annual maintenance costs.

Intended Benefits

- Revenue to Lewes District Council of at least £70,000 by the end of the contract period and annual business rates and maintenance savings of £45,000

2.2. Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
1: Support growth of the Creative Industries	GBF Grant Spend - £250,000 LDC Funds - £14,735 Match Funds £381,652	<ul style="list-style-type: none"> • 30 gross FTE jobs • Creation of 13 new office spaces and 2 co-working areas for new start-up businesses. 	<ul style="list-style-type: none"> • Strengthens Creative sector in Lewes Town Centre • Spreads the benefits of creative industries in the Greater Brighton City Region • Establishes a supportive creative network in the town centre 	Funding request is less than £2m, so this is not relevant.
2: Bringing Derelict Building Back into Economic Use	GBF Grant Spend - £250,000 LDC Funds - £14,735 Match Funds £381,652	<ul style="list-style-type: none"> • 2,601 sq.ft of co-working spaces • 3,333 sq.ft of office space • 1803 sq.ft of café space • 580 sq.ft boardroom • Land Value Uplift of £420,689 	<ul style="list-style-type: none"> • Disused office building in the centre of Lewes town brought back into commercial use • Dedicated creative workspace in the town centre • New café and creative events 	Funding request is less than £2m, so this is not relevant.

¹ Ellandi insight data

			programme in the town centre	
3: Increasing town centre footfall	As above	<ul style="list-style-type: none"> Opening the Creative Hub at Fisher Street will attract new business visitors and additional town centre footfall – to be quantified 	<ul style="list-style-type: none"> Increase in business turnover in neighbouring businesses 	Funding request is less than £2m, so this is not relevant.
4. Additional Income Stream to the District Council	As Above	<ul style="list-style-type: none"> Increase revenue of at least £70,000 by 2030/31 and an annual Business Rates and maintenance cost saving of £45,000. 	<ul style="list-style-type: none"> LDC is in a stronger financial position to support core services 	

Covid-19 Impacts

The Covid-19 pandemic has created significant uncertainties across the whole economy at local, regional, national and international level. It is simply not known what the long-term impact of this will be on the way that people work in the future. Much depends on how, when and by when the pandemic is brought under control and the long-term impact that this may have on the way that people work.

Within this uncertain context, it is not appropriate for Lewes District Council to undertake detailed and robust research into the impact of the pandemic on the creative industries or on the future of co-working spaces. Analysis undertaken at national level by Futures of Work² suggests that, in the short term, co-working spaces have been hit hard by the pandemic, with their financial viability relying on short-term flexible leases, often taken up by freelancers, whose incomes have fallen drastically. The shift towards home-working has resulted in a greater move towards more on-line platforms as a means of connecting businesses and providing support. Nevertheless, the report suggests that over the medium term, this fall in demand from freelancers is likely to be offset by changing work patterns within the corporate sector, with staff working more flexibly and remotely from their main corporate offices. This could prove to be an effective cost-reducing response from larger corporates that benefits providers of co-working spaces, perhaps altering their focus in the future.

Detailed, local research on the likely medium term impact of Covid-19 is, unsurprisingly not readily available. However, there is a merit in the argument that the intangible nature and international nature of the digital component of the creative industries is likely to be more resilient than elements of the sector that rely on closer face-to-face human interaction (theatre, museums, galleries etc). Prior to the pandemic a report to the Greater Brighton Economic Board³ highlighted the importance of the sector to the local economy and the challenges that existed around “*insufficient affordable and flexible properties*”.

² <https://futuresofwork.co.uk/2020/06/05/alone-together-co-working-spaces-and-the-covid-19-crisis/>

³ The Creative Industries of Greater Brighton’ A report for the Greater Brighton Economic Board; July 2019

Furthermore, the Covid-19 pandemic recovery is expected to be digitally driven, increasing the demand for business and talent to support it. According to a report by McKinsey⁴, digital adoption amongst businesses and customers has "vaulted forward five years" in a matter of eight weeks, driven by remote working and greater use of technology to access services. This suggests that the demand for the creative and digital business outputs that this project is aimed at supporting is likely to be stronger, rather than weaker in the post-pandemic economy. A modest investment to support the growth locally, even in a time of some uncertainty, is likely to mean that Lewes is positioned where it needs to be to respond to post Covid opportunities that arise.

Locate East Sussex strongly welcome any increase in creative workspace provision and state that over the past few months, while many larger companies have struggled to deal with the impact of the Covid-19 pandemic, in the main, smaller and more creative businesses have been continuing to thrive. Locate East Sussex have seen a strong demand for workspace that has been developed specifically for creative businesses. They continue to receive enquiries from start-ups and established businesses looking to base themselves in Lewes where they can benefit from the town's existing cohort of creative companies. See Annex I, Creative Industries Workspace Demand since Covid-19.

The Newhaven Enterprise Centre, just 8 miles away, has experienced an increase in interest for co-working spaces since Covid-19, primarily from people working remotely, but would prefer not to from home. See Annex J.

2.3. Location description:

4 Fisher Street is located in the desirable heart of Lewes. It is an attractive property with a listed exterior. The property is less than a 5 minute walk from Lewes train station and has a vast array of shops, restaurants and bars all within a few minutes' walk.

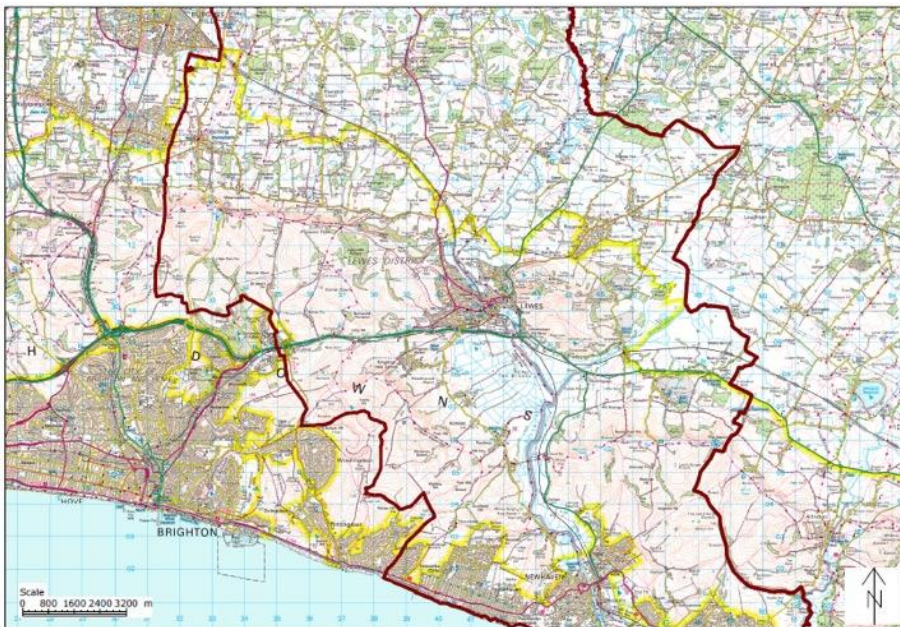
The building is in an ideal location for a street level café for people to drop in and to provide a welcoming reception and information point. The property occupies the ground floor and floors 1 & 2 including a disused council chamber that is ideal for a contemporary board room and mini conference space.

There are no access constraints: the converted building will be accessible for people with disabilities, with lift access between the ground and 2nd floors; with ramps and other adjustments that will make it fully accessible.

Location Map 1 – Fisher Street



Location Map 2 – Lewes District



2.4. Policy context:

Planning Policy Alignment

National

Paragraph 82 of the National Planning Policy Framework (NPPF) specifically states that there should be “provision for clusters or networks of knowledge and data-driven, creative or high

technology industries” should be made in planning policies and decisions. With a listed exterior, 4 Fisher Street is a heritage asset, which the NPPF emphasises should be conserved and put into viable uses consistent with its conservation (para 185).

Regional

There are no regional planning policies of relevance.

Local

The site is within the South Downs National Park and is, therefore, subject to South Downs National Park Authority Local Plan (2014-2033). Policy SD34: Sustaining the Local Economy specifically supports development proposals that “provide for and support small and micro businesses through the provision of small, start-up and move on businesses, including incubator units” and those that provide flexibility for established businesses to secure future resilience and protect local jobs. Policy SD34 seeks to promote and protect small businesses. It states that this includes “provision of affordable ‘move on space’ for expanding home-based businesses and flexible ‘move in/move on’ accommodation for start-up companies”. The provision of dedicated creative co-working spaces clearly supports these policy aims, focusing as it does on supporting the growth of micro businesses and freelancers.

SELEP Strategic Economic Plan

The East Sussex Overview of SELEP’s Strategic Economic Plan highlights “significant opportunities in the creative industries” that needs to be identified and supported. The South East Creative Economy Network (SECEN)’s draft Open Workspace Masterplan highlights the need to support creative micro businesses to grow, including access to high quality digital infrastructure and workspaces that attract collectives of freelancers and microbusinesses to cluster. The Masterplan emphasises the value of capitalising on existing assets and creating open, flexible and affordable workspaces that include support and advice, enable peer-to-peer interaction and complementarity. This is precisely the model that The Werks is proposing for the Fisher Street site.

SELEP also wanted to ensure that it supported and benefited from this growth sector. Aware that the Creative, Cultural and Digital Sector does not tend to access mainstream business support, SELEP supported SECEN to develop South East Creatives — also known as South East Creative, Cultural and Digital Support [SECCADS]. The programme is for creative, cultural or digital SMEs looking to cultivate their skills, grow their business and broaden their professional network. It is a two-year business support programme ending in December 2020 but SECEN is looking into funding streams to continue the service for longer. This fits well with the Creative Hub offer proposed for 4 Fisher Street and will support delivery of The Werks concept.

Other

In 2018, the Creative Industries contributed £112bn to the UK economy and pre-Covid had a growth rate five times that of the economy as a whole. The Bazalgette Review and NESTA (Creative Nation 2018) both found that the priority for the sector was to help SMEs and entrepreneurs to grow in order to raise productivity. Lewes already has a strong creative base, but a dedicated hub with specialist business support will enable the town’s creative businesses to innovate, access investment and skills, and export within of a creative network in the town centre.

Lewes District is also part of the Greater Brighton City Region and represented on the Greater Brighton Economic Board. Brighton & Hove has become an important centre for the growth of the CDIT sector and it hosts the regional Digital Catapult. The city risks overheating and a central aim of the Greater Brighton Economic Board is to spread the benefits of the city’s success through a wider spatial area. Lewes is the only district to the east of the city (and the only one in the SELEP

region) that is represented on the Greater Brighton Economic Board. This project will provide alternatives for CDIT start-ups to locate and grow outside the city, but still have access to markets and expertise within it.

2.5. Need for intervention:

Current Context

Demand for Creative Co-Working Space

Lewes District has a lively arts and creative sector. Official statistics show that the District has 630 creative businesses and 2,000 employee jobs in the sector. The majority of these are based in Lewes Town. Between 2010 – 2019, the number of creative enterprises grew by 53.7%, compared to 15.8% for all industries. The sub-sectors that saw significant percentage growth were advertising and marketing; design and designer fashion; and architecture.

However, this is likely to be an underestimate, as it is well-known that the sector has a large number of freelancers, homeworkers and people with portfolio careers.

A cultural audit of Lewes town, undertaken in 2014⁵ found that the commercial viability of creative workspaces was challenging, because the demand was largely for low-cost units from start-ups and freelancers.

Evidence provided to the Lewes District Council's Scrutiny Review of Affordable Workspace and Support for the Creative Sector (2019) has identified a shortage of appropriate workspace and a lack of specialist business support and advice for businesses in the sector.

There are several co-working spaces in the town centre (see Section 2.1, above). However, these do not provide the specialist business support that is proposed for the Fisher Street site and because they are not dedicated to the Creative Industries, they are unable to develop a network around a physical hub in the way that is proposed.

The Covid-19 pandemic has had a significant impact on the creative industries sector, but it is likely that the new, flexible way of working that is being adopted reflects the way that freelancers and micro-businesses in the sector operate anyway. The location of the proposed site, at the eastern edge of the Greater Brighton City Region and within commuting distance from London means that Lewes is likely to experience a greater demand for co-working spaces, in which employees of larger companies outside the area, work alongside freelancers, start-ups and micro businesses in the sector.

Redeveloping the Fisher Street Site

The Fisher Street site is a disused building that has been used for storage by Lewes District Council since 2013/14. There have been no previous enquiries to take over the building for other purposes since then and the Council has investigated other potential uses which have not been viable or come to fruition.

The proposed use for the building is in keeping with the Council's corporate Asset Management Plan (<https://www.lewes-eastbourne.gov.uk/resources/assets/inline/full/0/259505.pdf>) that seeks to bring under-utilised properties back into effective uses that will benefit local communities and the local economy.

Future Context

⁵ An Audit of Cultural Infrastructure in Lewes; This is Regeneration, 2014
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The future context sees the continued growth of the town's creative economy, responding to the challenges created by the Covid-19 pandemic and enabling freelancers and SMEs to be supported to grow and be retained within the town centre. Lewes has an important role to play within the Greater Brighton City Region, supporting its national reputation for Creative, Digital and IT business support. The Werks, who will manage the Creative Hub, already operate a similar model in Brighton & Hove.

The project aims to take forward recommendations within the Creative Places 'Supporting your local creative economy' report produced by the Local Government Association (LGA) to revitalise an empty town centre property into a creative hub and workspace.

The leasehold arrangement will involve the Werks Group managing the Hub with a profit share arrangement with Lewes District Council from Year 6 to Year 10 when the lease is due to expire.

The lease structure with The Werks Group has been agreed and therefore the commitment is already in place. If the Annual Profit for each one year period is greater than £66,000 a sum equal to 30% of the Annual Profit for the period will be payable to LDC.

Underlying Issues

- There is a lack of dedicated flexible co-working spaces for the creative industries in Lewes, so that town fails to develop its rich creative potential into a cluster of businesses with growth prospects;
- Start-ups and freelancers generally need flexible lease terms, low cost spaces that are professionally managed and an environment that fosters collaboration and network development;
- Covid-19 has impacted on the sector in the short-term, but is expected to favour this form of flexible working in places like Lewes, where a large number of creative professionals live;
- The Fisher Street site has been disused or not used to its full economic effect for at least six years at a maintenance cost to Lewes District Council. This represents an opportunity to bring a public sector asset back into economic use, as well as generating new footfall within Lewes town centre to support the diverse range of independent shops and services offered.

Market Failure

The redevelopment of the site is expected to cost £646,387, with £381,652 invested by the Werks Group, £14,735 invested by Lewes District Council and the remaining £250,000 sought from the Getting Building Fund. The market cannot deliver this project without public support because without it the return on investment - based on estimates of rental income that can be secured from freelancers and microbusinesses in the creative industries sector - would be delayed to such an extent to make the investment unviable. The Hub concept works effectively for businesses in this sector, which is characterised by fragmentation, short term collaborations, homeworking and, in many cases, not for profit operations.

The rationale for intervention is largely based on delivering the strategic objectives outline above. However, the inability of the market to deliver these strategic objectives without public sector investment represents a Market Power market failure because the high workspace costs for nascent creative businesses make it difficult for them to enter and compete in the market.

Collaborative models enable costs to be shared, but this still delivers a low return for investors, placing unacceptable risks to the investor.

The Covid-19 pandemic has increased these risks as uncertainties around demand over the short to medium term have grown. From a Lewes District Council perspective, this creates an unacceptable risk to its reserves, given the costs of its on-going statutory responsibilities. Whilst there is expected to be a return on investment over the medium term, based on the contract model with The Werks, this is not within an acceptable timeframe to make this viable without Getting Building Funding investment.

2.6. Sources of funding:

The Werks Group has led all investigations into other sources of funding that might be eligible for the project. At the time of submission and given the timescales for delivery. GBF is the only local funding programme with criteria that could support the project's successful delivery.

Lewes DC contribution is from its agreed existing capital programme.

2.7. Impact of non-intervention (do nothing):

The building has been vacant for a number of years and during that time, there have been no enquiries from the private sector to bring it back into economic use. It is surplus to requirements as a Council office building. As such, it remains unoccupied and disused, with a risk that it falls into a state of disrepair and incurs on-going maintenance costs to the District Council.

It is possible that the building could be developed at some point for other uses, but this is not a likely scenario in the short to medium term. Lewes District Council has explored alternative uses for the building. These are set out in Section 3.1 of the business case.

Retaining the unoccupied building would, in economic terms, still result in an annual increase in its value. Based on a real terms 5% annual growth, this would be £838,825 (nominal) and £615,472 (Present Value) without intervention by 2029/30. However, based on £20,000 annual maintenance costs, the nominal costs to the public sector would be £209,278 (£175,708 in Present Value terms).

There would be no Land Value Uplift and the Present Value Costs to the Public Sector would be £175,708, representing a BCR of 0.78. In addition, if the building remains unoccupied, Lewes District Council would continue to be liable for annual business rates liabilities as well as maintenance costs of £45,000.

If the site is not developed, there would be no external benefits associated with the development, including the additional jobs, the expected increase in footfall that will be generated would not materialise and a dedicated business support hub for the CDIT sector in the town centre.

2.8. Objectives of intervention:

Project Objectives

- | | |
|---------------------|--|
| <i>Objective 1:</i> | Support the growth of the creative and cultural sector |
| <i>Objective 2:</i> | Bringing derelict building back into economic use |
| <i>Objective 3:</i> | Increasing town centre footfall |
| <i>Objective 4:</i> | Additional income stream to the District Council |

Problems or opportunities the project is seeking to address

Problem / Opportunity 1: Lack of dedicated workspace for the creative industries
Problem / Opportunity 2: Lack of specialist business support for creative businesses
Problem / Opportunity 3: Make better economic use of public sector assets

	Problems / opportunities identified in Need for Intervention section		
	Problem / Opportunity 1	Problem / Opportunity 2	Problem / Opportunity 3
Objective 1	✓✓✓	✓✓✓	✓✓✓
Objective 2	✓✓✓	✓	✓✓✓
Objective 3	✓✓	✓	✓✓
Objective 4	✓✓	✓✓	✓✓✓

2.9. Constraints:

The main changes that will need to be made are to the interior of the building. These will not require any planning consent and they have already been subject to surveys and design proposals to ensure that the redeveloped building reflects the needs of the sector and so that access requirements are suitable for all users.

Some changes to the exterior are likely to be required which may require Listed Buildings consent, including the doorway to the street and external signage. The exterior is listed, so alterations will need to be within those that are also permitted by South Downs National Park Authority.

In October 2020, the Council's Specialist Advisor in Conservation has confirmed 'in principle support' for the change of use, subject to detailed applications and is also supportive of bringing the building back into a long term use.

2.10. Scheme dependencies:

Any works that have the potential to impact the significance of the listed building (internal and external) will require listed building consent. Minor repair works can be undertaken without consent but still have some conditions on when they are acceptable. Some superficial redecoration is also acceptable without permission as long as the building's historic fabric is not being impacted.

There are no other specific dependencies in relation to the redevelopment of the building. Funding from the Werks Group is committed, subject to securing the GBF grant.

Delivery of wider benefits, including supporting businesses and jobs depends on the accuracy of projected demand for the space that has been provided. In addition, the scheme will play a vital role in generating new footfall to indirectly support businesses at the upper end of Lewes High Street. These businesses have been negatively impacted by the closure of key visitor attractions – including Lewes Castle – which has contributed to a 38% reduction in footfall over the past year⁶.

The planned Atelier development on Brooks Street is being progressed. However, this is focused on a different creative market segment and can be viewed as complementary to the Fisher Street proposals. As such, this is not anticipated to result in higher levels of displacement in terms of either jobs and businesses supported. The district has a varied and fast-growing creative sector centred on the town of Lewes. We expect the town to be able to absorb both developments.

Lewes District Council and The Werks Group will develop links with the Atelier development both directly and through other creative and economic development forums within the District to ensure that businesses that start out at Fisher Street can be retained within the town when they grow and so that events and support that is provided at the Fisher Street site are open to creative and digital businesses throughout the town, where this is appropriate.

Furthermore, according to the Office for National Statistics, levels of homeworking at national level have increased (particularly amongst higher skilled workers) since the outbreak of the Covid 19 pandemic. We expect this to have happened in Lewes too and that longer term changes in working patterns are likely to increase the demand for flexible and supported workspaces. Within Lewes District, we are aware of anecdotal evidence that shows an increased demand for co-working spaces of the type proposed for Fisher Street, this is based on increased enquiries for similar spaces in neighbouring Newhaven.

2.11. Expected benefits:

The scheme will deliver:

- 533 sq. m of redeveloped commercial floorspace
- 30 FTE jobs (gross)
- 13 new office units
- 2 new co-working spaces
- £420,689 of Land Value Uplift
- £70,000 income to Lewes District Council, £45,000 savings in annual business rates and current building expenditure.

In addition, opening the Creative Hub at Fisher Street will attract new business visitors which will add further footfall and spending in the town centre to support local businesses.

2.12. Key risks:

A full risk register is set out in the Management Case of this business case and at Appendix C.

The key risks are:

- Lack of demand for office space (post Covid 19) and reduced rental income
- Unable to agree appropriate lease and contractual agreement with the Werks Group
- Refurbishment costs higher than forecast
- Operational costs higher than forecast
- Change in key personnel leading to change in project brief or loss of key knowledge of the scheme
- Failure to secure Listed Buildings Consent
- Failure to secure Getting Building Fund support

Please note, in October 2020, the Council's Specialist Advisor in Conservation has confirmed 'in principle support' for the change of use, subject to detailed applications and is also supportive of bringing the building back into a long term use.

3. ECONOMIC CASE

3.1. Options assessment:

Long list of options considered:

Options that have been considered for redeveloping 4 Fisher Street include:

Do Nothing – this has been **taken forward** as the reference case and it involves leaving the building as it is, unoccupied.

Creative Hub for the CDIT sector – this option has been **taken forward** as it meets the twin objectives of meeting the needs of the town's creative industries sector and brings the building back into economic use. Lewes District Council has also had an approach from a specialist creative industries business support organisation - The Werks – to manage the space once it has been redeveloped.

Relocate Council Offices to the Building – this has been **rejected** on the basis that Lewes District Council has reduced office space requirements.

Develop the site for housing - this has been **rejected** on the basis that it would require a change of use and because Lewes District Council wishes to retain its employment sites, where possible. Whilst this may have been a long-term option, it is not a prospect for the foreseeable future. Other sites within the town have already been identified for housing development within the Local Plan

Redevelop the site for Retail and Other 'A' Use Class uses – this has been **rejected** on the basis that Lewes Town Centre already has sufficient retail and other A Use Class units and that converting this into a retail unit would result in large scale displacement from existing businesses in the town.

Develop the Site into a Health Hub – this option has been **rejected** on the basis that there is Health Hub already being planned as part of the nearby North Street Quarter development.

Develop the site into a standard B1 office development – this option has been **rejected**. No private sector developer has demonstrated interest in working with Lewes District Council to develop such a scheme and a standard office building would not meet the specific needs of the town's CDIT sector.

Options assessment:

The assessment of the options was based on:

- **Deliverability** – whether each option could be delivered within a three year period
- **Developer Interest** – whether each options has been or was likely to be any interest from developers in developing the site
- **Strategic fit** – the extent to which each option aligned with strategic objectives at local, regional and national level
- **Economic and social benefit** – the extent to which each option was likely to provide additional economic and social value to the town, based on the current profile of commercial, public sector and residential stock.

Short list of options:

Given the small scale of the GBF ask, only two options have been taken forward for further consideration:

Do Nothing – this has been **taken forward** as the reference case and it involves leaving the building as it is, unoccupied

Creative Hub for the CDIT sector - The Preferred Option - this option has been **taken forward** as it meets the twin objectives of meeting the needs of the town's creative industries sector and brings the building back into economic use. Lewes District Council has also had an approach from a specialist creative industries business support organisation - The Werks – to manage the space once it has been redeveloped.

3.2. Preferred option:

The Preferred Option is to convert 4 Fisher Street into a Creative Hub workspace, managed under a ten year contract by specialist provider, The Werks. The converted building will provide 533 sq. (GIA) of shared workspace, available on flexible leasing arrangements, aimed at micro businesses and freelancers from the CDIT sector. The redeveloped site will include a ground floor café that is open to the public. The contractual arrangements with The Werks involves a proposed profit share arrangement with Lewes District Council, which is currently under negotiation.

The Preferred Option aligns with the objective of supporting the growth of the Creative industries in Lewes. The need for dedicated affordable and flexible workspace was identified in research carried out by Lewes District Council's Scrutiny Review of affordable workspace and support for the creative sector (March 2019). The Scrutiny Review collated details of the type of space in demand locally, which included shared and private places and smaller units of less than 250 sq.ft.

The Scrutiny Panel met three times in 2018 and invited contributions from key local stakeholders, including Phoenix Rising, the Devonshire Collective and Making Lewes. It also drew on evidence from the South East Creative Economy Network (SECEN), which identified a shortage of appropriate workspace as a barrier to growth and has developed a plan 'Towards a South East Creative Economy Workspace Masterplan'. It makes the case for investment in creative "open workspace" to support the growth of the creative economy across the SELEP area.

Lewes District Council's main partner in the project is The Werks, who have been successfully operating dedicated managed workspace for the creative industries in the South East of England, including in Brighton & Hove, for 25 years. The Werks Group has responded to the identified need and has committed to invest up to £381,652 towards the costs of refurbishment and is negotiating a profit share agreement with Lewes District Council once the site is operational.

3.3. Assessment approach:

We have used a Land Value Uplift approach to assess the economic value of the intervention in accordance with the MHCLG Appraisal Guide (2016). The Existing Use value is based on a valuation of the site that was undertaken by Wilks Head & Eve on behalf of Lewes District Council in August 2020. Real terms land value increases for both the Existing Use Value and the Gross Development Value are based on recommendations in the MHCLG Additionality Guide and a 2%

land holding negative cost has been applied to public sector costs as it is a non-residential development.

The demand for the creative space identified in the Preferred Option has been assessed by reviewing the evidence from the Lewes District Council Scrutiny Panel (2018-2019) and other research reports into the demand for creative space in Lewes town. This has helped to inform an assessment of additionality, along with guidance in the Homes England Additionality Guide (4th edition).

The MCLG Appraisal Guide has also been used to inform estimates of Optimism Bias, which are based on our assessment of the status of the development costs, which are considered to be high level at this stage. The build costs in the preferred option are based on a feasibility study of the site undertaken on behalf of Lewes District Council by AECOM in 2019 (see Annex K), but these will need to be updated with greater detail provided. They include allowances for professional fees, contingency and OH&P, which are broadly consistent with the estimates in the Land Values for Policy Appraisal Guide (2017).

No professional assessment of the Gross Development Value (GDV) of the completed development has been undertaken. Instead, we have used evidence of sales value at the Atelier development on Brooks Road, a new dedicated creative industries workspace on the other side of the town. Units are on sale at £396.83 per sq.ft. This is likely to include some 'hope' value, but we have assumed that this will be offset by the more favourable location of 4 Fisher Street – in the heart of the upper High Street and close to Lewes Railway Station.

We have undertaken the appraisal over a ten-year period, rather than a thirty year period. This is because the initial contract with the Werks Group will be for ten years and, whilst it is expected to be renewed, it is not inconceivable that there will be a further change of use subsequent to that.

Whilst there is not a requirement to provide a BCR for a low value scheme of this nature, we have made an attempt to do this, in the absence of alternative methods of demonstrating value for money. We have also shown the expected gross and net additional jobs that are expected to be created by the scheme, based on the Homes England Job Density Guide and Additionality Guide (4th edition) formulae and we have converted these into GVA impacts, based on Office for National Statistics GVA per job East Sussex (Sub Regional Productivity: Labour Productivity Indices by UK NUTS2 and NUTS 3 sub regions; ONS (2018).

3.4. Economic appraisal assumptions:

This is a small scheme under £2m, so there is not a requirement to complete this section. However, the assumptions that we have used are as follows:

- Appraisal period 2020/21-2029/30: ten years;
- Discount rate: 3.5% with a discount year of 2020/21;
- Inflation at 3% and a GDP deflator of 2.1% have been applied to construction costs;
- Existing Use Value at the end of the appraisal period, based on 5% annual real terms increase in value = £838,825 (nominal); £615,472 (Present Value);
- Project Costs (AECOM 2019, Annex K) all incurred in 2020/21; 3% build cost inflation; GDP deflator of -2.1%: £652,505 (nominal);
- Project costs including Optimism Bias (10%): £717,199;
- Present Value of Development Costs: = £717,199;
- Land holding costs based on 2% negative cost to the public sector = -£140,576;

- Present Value of Land Holding Costs at the end of the appraisal period = -£117,821;
- Gross Development Value, based on sales value of the Atelier development (£396.83 per sq.ft) and an annual 5% uplift until the end of the appraisal period = £3,301,665 (nominal);
- 50% additionality allowance: based on medium levels of additionality, accounting for deadweight, displacement and multiplier effects = £1,650,883 (nominal) and £1,211,267 (Present Value).

Other benefits, including jobs and GVA impacts are shown separately. Jobs are based on job density ratio of 15 sq. m per job (shared workspace): Job Density Guide (2015); Homes & Communities Agency = 30 gross jobs. A 50% additionality factor has been applied based on deadweight and displacement assessment = 15 jobs.

Deadweight and Displacement

Contractual arrangements with The Werks are already well developed and works on conversion are expected to start in September 2020, before confirmation of the GBF grant. This suggests a high degree of market confidence from the Werks, which would suggest a reasonable level of deadweight should be applied.

There is good evidence that there is a demand for managed dedicated workspace for the creative industries in Lewes and an absence of such a facility. The close links with Brighton & Hove and the likely increase in homeworking amongst higher level CDIT workers and freelancers, is likely to mean that this demand is, at least, maintained despite the uncertainties around the impact of Covid-19. Displacement levels are, therefore, assessed as modest. Based on these two factors and given that the Additionality Guide recommends 44% additionality for new workspace, we have assumed 50% additionality for the project.

Sensitivity Tests

Sensitivity Test 1: Build Costs Increase by 20%

If the build costs increase by 20%, this would increase the Present Value of development costs to £860,639 and the Present Value of all costs to £742,819. Assuming that the increase in the costs was shared by the public and private sectors on the same proportions as in the Central Case, this would reduce the Net Present Public Benefit to £363,671.

Sensitivity Test 2: Gross Development Value Reduced by 20%

Under this scenario, the value of the building will be reduced by 20% as a result of lower income and economic activity at the site, as a result of the Covid-19 pandemic. This would reduce the Net Present Public Benefit to £178,436.

Sensitivity Test 3: Increase Optimism Bias from 10% to 20%

If Optimism Bias is increased from 10% to 20% the net present Public Benefits would reduce to £394,772.

3.5. Costs:

PUBLIC SECTOR COSTS	
Getting Building Fund / LDC Costs (Nominal)	£285,093
Getting Building Fund / LDC Costs (Present Value)	£285,093
Other Public Sector Costs (Nominal)	£0
Land Holding (Nominal)	-£140,576
Land Holding Costs (Present Value)	-£109,987
Total Public Sector Costs (Nominal)	£144,517
Total Public Sector Costs (Present Value)	£175,106

Total public sector costs (including 10% Optimism Bias) are £285,093 in both nominal and present value terms because all costs are forecast to be incurred in 2020/21.

There are no other direct public sector costs, but a land holding negative cost, incurred from 2021/22 until the end of the ten-year appraisal period is £140,576 in nominal terms and £109,987 in Present Value terms.

The costs to the public sector are, therefore, £144,517 in Nominal terms and £175,106 in present value terms. The Present Value costs are higher than the nominal costs, because the Land Holding costs are shown as a negative cost incurred over the period.

3.6. Benefits:

'Initial' Benefits

The only public value benefits that have been included in the appraisal is the Land Value Uplift of the building after it has been renovated.

PV of Existing Use Value	£615,472
PV of Public Sector Costs	£175,106
Gross Development Value	£1,211,267
Present Public Value	£420,689
Initial BCR	1.53

The PV of the Existing Use Value is £615,472 at the end of the appraisal period and the public sector costs are £175,106. Present Value of the Gross Development Value at the end of the appraisal is £1,211,267, including a 50% additionality factor. This results in a Present Public Value of £420,689 and a Benefit Cost Ratio of 1.53.

'Adjusted' Benefits

No other external benefits have been applied to the assessment. Estimates of additional GVA generated by the economic activity within the renovated building are assumed to be included in the Land Value Uplift. Based on job density ratios and gross to net estimates, the redevelopment of the building is expected to generate 30 gross additional jobs to the local area and 15 net jobs, assuming 50% additionality.

If average GVA per job in East Sussex⁷ (£43,420) is applied to the estimated net additional jobs, this would result in additional economic benefit of £0.72m per year once it is at full capacity.

In addition, the redevelopment of the site is expected to generate additional footfall in the upper end of the High Street, as a result of the additional workers, the open access café and the programme of events that are planned in the town. These have not been quantified. However, the value of these and the aesthetic improvements to the exterior of the building would need to have a value of £369,889 in present value terms over the appraisal period, which seems extremely modest.

3.7. Local impact:

There are significant local benefits of the scheme. The evidence of need set out in the Strategic Case above identifies a clear need for flexible, affordable and specialist managed floorspace for the local creative industries sector. This project addresses this need and is aimed specifically at freelancers and micro-businesses.

A new development on the other side of the town – the Atelier development on Brooks Street will also provide creative space, but this will not be managed. It will complement the Fisher Street development and enable businesses growing out of this development to be retained within the town.

Currently there is no dedicated creative space and people working in the sector often work from home; in other non-specialist facilities within the town; and outside the town itself. This development will provide a clear focus for the Creative Industries sector and will result in some displacement from existing shared workspaces and from a wider spatial area.

3.8. Economic appraisal results:

Value for Money Rationale

This is a modest investment with the potential to deliver significant public value, particularly to the local economy.

The GBF (£250,000) and Lewes DC (£14,735) public sector investment is £264,735 in financial terms and £285,093 in economic terms. This will deliver a new dedicated managed workspace for the Creative Industries sector in Lewes town centre, which Lewes District Council's Scrutiny Committee has identified as being a barrier to growth of the sector locally.

There is likely to be some level of displacement from other non-specialist workspaces and from a wider spatial area: Brighton & Hove is a regional centre of significance for the CDIT sector, but the aims of the Greater Brighton Economic Board are to spread the benefits of the city's growth to the wider city region. Lewes cannot do this effectively without providing the required workspace.

The investment in the building is expected to deliver a significant land value uplift, based on sales values of other new and complementary creative space that has recently been developed on the other side of the town. The Land Value Uplift has been assessed at £420,689 in Present Value terms, based on 50% displacement and a land holding negative cost of -£109,987 in Present Value terms.

⁷ (GVA per Job – NUTS 3;ONS; 2018)

Whilst this delivers a BCR of below the 2.0 threshold, it is still an acceptable in terms of value for money. In addition, it does not include the monetisation of other benefits that are associated with the scheme. These include:

- Bringing a public sector asset in the centre of the town back into economic use;
- Contributing to additional footfall (unquantified) to the upper High Street;
- Providing specialist business support to the town's creative sector;
- Improving the aesthetics of the building's exterior;
- Positioning Lewes town as a major contributor to the Greater Brighton CDIT sector;
- Providing capacity for 30 full-time equivalent jobs (15 net new jobs, if a 50% additionality is applied);
- Levering £381,652 of private sector investment into the town.

These benefits would only need an additional value of £369,889 in Present Value terms over the ten year appraisal period, for the Value for Money category to be high. This seems very modest.

4. COMMERCIAL CASE

4.1. Procurement options:

There is a strong market for suppliers of business support and co-working space in the wider Greater Brighton area, reflecting the area's status as one of NESTA's designated "Creative Districts". The Werks Group, who are partners in this project, have a strong track record of providing specialist co-working space in the South East of England, including in several locations across Brighton & Hove. Other local co-working providers include: Platf9rm in Hove; The Fusebox – Wired Sussex (Brighton); and Freedom Works Creative Hub (Brighton).

The Covid-19 Pandemic has created some short term uncertainties, as described in Section 2.2, but the strength and reputation of the sector locally and the greater role of digitalisation in the post pandemic economy means that demand for co-working space from digital businesses are expected to remain strong over the medium term.

The procurement for the project will be led by the Werks Group.

Lewes DC will encourage the Werks Group to adhere to the Council's Contract Procedure Rules for the procurement of works, services and supplies. A copy of the Contract Procedure Rules can be found [here](#).

The Werks Group has stated their procurement options as:

- Securing quotes from multiple contractors
- Using specialist agencies (such as BHESCO) to help find additional funding (for green development)
- Using tested and proven specialists (all contractors have worked on other projects with the Werks Group)
- Setting all work into manageable stages with payments sent only when agreed outputs completed.

The Werks' experience in the development of similar projects ensures that an overall Werks project manager and all tradesmen will have key stages identified to complete the overall task.

4.2. Preferred procurement and contracting strategy:

The Werks group will be encouraged to adhere to the Council's Contract Procedure Rules which states that all procurement or the disposal of assets carried out must:

- Achieve best value.
- Be consistent with the highest standards of integrity.
- Ensure fairness in allocating public contracts or disposal of assets.
- Comply with all legal requirements.
- Support the Organisation's corporate and departmental aims and policies.
- Comply with the Organisation's Procurement Strategy where there is a current one in place.

Summary of Thresholds and Procedures Required

Estimated Value of the Contract (excluding VAT) Service and Supplies	Estimated Value of the Contract (excluding VAT) Works	Minimum Requirement	Advertisement
Contracts Below £25,000 See Para. 8 for details	Contracts Below £25,000 See Para. 8 for details	Obligation to consider best value but no obligation to go out for a particular number of quotes. However consideration should always be given to whether three quotes should be sought. Officer discretion. Reason for direct award should be agreed with Accountable Officer and recorded by Designated Officer.	No requirement to advertise. IF advertised then NO requirement to also advertise in Contracts Finder.
Contracts exceeding £25,000 and not exceeding £100,000 See Para. 9 for details	£25,000 and not exceeding £1,000,000 See Para. 9 for details	Seek minimum three written quotes. Must use construction line to select those to be invited to quote for Works contracts unless waiver given.	No requirement to advertise. IF advertised then MUST also advertise in Contracts Finder if under PCR 2015.
Contracts exceeding £100,000 but under Applicable Threshold Value (EU) See Para. 10 for details	Contracts exceeding £1,000,000 but under Applicable Threshold Value (EU) See Para. 10 for details	Seek minimum four written tenders. PCR 2015 No pre-selection stage for services/supplies contracts (so number of contractors invited to tender cannot be limited in this way) but suitability questions can be asked. Use of construction line optional for PQQ process for works contracts.	Requirement to advertise in all cases. Advertise in Contracts Finder in all cases if under PCR 2015. If use construction line then no requirement to advertise.
Above Applicable Threshold Value (EU) See Para. 11 for details	Above Applicable Threshold Value (EU) See Para. 11 for details	EU regulated process to be followed unless an exception or waiver applies. Consult Legal Services or Procurement Team.	Requirement to advertise in all cases. Advertise in Contracts Finder if under PCR 2015.
Where appropriate, any contractor properly nominated under section 20 of the Landlord and Tenant Act 1985 must also be invited to tender.			

4.3. Procurement experience:

The Werks Group has significant experience of procurement and developing nine similar Hub buildings including serviced and unserviced office space; co-working & desk space; meeting/conference rooms; makers space; event space; virtual office services; media facilities & editing suites; and two business cafes.

The Werks locations are:

Werks Central 15-17 Middle Street Brighton BN1 1AL	Pier Werks 21-22 Old Steine Brighton BN1 1EL	The Werks 45 Church Road Hove BN3 2BE
West Werks 41-43 Portland Rd Portslade BN3 5DQ	Coach Werks 19 Hollingdean Terrace Brighton BN1 7HB	Home Werks 73 Holland Road Hove BN3 1LB
Print Werks 1 St James Mews Brighton BN2 1RT	Workshop 30 30 Grand Parade Brighton BN2 9QA	Yacht Werks 28-29 Richmond Place Brighton BN2 9NA

The Werks Group project managers are Ian Elwick and Martin Bouette, who have a track record of delivering the above Werks facilities.

4.4. Competition issues:

Lewes DC does not foresee any significant competition issues within the supply chain that would have an adverse effect on the successful delivery of the project. Any issues that may arise will be added to the scheme's overall risk register with appropriate mitigation actions delivered.

4.5. Human resources issues:

Lewes DC does not foresee any significant future Human Resource issues.

The Council has appointed a highly experienced project team to deliver the project in line with the scheme's agreed objectives.

Regular reviews with key staff will take place in line with the Council's formal HR processes and procedures. The review will help identify any future human resource issues which can then be appropriately addressed.

4.6. Risks and mitigation:

A copy of the project's risk register is provided overleaf.

Please note, in October 2020, the Council's Specialist Advisor in Conservation has confirmed 'in principle support' for the change of use, subject to detailed applications and is also supportive of bringing the building back into a long term use.

Risk Register

Description of Risk	Impact of Risk	Delivery Partner Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Delivery Partner Risk Mitigation	Residual Likelihood/ Impact Scores Low: 1-3 Moderate: 4-7 Significant: 8-14 High 15-25
Lack of demand for office space (post Covid 19) and reduced rental income	If the demand is lower than expected leaving offices potentially empty	The Werks Group	The Werks Group Hub Manager	3	2	6	Work with Lewes DC and other public sector partners to help promote the new Creative Hub across the District, County, Greater Brighton Area and SELEP Region	Low
Unable to agree appropriate lease agreement with the Werks Group .	Delay in opening the Creative Hub and / or failure to find an alternative Creative Hub delivery organisation	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	1	2	8	Early negotiations and contract meetings between Lewes DC and the Werks Group has already taken place and an Agreement for Lease with an agreed form of lease has been completed (February 2020)	Low
Refurbishment costs higher than forecast	Delay in opening the Creative Hub and / or reduced levels of fit our specification	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	3	6	The forecast costs have been based on detailed surveys of the building to establish accurate costs for refurbishment	Low

Operational costs higher than forecast	Cost to the Creative businesses will be higher potentially making the facility less attractive	The Werks Group	The Werks Group Hub Manager	2	3	6	The Werks Group have set out a ten year business plan with forecast operational costs	Low
Change in key personnel leading to change in project brief or loss of key knowledge of the scheme	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	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	Low
Failure to secure Listed Buildings Consent	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	2	Ensure a high level of early engagement with officers in the Listed Buildings teams on the scheme's design. Option to remove the Listed Building consent for external works is being considered with consultation with Historic England	Low
Failure to secure Getting Building Fund support	Delay or cease to deliver the Creative Hub	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	4	6	Submission of a robust and evidenced based GBF Business Case and supporting material. Any gaps identified at Gateway 1 review can be address for the Gateway 2 submission.	Moderate

4.7. Maximising social value:

There are no specific negative effects that are likely from the proposed development.

The completed development will create a number of opportunities for local SME's principally in the creative and cultural industries.

The new Hub will provide flexible and affordable office and co-working space alongside a new café with good disability access and lifts between floors.

Lewes DC is also exploring how it can maximise social value opportunities further through procurement activities.

5. FINANCIAL CASE

5.1. Total project value and funding sources:

The table below shows the capital costs of the project.

Source	2020/21	2021/22	Total
Getting Building Fund	£250,000	£0	£250,000
<i>Other sources of funding (please list below)</i>			
The Werks Group	£381,652	£0	£381,652
Lewes DC	£14,735	£0	£14,735
Total	£646,387	£0	£646,387

The Werks funding commitment is subject to securing Getting Building Funding.

Expenditure of £95,000 has been committed at this time for the initial phase of works to bring the ground floor back into use and undertake roof works.

5.2. SELEP funding request, including type (LGF, GPF, GBF etc.):

£250,000 Getting Building Fund.

5.3. Costs by type:

Year	Total	2020/21	2021/22
Public Sector Costs			
New Passenger Lift	£85,000	£85,000	£0
Renew floor coverings	£30,388	£30,388	£0
Replace metal windows	£42,500	£42,500	£0
Repair Timber Windows	£8,500	£8,500	£0
Ceiling and wall repairs generally	£9,350	£9,350	£0
Redecoration	£26,350	£26,350	£0
BUILD COSTS TOTAL	£202,088	£202,088	£0
Professional Fees	£16,167	£16,167	£0

Contingency	£20,209	£20,209	£0
OH&P	£20,209	£20,209	£0
Inflation Allowance	£6,063	£6,063	£0
OTHER COSTS TOTAL	£62,647	£62,647	£0
TOTAL PUBLIC SECTOR COSTS	£264,735	£264,735	£0
Private Sector Costs			
Roof (Flat roof only)	£52,063	£52,063	£0
Shell and core with landlord fit out to common areas	£154,275	£154,275	£0
Heating via new boiler installation and existing distribution	£85,000	£85,000	£0
BUILD COSTS TOTAL	£291,338	£291,338	£0
Professional Fees	£23,307	£23,307	£0
Contingency	£29,134	£29,134	£0
OH&P	£29,134	£29,134	£0
Inflation Allowance	£8,740	£8,740	£0
OTHER COSTS TOTAL	£90,315	£90,315	£0
TOTAL PRIVATE SECTOR COSTS	£381,652	£381,652	£0
TOTAL DEVELOPMENT COSTS			
Build Costs	£493,425	£0	£0
Other Costs	£152,962	£0	£0
TOTAL COSTS	£646,387	£0	£0

The table shows the capital costs of the development. These costs are based on a Feasibility Study undertaken by AECOM on behalf of Lewes District Council in August 2019. Please see Annex K

The costs include a contingency allowance of 10% building costs, reflecting the date at which the feasibility study was undertaken and the likelihood of the need to undertake more detailed costings at the procurement stage. An inflation allowance of 3% has also been included - marginally above the OBR's CPI forecast of 2.12%. Optimism Bias has not been included in the costs.

Monitoring and Evaluation costs will be covered by Lewes District Council and the Werks Group as part of the on-going contractual arrangements, set out in the management and commercial cases.

5.4. Quantitative risk assessment (QRA):

A full qualified risk assessment has not been undertaken due to time pressures. The risks associated with capital elements of the project are assessed as minor. However a 10% contingency allowance has been included in the capital costs of the scheme.

5.5. Funding profile (capital and non-capital):

Capital

The funding requirement is determined by external costs of products and services to achieve the outputs of the scheme, which have been provided by cost consultants. Lewes District Council owns the capital asset and is in negotiations with The Werks Group, who will manage the Creative Hub on a sub-contracted basis. Part of the agreement is that The Werks Group will invest £381,652 in Match Funding to enable the building to be converted. This is subject to securing the GBF and Lewes DC contributions, with the latter already secured.

At this time, there is an agreement for lease in place between Lewes DC and The Works Group as so they could commence any works / take occupation of the property. Once the initial works are completed to bring the ground floor into use the lease will commence. The agreement for lease gives the authority for The Works Group to undertake works on the building.

Funding source	20/21	21/22	Total
Capital source 1 – GBF	£250,000	£0	£250,000
Capital source 2 – Lewes DC	£14,735	£0	£14,735
Capital source 3 – The Werks Group	£381,652	£0	£381,652
Total funding requirement	£646,387	£0	£646,387

Operational costs and income are set over a ten year period after the conversion has been completed. High level operational costs have been calculated at £120,000 (plus an annual 3% inflation allowance) to cover staffing, maintenance, Business Rates liabilities and other costs. These costs will be borne by The Werks Group and will be covered by office rental income, based on forecast revenue provided by The Werks group. Returns to the public sector (Lewes District Council) will be based on the contract that is agreed with The Werks Group. These are currently shown at 40% of cumulative profit, with the breakeven year being six years after operation.

	TOTAL	2020/21	2021/22	2022/23 +
Capital Costs	£646,387	£646,387	£0	£0
Operational Costs	£1,398,000	£0	£123,600	£1,274,400
Total Costs	£2,044,387	£646,387	£123,600	£1,274,400
Total Income	£2,221,537	£646,387	£55,002	£1,520,148
Cash Flow	£177,150	£0	£-68,598	£245,748
Return to the Public Sector	£70,860	£0	£0	£70,860
GBF Funding Request	£250,000	£250,000	£0	£0

The operational costs are forecast to be £1,398,000 between 2021/22 (Year 1) and 2030/31. Total operational income is forecast to be £1,575,150 over the same period. The capital costs of £646,387 are covered by private sector investment, Lewes DC and the Getting Building Fund investment, which has also been included as an income. This leaves a surplus of £177,150 over the period and a return to the public sector of £70,860.

The costs and income that have been developed will need to be worked up in greater detail. They therefore, carry risks, in terms of capital costs and in terms of potential rental revenue. This is particularly the case, given uncertain economic conditions and future work patterns associated with the Covid-19 pandemic.

We have, therefore, undertaken three Sensitivity Tests for the financial case.

Sensitivity 1: Capital Costs are 25% higher than forecast

This would increase the Capital Costs to £807,983, reduce the ten year cumulative profit to £15,553 and the reduce the return to the public sector to £6,221. This excludes any additional financing costs that may be required. This scenario seems unlikely. Whilst capital costs may be higher than forecast at this stage, the 10% contingency should be sufficient to cover these.

Sensitivity 2: Rental income is 25% below than forecast

This would reduce the operational cumulative income to £1,118,363 over the ten year operational period and result in a negative balance of **£-216,638** over the period. Despite concerns about the impact of the pandemic the CDIT sector is expected to be less affected than most other sectors of the economy. Whilst there may be some short term challenges as people adjust to new working arrangements, this scenario seems unlikely. The growth in home-working is likely to mean that there is greater demand for flexible workspaces and Lewes already has a strong CDIT sector and a lack of appropriate commercial space to support it.

Sensitivity 3: Operational Costs are 25% higher than forecast

The operational costs are currently high level, so they are subject to a greater degree of uncertainty than the capital costs. This is the most likely of the three scenarios. If they were 25% higher than forecast, the operational costs would increase to £1,747,500 over the initial ten year

operation. This would result in cumulative deficit of **-£172,350** over the period and nil return to the public sector.

5.6. Funding commitment:

A copy of Lewes DC S151 officer letter is provided below and in the appendices. The signed Agreement for Lease between Lewes DC and the Werks Group is provided as a separate appendix to this submission. The lease structure with The Werks Group has been agreed and therefore the commitment is already in place. If the Annual Profit for each one year period is greater than £66,000 a sum equal to 30% of the Annual Profit for the period will be payable to LDC.

Lewes DC's capital contribution of £14,735 is from an agreed capital programme.



Mr Christian Brodie
SELEP Chair
South East LEP Secretariat
c/o Essex County Council
County Hall
Market Road
Chelmsford
CM1 1QH

11th August 2020

Dear Christian,

Creative Hub, 4 Fisher Street – Getting Building Fund

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
- As the lead applicant we will cover any cost overruns relating to expenditure and programme delivery

Yours sincerely



Homira Javadi
Chief Finance Officer
Eastbourne Borough and Lewes District Councils

5.7. Risk and constraints:

A full risk register is set out in the Management Case of this business case and at Appendix C.

The key risks are:

- Lack of demand for office space (post Covid 19) and reduced rental income
- Unable to agree appropriate lease and contractual agreement with the Werks Group
- Refurbishment costs higher than forecast
- Operational costs higher than forecast
- Change in key personnel leading to change in project brief or loss of key knowledge of the scheme
- Failure to secure Listed Buildings Consent
- Failure to secure Getting Building Fund support

Please note, in October 2020, the Council's Specialist Advisor in Conservation has confirmed 'in principle support' for the change of use, subject to detailed applications and is also supportive of bringing the building back into a long term use.

A full qualified risk assessment has not been undertaken due to time pressures.

A contingency allowance of 10% to build costs has been built into the costs.

6. MANAGEMENT CASE

6.1. Governance:

The project sponsor is Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration & Planning and the Senior Responsible Officer is Peter Sharp, Head of Regeneration.

The Lewes DC project manager and lead officer responsible for managing the lease and project delivery with the Werks Group is Mark Langridge-Kemp, Head of Property, Delivery and Compliance.

The Werks Group will provide quarterly reports to the DC project manager along with an annual performance review update to ensure the project continues to meet its strategic aims.

The project manager will provide project updates to the Lewes DC Corporate Management Team, Strategic Property Board and Lewes DC Scrutiny Committee. The Strategic Property Board meets bimonthly and considers the strategic progress of projects across the portfolio with regular reporting updates from officers. The lead PM sits on the Board and will report back on the Creative Hub project. The Board's members also consist of the lead member for finance, leader of the Council, Director of Regeneration and Planning and Chief Finance Officer ensuring the necessary governance from within the Council.

The Cabinet has authorised the Director of Regeneration and Planning in consultation with Cabinet Member for Regeneration and Prosperity to conclude lease arrangements with The Werks Group and to sign or execute the agreement for lease, the lease and any related documentation. An Agreement for Lease is in place and contains the agreed form of lease.

6.2. Approvals and escalation procedures:

The project will adhere to the following approvals and escalation procedures.

- The project manager and lead director will report progress to the Lewes DC Corporate Management Team which provides authority to the responsible Director and the project team to take decisions on the scheme's progress, timetable and financial issues.
- The project manager and lead director will provide updates to the Lewes DC Scrutiny Committee on the scheme's progress, identifying any issues that need addressing alongside mitigating actions.

This line of reporting will give assurance of due diligence and transparency for public funded projects as the regular reports will be presented for noting/**approval** (as relevant) by Corporate Management Team.

6.3. Contract management:

An agreement for lease is in place between Lewes DC and The Works Group. Once the initial works are completed to bring the ground floor into use the lease itself will commence. The agreement for lease gives the authority for The Werks Group to undertake works on the building prior to the lease commencing but gives surety to both The Werks Group and Lewes DC that a formal lease will be entered into at the appropriate time in the project.

All contracts will be overseen by the Werks Group who will in turn report the delivery of the outputs in line with the governance and escalation process set out in section 6.1 and 6.2.

TWG's company policy is to secure at least 2 quotes before any contracts for small work are let, with 3 quotes for larger projects and due diligence undertaken to ensure quality and value for money. Strategically TWG aim to use contractors that are based locally wherever possible. .

Energy improvement work has been contracted out to BHESCO who have a rigid system to vet all suppliers and a minimum of 3 quotes for each project.

The Werks Group has stated that its contract management will be undertaken in-house utilising the existing skills and experience of staff that have already developed nine similar Hubs.

KPI's, Monitoring and Oversight

All projects are managed via the Council's standard project management procedures and reported on a monthly and quarterly basis to the Council's Corporate Management Team and Members Scrutiny Committee. This is recorded utilising Pentana Risk - enterprise risk management software that fully integrates risk management processes, from identifying and assessing risk business-wide, to assigning and monitoring mitigation plans, all the way through to reporting and defining long-term strategy for enhanced performance.

6.4. Key stakeholders:

Lewes District Council has carried out engagement and consultation with a range of stakeholders including District Council Members and the Cultural Strategy Manager at East Sussex County Council. See Annex H, Stakeholder Engagement and Communication Plan.

6.5. Equality Impact:

Lewes DC confirm that an equality and fairness screening was undertaken for this project and found that an EQiA was not applicable.

6.6. Risk management strategy:

A full risk register is set out in the Management Case of this business case and at Appendix C.

The key risks are:

- Lack of demand for office space (post Covid 19) and reduced rental income
- Unable to agree appropriate lease and contractual agreement with the Werks Group
- Refurbishment costs higher than forecast
- Operational costs higher than forecast
- Change in key personnel leading to change in project brief or loss of key knowledge of the scheme
- Failure to secure Listed Buildings Consent
- Failure to secure Getting Building Fund support

Once works commence, daily monitoring by the project team, led by the Project Manager will control and negate any delays.

Each package of works will clearly list the extent of works and links to other packages and/or contractors works. Clear and concise explanation of each task is critical to the success of the project and appropriate control of each mini budget or package.

Costing will be drafted in the scope of works documentation which will be key to reducing each risk item and controlling cost overruns.

Please note, in October 2020, the Council's Specialist Advisor in Conservation has confirmed 'in principle support' for the change of use, subject to detailed applications and is also supportive of bringing the building back into a long term use.

6.7. Work programme:

Procurement

The Works Group's company policy is to secure at least 2 quotes before any contracts for small work are let, with 3 quotes for larger projects and due diligence undertaken to ensure quality and value for money. Strategically TWG aim to use contractors that are based locally wherever possible. Energy improvement work has been contracted out to BHESCO who have a rigid system to vet all suppliers and a minimum of 3 quotes for each project.

Programme Management

The Council intends to use an existing framework agreement in place. The framework was established via the Minister for the Cabinet Office for project management and full design team services for the benefit of public sector bodies. LDC already has a form of agreement in place incorporating the NEC3 Professional Services Contract April 2013. This will enable call-off without the need to go through any additional procurement.

The procurement framework intended for use is already in place. Aside from the lead Project Manager, the Council's in-house team led by our Senior Building Surveyor will be managing the works. The surveyor is MRICS registered and has experience of managing and procuring multi-million schemes. The likely contractor to be appointed under the framework has vast experience in dealing with listed buildings and has the entire project specialities required for the modifications and fit out of the building.

Work Programme

The project manager will manage the successful delivery of the Fisher Street Creative Hub project utilising the Council's standard project management procedures. These will include:

- Monthly meetings with key delivery partners during the construction and refurbishment phase to review the programme and ensure the project is withing budget;
- On completion, quarterly meetings with key delivery partners to ensure the desired outcomes are achieved and identify any other potential workstreams to maximise the benefits of the Maritime and Sustainable Technology Hub for local businesses, residents and the economy.

The Project Manager will report on a monthly and quarterly basis to the Council's Corporate Management Team and Members Scrutiny Committee.

Appendix D outlines the high-level work programme for the Fisher Street Creative Hub.

The programme is deliverable within the GBF timescales. GBF funded construction will commence in September 2020 and be completed by March 2021.

The Project Manager has confirmed the availability of Council and the Werks Group resources to manage the project risks in line with the above reporting framework.

6.8. Previous project experience:

Lewes District Council has a team of highly experienced economic development, property and regeneration professionals that will take responsibility for delivering the project in association with The Werks Group. Led by the Council's Deputy Chief Executive / Director of Regeneration and Planning, Ian Fitzpatrick, the team has recently delivered projects across both Lewes and Eastbourne Council areas including:

- **£54 million rejuvenation of the Devonshire Quarter** in Eastbourne, to provide a modern conference centre, entertainment venues and creative space.
- **£2.5 million Newhaven Growth Quarter scheme** on Denton Island, which successfully delivered new business incubator units alongside community and educational facilities.
- **£3 million Saxon House shared services facility** in Newhaven town centre, delivered in partnership with Sussex Police and East Sussex Fire & Rescue.

Mark Langridge-Kemp, Head of Property, Delivery and Compliance and the LDC Project Manager, has worked in the field of property across the education and commercial sectors for over 25 years and currently manages the commercial and corporate property portfolios for both Lewes DC and Eastbourne Borough Council. Previous project experience includes the building of two inner city primary schools with a combined capital budget of £16 million.

Peter Sharp, Head of Regeneration will work with the Werks, Locate East Sussex and the district's wider business support network to ensure that practitioners within the CDIT sector are able to locate to the Creative Hub and access the support and advice they need to grow and prosper. Peter led the development of the £2.5m Newhaven Growth Quarter scheme which delivered new managed workspace units within the district.

This illustrates that Lewes DC has the relevant experience and knowledge to progress and deliver the Creative Hub within the required timescales. The team has extensive capital projects experience, including the successful delivery of the above strategic regeneration initiatives.

6.9. Monitoring and evaluation:

The methodology for the evaluation allows for a *formative*, *progressive* and *summative* evaluation of the project to be undertaken. It takes an *inclusive* and *transparent* approach to the evaluation and is one which is *realistic* and *achievable* 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, but it will be proportionate to the scale of the project.

Inputs

GBF investment would fund elements of the Fisher Street refurbishment works - see the financial case for details.

Outputs

GBF investment would deliver a new Creative Hub for local businesses offering office, co-working and other business support services.

Outcomes

The Key Performance Indicators (KPI's) of the investment and how they will be monitored are:

Key Performance Indicators	Monitoring
Direct jobs	Jobs advertised
Indirect jobs	Consultation businesses and those in the supply chain to understand the impacts the investment has had on their businesses
Businesses supported	Number of businesses using the Creative Hub's facilities
Number of visitors	Number of additional visitors to the Creative Hub
Business enquiries to bookings conversion rate	The Werks Group to keep a log
Number and quality of bookings	The Werks Group to keep a log

Data will be collected through a variety of methods: focus groups; face to face consultation with visitors, enquiries and clients; telephone interviews; on line questionnaires; and database management.

Impacts

Evaluation will be longitudinal, covering the whole period of the project and the ten year lease with the Werks. This will ensure that a full picture of both the capital delivery and the outputs are realised from the scheme.

It will particularly focus on answering the following key questions:

- How the Creative Hub will measure and track progress towards achieving the project outcomes and the impact of the scheme.
- The indicators the Creative Hub will use to assess the extent to which the projected project outcomes are being achieved.
- How the Creative Hub will collect the data and information required to measure the changes that result from the scheme.
- When the Werks Group will collect the information.
- How the Werks Group 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 addition, the following qualitative measures of success will be monitored:

- Business, visitor and staff satisfaction.
- Business enquiries conversion ratios.
- Number of negative comments made.
- Perception of the area surrounding Fisher Street.
- Satisfaction and engagement levels overall.
- Additional spend in local shops, restaurants and hotels.

The Lewes DC project manager and lead officer responsible for managing the project to deliver the agreed benefits and outcomes with the Werks Group is Mark Langridge-Kemp, Head of

Property, Delivery and Compliance. Mark will report progress as stated in section 6.3 and 6.7 above.

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
1: Support growth of the Creative Industries	GBF Grant Spend - £250,000 LDC Funds - £14,735 Match Funds £381,652	<ul style="list-style-type: none"> • 30 gross FTE jobs • Creation of 13 new office spaces and 2 co-working areas for new start-up businesses. 	<ul style="list-style-type: none"> • Strengthens Creative sector in Lewes Town Centre • Spreads the benefits of creative industries in the Greater Brighton City Region • Establishes a supportive creative network in the town centre 	Funding request is less than £2m, so this is not relevant.
2: Bringing Derelict Building Back into Economic Use	GBF Grant Spend - £250,000 LDC Funds - £14,735 Match funding £381,652	<ul style="list-style-type: none"> • 2,601 sq.ft of co-working spaces • 3,333 sq.ft of office space • 1803 sq.ft of café space • 580 sq.ft boardroom • Land Value Uplift of £420,689 	<ul style="list-style-type: none"> • Disused office building in the centre of Lewes town brought back into commercial use • Dedicated creative workspace in the town centre • New café and creative events programme in the town centre 	Funding request is less than £2m, so this is not relevant.
3: Increasing town centre footfall	As above	<ul style="list-style-type: none"> • Opening the Creative Hub at Fisher Street will attract new business visitors and additional town centre footfall - to be quantified 	<ul style="list-style-type: none"> • Increase in business turnover in neighbouring businesses 	Funding request is less than £2m, so this is not relevant.
4. Additional Income Stream to the District Council	As Above	<ul style="list-style-type: none"> • Increase revenue of at least £70,000 by 2030/31 and an annual Business Rates and maintenance cost saving of £45,000. 	<ul style="list-style-type: none"> • LDC is a stronger financial position to support core services 	

7. DECLARATIONS

<i>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?</i>	No
<i>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</i>	No
<i>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?</i>	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 Davies Gleave, 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 Business Case supporting appendices 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. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

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

<i>Signature of applicant</i>		
<i>Print full name</i>	Ian Fitzpatrick	
<i>Designation</i>	Deputy Chief Executive and Director of Regeneration & Planning	

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

[The DCLG appraisal guide data book includes all of the appraisal and modelling values referred to in the appraisal guidance. Below is a summary table of assumptions that might be required. All applicants should clearly state all assumptions in a similar table.]

Appraisal Assumptions	Details
QRA and Risk allowance	10% contingency allowance
Real Growth	5% of land values; 3% build costs
Discounting	3.5%; Discount Year 2020/21
Sensitivity Tests	20% increase in Build Costs 20% Reduction in GDV 20% Optimism Bias
Additionality	50%
Administrative costs of regulation	None
Appraisal period	10 years
Distributional weights	None
Employment	30 Gross Jobs (15 Net Jobs)
External impacts of development	None
GDP	-2.1% GDP deflator
House price index	N/A
Indirect taxation correction factor	N/A
Inflation	Not applied to the economic case
Land value uplift	£420,689
Learning rates	N/A
Optimism bias	10%
Planning applications	Exterior of the building needs to comply with SDNPA requirements.
Present value year	2020/21
Private sector cost of capital	TBC from the Werks Investment of £381,652
Rebound effects	N/A
Regulatory transition costs	N/A
Land holding costs to the public sector	-2%

9. APPENDIX B - FUNDING COMMITMENT



Mr Christian Brodie
SELEP Chair
South East LEP Secretariat
c/o Essex County Council
County Hall
Market Road
Chelmsford
CM1 1QH

11th August 2020

Dear Christian,

Creative Hub, 4 Fisher Street – Getting Building Fund

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
- As the lead applicant we will cover any cost overruns relating to expenditure and programme delivery

Yours sincerely



Homira Javadi
Chief Finance Officer
Eastbourne Borough and Lewes District Councils

10. APPENDIX C – RISK MANAGEMENT STRATEGY

Description of Risk	Impact of Risk	Delivery Partner Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Delivery Partner Risk Mitigation	Residual Likelihood/ Impact Scores Low: 1-3 Moderate: 4-7 Significant: 8-14 High 15-25
Lack of demand for office space (post Covid 19) and reduced rental income	If the demand is lower than expected leaving offices potentially empty	The Werks Group	The Werks Group Hub Manager	3	2	6	Work with Lewes DC and other public sector partners to help promote the new Creative Hub across the District, County, Greater Brighton Area and SELEP Region	Low
Unable to agree appropriate lease agreement with the Werks Group .	Delay in opening the Creative Hub and / or failure to find an alternative Creative Hub delivery organisation	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	1	2	8	Early negotiations and contract meetings between Lewes DC and the Werks Group has already taken place and an Agreement for Lease with an agreed form of lease has been completed (February 2020)	Low
Refurbishment costs higher than forecast	Delay in opening the Creative Hub and / or reduced levels of fit our specification	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	3	6	The forecast costs have been based on detailed surveys of the building to establish accurate costs for refurbishment	Low

Operational costs higher than forecast	Cost to the Creative businesses will be higher potentially making the facility less attractive	The Werks Group	The Werks Group Hub Manager	2	3	6	The Werks Group have set out a ten year business plan with forecast operational costs	Low
Change in key personnel leading to change in project brief or loss of key knowledge of the scheme	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	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	Low
Failure to secure Listed Buildings Consent	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	2	Ensure a high level of early engagement with officers in the Listed Buildings teams on the scheme's design. Option to remove the Listed Building consent for external works is being considered with consultation with Historic England	Low
Failure to secure Getting Building Fund support	Delay or cease to deliver the Creative Hub	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	4	6	Submission of a robust and evidenced based GBF Business Case and supporting material. Any gaps identified at Gateway 1 review can be address for the Gateway 2 submission.	Moderate

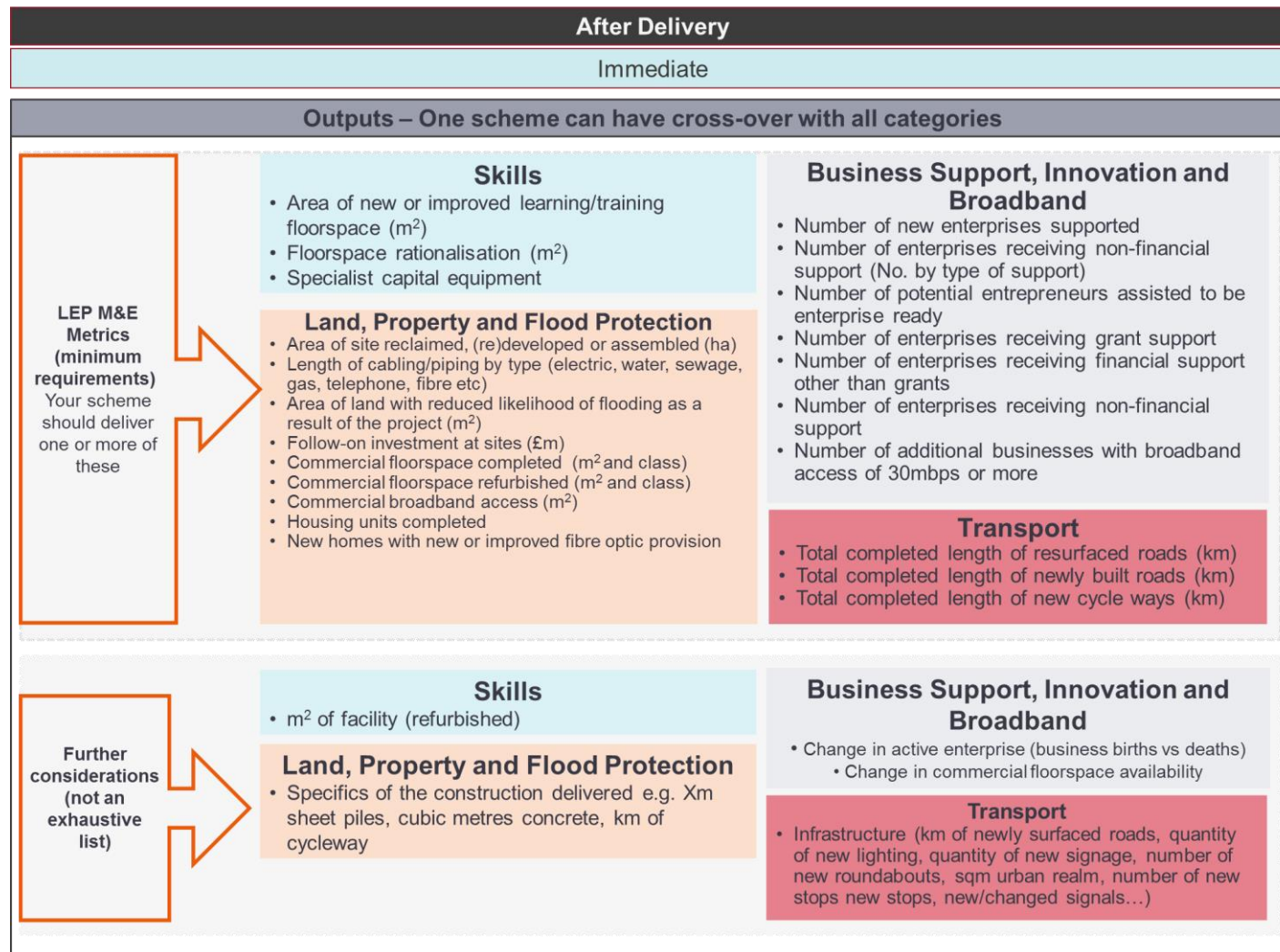
* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

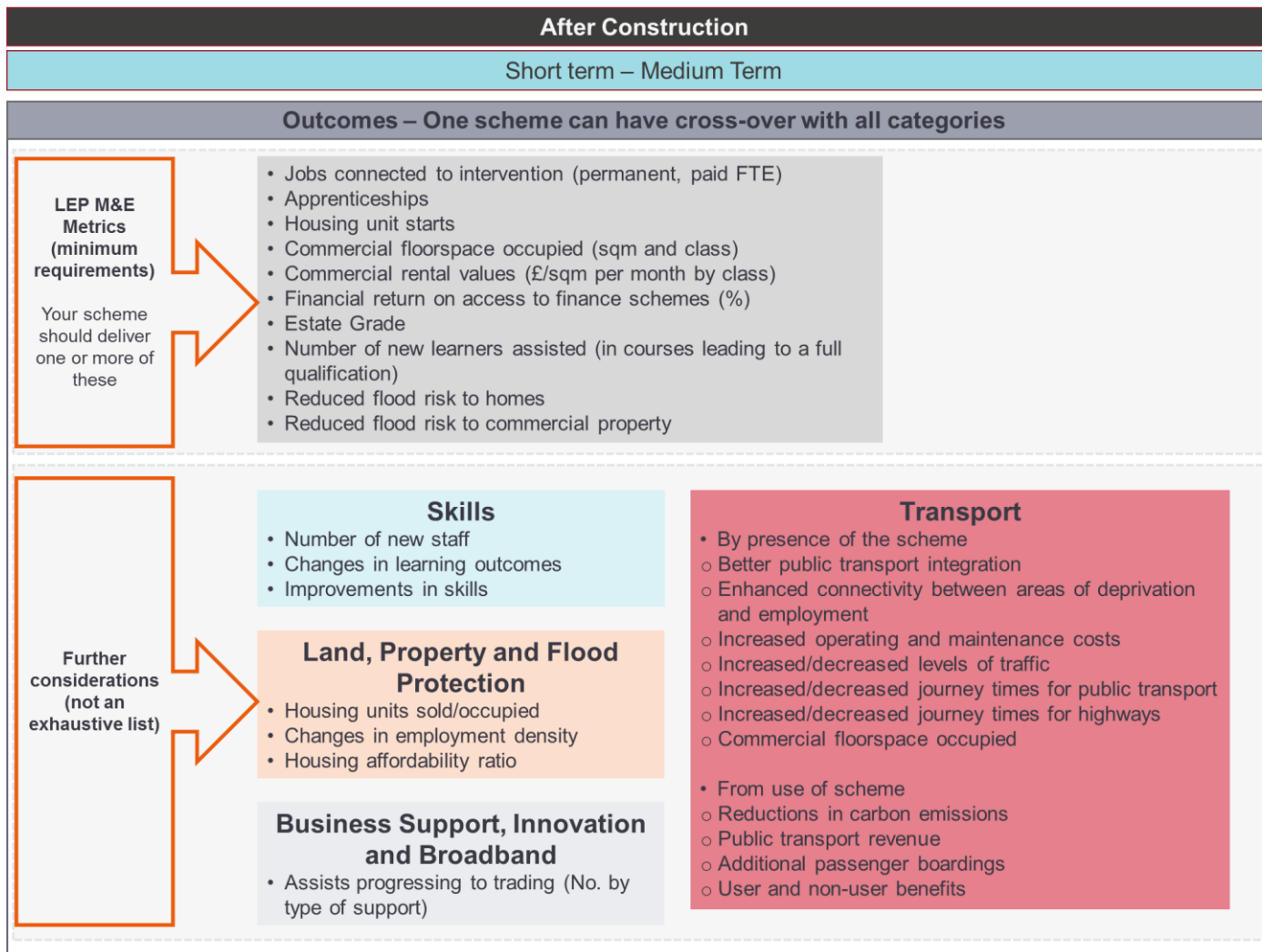
** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay
Please note, not all sections of the table may require completion.

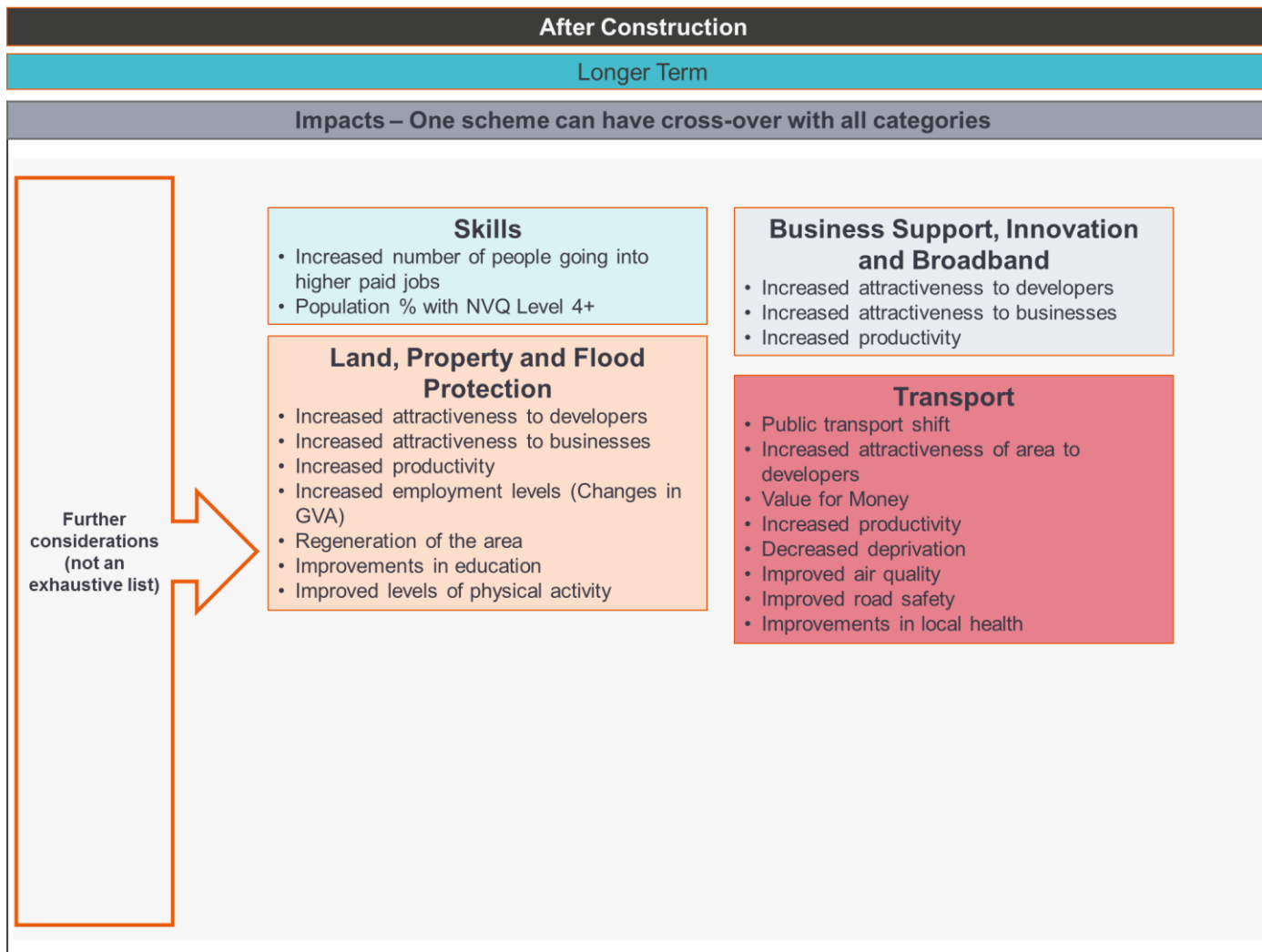
11. APPENDIX D – GANTT CHART

Tasks	Start date	Finish date	2020					2021		
			Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<i>Lease document (Heads of terms) signed</i>	01 August 2020	<i>1st August 2020</i>								
Inception of the refurbishment	01 August 2020	4th August 2020								
Completion of Phase 1: Clearance and making ready	01 Sept 2020	12th September 2020								
Apply for Listed Building's Consent where deemed necessary	12 Sept 2020	30th September 2020								
Completion of Phase 2: Making the building watertight	01 Sept 2020	20th October 2020								
Completion of Phase 3: Greening the building (lighting, heating and solar)	01 October 2020	11th December 2020								
Completion of Phase 4: Café and ground floor refurbishment	01 November 2020	11th December 2020								
Completion of Phase 5: 1st floor refurbishment 2	01 November 2020	22nd January 2021								
Completion of Phase 6: 2nd floor refurbishment	01 December 2020	19th February 2021								
Official opening: 16th March 2021	01 March 2021	16th March 2021								

12. APPENDIX E – MONITORING AND EVALUATIONS METRICS FOR LOGIC MAP







13. APPENDIX F – MONITORING AND EVALUTAIION PLAN AND BASELINE REPORT TEMPLATES

MONITORING AND EVALUATION PLAN

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. These values will most likely come from the Business Case, but may also come from supplementary documentation associated with the scheme.
- The Monitoring and Evaluation Plan details of how inputs, outputs, outcomes and impacts will be measured in the One Year After Opening Report and the Five/Three Years After Opening Report and any associated costs.
- The Monitoring and Evaluation Plan also outlines the proposed approach to measuring the baseline information for each of the inputs, outputs, outcomes and impacts and any costs associated with this.
- When the baseline information has been collated, it is reported upon in the Baseline Report template.

A NOTE ON COSTS

The Monitoring and Evaluation of a scheme will rely on internal resource and potentially, some external resources. Both could come at a cost either in terms of time or money.

The Monitoring and Evaluation Plan is to be completed as part of the Business Case. At the same time, a Baseline Report would also be completed.

The costs that are anticipated for the collation of the Baseline Report are therefore current costs. However, the costs incurred for data collection for the One Year After Opening Report and Five/Three Years After Opening Report would occur in the future. Therefore, it is important to consider the effect of inflation on these costs.

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The LGF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including LGF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of LGF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	<p>All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Those relevant to the scheme/package from within the list in Appendix A (supplied separately)</p> <p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
More than £8m	As described within the report templates	As described within the report templates	<p>All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Those relevant to the scheme/package from within the list in Appendix A (supplied separately)</p> <p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>

CREATIVE HUB, 4 FISHER STREET

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Creative Hub, 4 Fisher Street, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The objectives of the scheme are:

Objective 1: Support growth of the creative industries

Objective 2: Bring derelict building back into economic use

Objective 3: Increase town centre footfall

Objective 4: Additional income stream to the District Council

Location of the scheme is shown in the map below



INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the values in the Business Case.

- Update the table to include actual Financial Years for the period of delivery and approaches to monitor/track these values
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*

ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2020/21		2021/22				2022/23			
							Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£250,000	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£381,652	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£38,625	£38,625	£38,625	£38,625	£39,750	£39,750	£39,750	£39,750

ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2023/24				2024/25				2025/26	
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2

IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£40,875	£40,875	£40,875	£40,875	£42,000	£42,000	£42,000	£42,000	£43,125	£43,125
ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2025/26		2026/27				2027/28			
							Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£43,125	£43,125	£44,250	£44,250	£44,250	£44,250	£45,375	£45,375	£45,375	£45,375
ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2028/29				2029/30				2027/28	
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q3	Q4

IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£46,500	£46,500	£46,500	£46,500	£47,625	£47,625	£47,625	£47,625	£48,750	£48,750

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	January 2021
Public Consultation	Already undertaken - 2019
Detailed Design	Already completed – 2019/20
Full Planning Permission Granted	November 2020
Site Mobilisation Works Commence	January 2021
Project Completion / Site Opening	April 2021

INPUT 5: RISK MITIGATION

- Please note any anticipated risks and mitigation [Please refer back to Risk Register in the Business Case].

Description of Risk	Impact of Risk	Delivery Partner Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Delivery Partner Risk Mitigation	Residual Likelihood/ Impact Scores Low: 1-3 Moderate: 4-7 Significant: 8-14 High 15-25
Lack of demand for office space (post Covid 19) and reduced rental income	If the demand is lower than expected leaving offices potentially empty	The Werks Group	The Werks Group Hub Manager	3	2	6	Work with Lewes DC and other public sector partners to help promote the new Creative Hub across the District, County, Greater Brighton Area and SELEP Region	Low
Unable to agree appropriate lease agreement with the Werks Group .	Delay in opening the Creative Hub and / or failure to find an alternative Creative Hub delivery organisation	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	1	2	8	Early negotiations and contract meetings between Lewes DC and the Werks Group has already taken place and an Agreement for Lease with an agreed form of lease has	Low

							been completed (February 2020)	
Refurbishment costs higher than forecast	Delay in opening the Creative Hub and / or reduced levels of fit our specification	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	3	6	The forecast costs have been based on detailed surveys of the building to establish accurate costs for refurbishment	Low
Operational costs higher than forecast	Cost to the Creative businesses will be higher potentially making the facility less attractive	The Werks Group	The Werks Group Hub Manager	2	3	6	The Werks Group have set out a ten year business plan with forecast operational costs	Low
Change in key personnel leading to change in project brief or loss of key knowledge of the scheme	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	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	Low
Failure to secure Listed Buildings Consent	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	2	Ensure a high level of early engagement with officers in the Listed Buildings teams on the scheme's design. Option to remove the Listed Building consent for external works is being considered with consultation with Historic England	Low
Failure to secure Getting Building Fund support	Delay or cease to deliver the Creative Hub	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	4	6	Submission of a robust and evidenced based GBF Business Case and supporting material. Any gaps identified at Gateway 1 review can be address for the Gateway 2 submission.	Moderate

OUTPUTS

- Please provide information about:
 - The planned/anticipated value for each output with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the output will be monitored and evaluated for the One Year After Opening Report – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the output
 - The anticipated cost of undertaking the monitoring and evaluation of the output for the One Year After Opening Report
 - The approach used to obtain baseline information for each output
 - Costs associated with this

ID	Output Description	
OP1	Gross FTE Jobs	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: 30 Source of Value: Page 42 of the Business Case (Table 6.91) Future Monitoring Approach: Timesheets Frequency of tracking: Daily and aggregated to FTE quarterly Costs Allocated to Monitoring: Nil – included in contract agreement with The Werks Group
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: There is currently no economic activity at the site, so there baseline is zero Costs Allocated: Nil

ID	Output Description	
OP2	Reconfigured Commercial Space	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: 2,601 sq.ft of co-working space; 3,333 sq.ft of office space; 1,803 sq.ft of café space; 580 sq.ft boardroom

		<p>Source of Value: Page 42 of the Business Case (Table 6.91)</p> <p>Future Monitoring Approach: Site visits</p> <p>Frequency of tracking: Once on completion of the conversion</p> <p>Costs Allocated to Monitoring: Nil – included in contract agreement</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Site visit and report on current configuration of the space</p> <p>Costs Allocated: Nil</p>
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ID	Output Description	
OP3	Land Value Uplift	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: £420,689</p> <p>Source of Value: Page 42 of the Business Case (Table 6.91)</p> <p>Future Monitoring Approach: Site valuations and economic analysis</p> <p>Frequency of tracking: Once on completion and biennially</p> <p>Costs Allocated to Monitoring: Nil – included as part of LDC's asset management strategy</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Already undertaken as part of LDC's asset management strategy and the economic case to inform this business case</p> <p>Costs Allocated: Nil – sunk costs</p>

ID	Output Description	
OP4	Increase town centre footfall	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: To be agreed</p> <p>Source of Value: Page 42 of the Business Case (Table 6.91)</p> <p>Future Monitoring Approach: Footfall monitoring</p> <p>Frequency of tracking: Quarterly – to be agreed</p> <p>Costs Allocated to Monitoring: To be agreed, but will form part of a wider approach to footfall monitoring in Lewes town centre</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: to be agreed, but likely to form part of a wider approach to footfall monitoring in Lewes town centre</p> <p>Costs Allocated: to be agreed.</p>

ID	Output Description	
OP5	Public sector cost savings	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: £70,000 income + £45,000 annual business rate savings</p> <p>Source of Value: Page 42 of the Business Case (Table 6.91)</p>

		<p>Future Monitoring Approach: Lewes District Council Financial and business rates record</p> <p>Frequency of tracking: Quarterly</p> <p>Costs Allocated to Monitoring: Nil – included in the contract agreement with The Werks Group and incorporated into Lees District Council’s financial monitoring systems.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Lewes District Council financial recording systems</p> <p>Costs Allocated: Nil</p>
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OUTCOMES

- Please provide information about:
 - The planned/anticipated value for each outcome with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the outcome will be monitored and evaluated for the One Year After Opening Report and for some outcomes, the Five/Three Years After Opening Report as well – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the outcome
 - The anticipated cost of undertaking the monitoring and evaluation of the outcome for reports after opening
 - The approach used to obtain baseline information for each outcome
 - Costs associated with this
- ***FOR THIS PROJECT THERE IS ONLY A REQUIREMENT TO PROVIDE INFORMATION ON JOBS***

ID	Output Description	
OC1	Gross Jobs	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 30</p> <p>Source of Value: Page 42 of the Business Case (Table 6.91)</p> <p>Future Monitoring Approach: As above</p> <p>Frequency of tracking: Daily and aggregated quarterly to assess FTE</p> <p>Costs Allocated to Monitoring: Nil – part of the contract with The Werks Group</p> <p>Details: Proposed Method of Collecting Baseline Information</p>

		<p>Approach for Collection: There is currently no economic activity within the building.</p> <p>Costs Allocated: Nil</p>
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IMPACTS

There is no requirement to complete the Impacts section for this project

BASELINE REPORT

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. It provides details of how they will be measured and any associated costs of the monitoring process.
- The Baseline Report provides information and metrics about the current situation in the impact area of the scheme before delivery commences. Information should be provided for each of the intended inputs, outputs, outcomes or impacts. This baseline data can be used in subsequent stages to identify the scale of change brought about by the scheme.
- The tables in the report provide the basis for a tracking spreadsheet (Benefits Realisation Profile (BRP)) which will be shared with the LEP. The tracking spreadsheet is used to track the baseline, planned/anticipated values and the actual values for every input, output, outcome or impact after the scheme opens.
- The tables in this report include a space for baseline values and for planned/forecast values for each input, output, outcome or impact. These values are likely to come from the Full Business Case, but may also come from supplementary documentation associated with the scheme.

AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.

M&E Plan

- Template is included within the Full Business Case pro-forma
- Outlines what is to be monitored (after scheme opening) as part of the inputs, outputs, outcomes and impacts and the cost associated with this
- Includes what will be collected as part of the Baseline Report (before scheme construction/delivery) and the costs (if any) associated with this
- Is prepared for a single scheme or a package of measures in totality (not for each part of the package). This applies to all reports

Baseline Report (YOU ARE HERE)

- The Report is completed at the time of the Business Case pro-forma (i.e. before the scheme is constructed/delivered)
- The Report is issued as a separate document to the Business Case
- Collates information which is used as point of reference to compare with data collected after opening as part of the One Year After Opening and Five Years After Opening Reports
- Includes the costs of the baseline data collection and if it differs from that estimated in the M&E Plan
- Information from this report goes into Benefits Realisation Profile

One Year After Opening Report

- The Report is completed after the scheme has been open or in place for one year
- The Report is issued as a stand-alone document
- Establishes inputs, outputs and outcomes and compares them to those established in the M&E Plan
- Includes the costs of collecting and analysing the data associated with the inputs, outputs and outcomes and compares this to those estimated in the M&E Plan
- Information to go into Benefits Realisation Profile

Five/Three Years After Opening Report

- The Report is completed after the scheme has been open or in place for five/three years
- The Report is issued as a stand-alone document
- Establishes outcomes and impacts and compares them to those established in the M&E Plan
- Includes the costs of collecting and analysing the data associated with the outcomes and impacts and compares this to those estimated in the M&E Plan
- Information to go into Benefits Realisation Profile

PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The LGF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including LGF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of LGF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	<p>All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Those relevant to the scheme/package from within the list in Appendix A (supplied separately)</p> <p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
More than £8m	As described within the report templates	As described within the report templates	<p>All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Those relevant to the scheme/package from within the list in Appendix A (supplied separately)</p> <p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>

CREATIVE HUB, 4 FISHER STREET

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Creative Hub, 4 Fisher Street, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The objectives of the scheme are:

Objective 1: Support growth of the creative industries

Objective 2: Bring derelict building back into economic use

Objective 3: Increase town centre footfall

Objective 4: Additional income stream for the District Council

The location of the scheme is shown in the map below



INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the information provided in the Monitoring and Evaluation Plan.

- Update the table to include actual Financial Years in the period before opening.
- Monetary values should exclude inflation (nominal values) to easily compare forecast and actual values.
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*
- Only the values for spend and leveraged funding will go into the BRP.

ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2020/21		2021/22				2022/23			
							Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£250,000	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£381,652	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£38,625	£38,625	£38,625	£38,625	£39,750	£39,750	£39,750	£39,750

ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2023/24				2024/25				2025/26	
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£40,875	£40,875	£40,875	£40,875	£42,000	£42,000	£42,000	£42,000	£43,125	£43,125
ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2025/26		2026/27				2027/28			
							Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£43,125	£43,125	£44,250	£44,250	£44,250	£44,250	£45,375	£45,375	£45,375	£45,375

ID	Input Description	Source of Value		Monitoring Approach	Frequency of Tracking	Source	2028/29				2029/30				2027/28	
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q3	Q4
IN1	Grant Spend	£250,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN2	Matched Contributions Spend	£396,387		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
IN3	Leveraged Funding	£1,398,000		Financial returns	Quarterly	Planned/ Forecasted Spend Profile	£46,500	£46,500	£46,500	£46,500	£47,625	£47,625	£47,625	£47,625	£48,750	£48,750

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	January 2021
Public Consultation	Already undertaken - 2019
Detailed Design	Already completed – 2019/20
Full Planning Permission Granted	November 2020
Site Mobilisation Works Commence	January 2021
Project Completion / Site Opening	April 2021

INPUT 5: RISK MITIGATION

- Please note any risk mitigation used and if any risks materialised up to the opening of the scheme [Please refer back to Risk Register in the Business Case].

Description of Risk	Impact of Risk	Delivery Partner Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Delivery Partner Risk Mitigation	Residual Likelihood/ Impact Scores Low: 1-3 Moderate: 4-7 Significant: 8-14 High 15-25
Lack of demand for office space (post Covid 19) and reduced rental income	If the demand is lower than expected leaving offices potentially empty	The Werks Group	The Werks Group Hub Manager	3	2	6	Work with Lewes DC and other public sector partners to help promote the new Creative Hub across the District, County, Greater Brighton Area and SELEP Region	Low
Unable to agree appropriate lease agreement with the Werks Group	Delay in opening the Creative Hub and / or failure to find an alternative Creative Hub delivery organisation	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	1	2	8	Early negotiations and contract meetings between Lewes DC and the Werks Group has already taken place and an Agreement for Lease with an agreed form	Low

							of lease has been completed (February 2020)	
Refurbishment costs higher than forecast	Delay in opening the Creative Hub and / or reduced levels of fit our specification	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	3	6	The forecast costs have been based on detailed surveys of the building to establish accurate costs for refurbishment	Low
Operational costs higher than forecast	Cost to the Creative businesses will be higher potentially making the facility less attractive	The Werks Group	The Werks Group Hub Manager	2	3	6	The Werks Group have set out a ten year business plan with forecast operational costs	Low
Change in key personnel leading to change in project brief or loss of key knowledge of the scheme	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	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	Low
Failure to secure Listed Buildings Consent	Lead to delays and additional costs for re-design of the scheme	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	1	2	Ensure a high level of early engagement with officers in the Listed Buildings teams on the scheme's design. Option to remove the Listed Building consent for external works is being considered with consultation with Historic England	Low
Failure to secure Getting Building Fund support	Delay or cease to deliver the Creative Hub	Lewes DC	Mark Langridge-Kemp Head of Property, Delivery and Compliance	2	4	6	Submission of a robust and evidenced based GBF Business Case and supporting material. Any gaps identified at Gateway 1 review can be address for the Gateway 2 submission.	Moderate

OUTPUTS

- Please provide information about:
 - what the baseline value is for each output and its source;
 - how the baseline value was measured;
 - what the planned/anticipated value is for the output and reference this source; and
 - how the value will be measured after the scheme opens.

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Gross Jobs	Baseline	Nil	Site inspection	Once prior to opening	The Werks Group	March 2021
		Planned/ Anticipated	30	The Werks Group timesheets and occupancy records	Daily and aggregated quarterly to estimate FTE	Full Business Case, p42 Table 6.91	From April 2021

Details: Method of Collecting Baseline Information

The site is currently unoccupied, so there is no employment at the site. There will be a site inspection prior to the operational phase to verify that this remains the case. Following this, The Werks Group will be required to monitor occupancy of the space. At the end of each quarter the number of hours will be aggregated and converted to an estimate of the FTE equivalent. This will form part of the contract agreement between Lewes District Council and The Werks Group, so no additional costs have been allocated to this.

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2	Reconfigured Commercial Space	Baseline	Nil	Site inspection	Once	Business Case p 42: Table 6.91	December 2020
		Planned/ Anticipated	2,601 sq.ft of co-	Site inspection	Once, post conversion	Business Case p	March 2021

			working space; 3,333 sq.ft of office space; 1,803 sq.ft of café space; 580 sq.ft boardroom			42: Table 6.91	
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Details: Method of Collecting Baseline Information

The building has not been converted, so the baseline is 'nil'. However, a site inspection will be undertaken prior to the commencement of the works to verify this. Once the conversion phase has been completed, a further site visit will be undertaken to ensure that the configuration of the converted site reflects the agreed values in the project design. No additional costs have been allocated to this, as the inspection and monitoring costs are included within the professional fees allocated to the project.

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP3	Land Value Uplift	Baseline	£615,472	Economic Analysis based on site valuation and a ten year appraisal period with a base price year of 2020/21	Once	Business Case p. 22 Section 3.6	October 2020
		Planned/ Anticipated	+£420,689	Economic analysis based on site valuation and a ten year appraisal period with a base price year of 2020/21	Once	Full Business Case, p42 Table 6.91	March 2029/30 – the end of the appraisal period.

Details: Method of Collecting Baseline Information

The site is currently unoccupied, so there is no employment at the site. There will be a site inspection prior to the operational phase to verify that this remains the case. Following this, The Werks Group will be required to monitor occupancy of the space. At the end of each quarter the number of hours will be aggregated and converted to an estimate of the FTE equivalent. This will form part of the contract agreement between Lewes District Council and The Werks Group, so no additional costs have been allocated to this.

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
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OP4	Land Value Uplift	Baseline	£615,472	Economic Analysis based on site valuation and a ten year appraisal period with a base price year of 2020/21	Once	Business Case p. 22 Section 3.6	October 2020
		Planned/ Anticipated	+£420,689	Economic analysis based on site valuation and a ten year appraisal period with a base price year of 2020/21	Once	Full Business Case, p22; Section 3.6	March 2029/30 – the end of the appraisal period.

Details: Method of Collecting Baseline Information

The site is currently unoccupied, so there is no employment at the site. There will be a site inspection prior to the operational phase to verify that this remains the case. Following this, The Werks Group will be required to monitor occupancy of the space. At the end of each quarter the number of hours will be aggregated and converted to an estimate of the FTE equivalent. This will form part of the contract agreement between Lewes District Council and The Werks Group, so no additional costs have been allocated to this.

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP5	Increased town centre footfall	Baseline	To be determined	Footfall survey	Twice	Business Case p. 42 Table 6.91	December 2020 and March 2021
		Planned/ Anticipated	To be agreed	Footfall survey	Quarterly	Full Business Case, p42 Table 6.91	From June 2021

Details: Method of Collecting Baseline Information

Footfall data will be collected for the upper part of Lewes High Street, as part of a wider approach to monitoring footfall across the whole town centre. There is insufficient time to capture data for a full year before opening the site, so seasonality factors will need to be considered when assessing impacts. Nevertheless, it will be possible to capture two quarterly surveys as prior to opening. This will inform the subsequent impact of the development on footfall at the upper end of the High Street.

No costs have been allocated to this, as it will form part of an on-going approach to measuring footfall in different parts of the town

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP6	Public sector savings	Baseline	Nil	LDC Financial and Business Rates records; Contract agreement with The Werks Group	Annual	Business Case p. 42 Table 6.91	March 2021
		Planned/ Anticipated	£70,000 + £45,000 annual Business Rates saving	LDC Financial and Business Rates records	Annual	Full Business Case, p42 Table 6.91	March 2022

Details: Method of Collecting Baseline Information

Lewes District Council currently pays £45,000 in Business Rates for the building. This information is collected from the Council's Business Rates Collection Team and forms the baseline. There is no income from the building to the Council. This forms the baseline and comes from Lewes District Council's financial reporting records.

Future monitoring will be done in consultation with LDCs Business Rates Collection team and finance & legal teams, linked to the profit share agreement drawn up between Lewes District Council and The Werks Group.

No additional costs have been allocated to the collection of the baseline information as it is part of existing core functions. Future monitoring will form part of the contract agreement with The Werks Group.

OUTCOMES

- Provide information about:
 - what the baseline value is for each outcome and its source;
 - how the baseline outcome value was measured;
 - what the planned/anticipated value is for the outcome and reference for this source; and
 - how the value will be measured after the scheme opens.

	Outcome Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1	Gross Jobs Created	Baseline	Nil	Site Visit	Once	Business Case p42 Table 6.91	March 2021
		Planned/ Anticipated	30	Timesheets	Daily and aggregated quarterly to estimate FTE jobs	Business Case p42 Table 6.91	April 2021- March 2030

Details: Method of Collecting Baseline Information

There is currently no economic activity on the site, but a site visit will be undertaken prior to its opening to ensure that it supports no jobs. The Werks will be required to monitor use of workspace on a daily basis as part of the contract agreement. This will then be aggregated to calculate the number of gross FTE jobs within the building.

IMPACTS

-

There is no requirement to complete this section of the Baseline Report

14. 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 Council - for example by damaging a commercial deal or harming our position in a court case. Equally sometimes publishing information can harm someone who receives a service from us or one of our partners.

The law recognises this and allows us to place information 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 or 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.*

15. APPENDIX H – STAKEHOLDER ENGAGEMENT AND COMMUNICATION PLAN

Objectives of the Stakeholder Engagement & Communication Plan

- To achieve a shared understanding of the Creative Hub project.
- To explain why we are taking this action.
- To maximise the opportunity for feedback and input into the Creative Hub.
- To work with stakeholders to listen to their views and act on agreed actions.
- To develop partnerships with key stakeholders to facilitate and inform the successful delivery of the Creative Hub.
- To ensure all stakeholders know what is happening, when it will happen and how it will benefit them/the town.
- Address the needs of individual stakeholders in both ‘what’ and ‘how’?
- Use existing channels of communication, and tried and tested methods that lead to successful engagement.
- To be transparent in all our communications, even when answers are still unknown.

Aims & Objectives of the Creative Hub

The aim of the project is to convert vacant Grade-II listed former office premises in Lewes town centre into a co-working hub for creative industries businesses. The last known use of the site was for the Housing Department of Lewes District Council. The site has been vacant since for over a decade. The aim is to bring the office back into use so that it meets the demand for co-working space from the growing creative sector in the town and the wider Greater Brighton City Region. It will also generate valuable footfall for town centre businesses at the upper end of the High Street.

Specifically, the reconfigured building will include:

- a street level co-working café
- a reception and information point
- a rear co-working and freelance desk area
- a high speed managed broadband with Wi-Fi access as well as fixed terminals
- contemporary office spaces on floors 1 and 2 on flexible terms to encourage small creative companies to grow
- a boardroom and mini conference space with full internet access and video facilities.

The Creative Hub will be managed by the Werks Group, a specialist provider of co-working space and business support for the creative industries sector. The project will also include a programme of events and support workshops, based on the Werks Group model that has successfully been developed in Brighton & Hove.

Objectives

- Support growth of the Creative Industries
- Bringing derelict building back into economic use
- Increasing town centre footfall
- Additional income stream to the Council

Key engagement and communication opportunities:

- Launch
- Networking events
- Street level café open to all
- Reception and information point open to all
- Social media

The Stakeholders

- **Residents**
- **Visitors**
- **Local businesses and Creative Hub users**
- **Staff**
- **Key local public sector partners:**
 - Lewes Town Council
 - East Sussex County Council
 - South East Local Enterprise Partnership
- **Political representatives:**
 - MP
 - LDC members

Engagement & Communication Plan

Thorough engagement has taken place in the development of the Creative Hub project:

- Engagement carried out to inform the Council's Scrutiny Review of affordable workspace and support for the Creative Sector involved key local stakeholders including: Phoenix Rising, Devonshire Collective and Making Lewes.
- The South East Creative Economy Network (SECEN) – engagement and full support throughout
- Meetings with LDC members
- LDC Cabinet report

Stakeholder	Issues/ expectations	Key message	Why does this need to happen?	Engagement& Communication Tactics	Owner
Residents	Managing expectations of timescales.	What is happening, when it is happening & why?	Public support, positive word of mouth, feeling of excitement about the new Creative Hub	Timely and relevant updates via: <ul style="list-style-type: none"> • Press releases • Social media • Welcoming residents into the street level café, reception and information point 	The Werks Group
Visitors	Creating a destination for visitors	New street level café open to all	To increase town centre footfall	<ul style="list-style-type: none"> • Face to face consultation • Online questionnaires • Social media 	The Werks Group
Local businesses and Creative Hub users	Managing expectations of timescales and availability of the new Creative Hub	<ul style="list-style-type: none"> • New co working and freelance desks being created • New office spaces being created • New street level café open to all • New board room and mini conference space will be available. 	Business support, positive word of mouth, feeling of excitement about the new Creative Hub	<ul style="list-style-type: none"> • Comprehensive marketing strategy and word of mouth. • Focus groups • Telephone interviews • Online questionnaires 	The Werks Group
Staff	Creating a successful and happy workforce	<ul style="list-style-type: none"> • New jobs being created 	30 FTE jobs to be successfully recruited	<ul style="list-style-type: none"> • Press releases • Social media • Local recruitment channels 	The Werks Group

Stakeholder	Issues/ expectations	Key message	Why does this need to happen?	Engagement& Communication Tactics	Owner
Key local public sector partners and political representatives	Need to be confident that the programme is aligning and complementary local and regional strategic ambitions	Project information, consultation periods and milestones.	To ensure the project complies and complements and meets everyone's needs	<ul style="list-style-type: none"> • Meetings & presentations • Project briefings via email • Phonecalls 	Head of Regeneration

16. APPENDIX I – CREATIVE INDUSTRIES WORKSPACE DEMAND SINCE COVID-19

Peter Sharp
Head of Regeneration
Lewes District Council
Southover House
Southover Road
Lewes
BN7 1AB

5 October 2020

Dear Peter

re Creative Businesses

I am writing to offer the strong support of Locate East Sussex for the creation of a Hub for creative businesses, located at 4 Fisher Street in Lewes.

Over the past few months, while many larger companies have struggled to deal with the impact of the Covid-19 pandemic, in the main, smaller and more creative businesses have been continuing to thrive. There has been strong demand for workspace that has been developed specifically for creative businesses and Locate East Sussex would strongly welcome any increase in provision of workspace of this type.

During the initial lockdown period and since, we have continued to receive enquiries from both start-ups and established businesses that are looking to base themselves in Lewes where they can benefit from the town's existing cohort of creative companies and join the networks of creative entrepreneurs. In addition, these companies can also potentially benefit from being able to access the wide range of talented and creative individuals who live and work in the town. Furthermore, the shops in the town will also benefit from employees from these companies and their clients, using their facilities.

Locate East Sussex is very supportive of the creation of new workspace for creative businesses and of Lewes District Council's submission and looks forward to seeing the delivery of a vibrant, creative hub in Lewes.

Yours sincerely,



Philip Johnson

**>LOCATE
EAST SUSSEX**

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TN37 6LW

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17. APPENDIX J – INCREASE DEMAND FOR CO-WORKING SPACE SINCE COVID-19



Denton Island, Newhaven
East Sussex BN9 9BA
Tel:- (01273) 615250
Email: newhaven@ldbgroup.co.uk
www.newhavenenterprisecentre.co.uk

7th October 2020

Dear Mr. Sharp,

We are pleased to confirm the following for Newhaven Enterprise Centre.

There has been more interest in Co-working space since Covid-19, primarily from people remotely working, but preferring not to work from home.

Despite the impact of Covid-19, we have seen no change to the number of creative businesses seeking appropriate workspace.

Kind regards

A handwritten signature in purple ink, appearing to read "Lucie Dolinek".

Lucie Dolinek
Centre Manager