

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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1. PROJECT OVERVIEW

1.1. Project name:

Enterprise Centre for Horizon 120 Business and Innovation Park

1.2. Project type:

Site development, skills and innovation

1.3. Federated Board Area:

Success Essex

1.4. Lead County Council / Unitary Authority:

Essex

1.5. Development location:

Horizon 120 Business & Innovation Park, South of Great Notley Country Park, Braintree, Essex.

1.6. Project Summary:

The provision of an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth as well as businesses aiming to stabilise and consolidate their activities.

This is a new 3,100 m² Enterprise Centre building with a variety of office spaces but no workshops and no laboratories or industrial use. There will also be a flexible conference space that can be transformed into smaller units.

It is a purpose built physical and virtual environment designed to drive collaboration, encourage idea generation and underpin problem solving.

As the focal point for Horizon 120 Business Park, the building will provide accommodation and support to germinate employment, interest and occupation.

It will forge the character and setting for the Horizon 120 Business & Innovation Park aspiration as outlined in the Design Code of the Local Development Order.

Spaces to be provided will include:

- Offices
- Spaces for events and collaboration
- Makers Space
- Business Lounge
- Hatchery and Co-working
- Boardroom and Meeting Suites
- Entrance and Communal Facilities
- Amenity Facilities
- External Spaces

1.7. Delivery partners:

[List all delivery partners and specify the lead applicant and nature of involvement, as per the table below.]

Partner	Nature of involvement (financial, operational etc.)
Braintree District Council (BDC)	Financial and Operational (Lead Applicant)
Essex County Council (ECC)	Lead Local Authority

1.8. Promoting Body:

Essex County Council

1.9. Senior Responsible Owner (SRO):

[Specify the nominated SRO and provide their contact details. The SRO ensures that a programme or project meets its objectives and delivers projected benefits. This is not the same as a Section 151 Officer.]

Dominic Collins

Corporate Director of Growth

Braintree District Council

Causeway House, Bocking End, Braintree, CM7 9HB

01376 552525 Ext. 2560 | 07546 310434

dominic.collins@braintree.gov.uk

1.10. Total project value and funding sources:

[Specify the total project value, how this is split by funding sources, and any constraints, dependencies or risks on the funding sources, as per the table below.]

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
SELEP	£7M	Subject to approval of Business Case
BDC	£9M	Approved by cabinet on Wednesday 21/10/20 (including provision of land worth £1.3M)
Total project value	£16M	

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

[Specify the amount and type of funding sought from SELEP to deliver the project. Please also confirm that the funding will not constitute State Aid.]

£7M sought from SELEP; Funding type is the Getting Building Fund (GBF)

1.12. Exemptions:

[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2017, Section 5.7.4 and 5.7.5]

None

1.13. Key dates:

[Specify dates for the commencement of expenditure, the construction start date and the scheme completion/opening date.]

Date for commencement of Expenditure: August 2020.

Early works package (sub-structure) construction start 11th January 2021

Superstructure construction Start Date: Wednesday 21 April 2021

Construction completion Date: 10 March 2022

Fit-out completion & opening 30th May 2022

1.14. Project development stage:

[Specify the project development stages to be funded, such as inception, option selection, feasibility, outline business case, detailed design, procurement, full business case, implementation, the current project development stage, and a brief description of the outputs from previous development stages. Add additional rows as necessary. Please note, not all sections of the table may require completion.]

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Inception	Understanding project scope and objectives. Justification and prioritisation of the project	Project Selection, Option Selection	Monday 10/08/20
Feasibility	Preliminary study to establish whether the project is viable. Confirming whether or not the project should proceed.	Feasibility Report, Options Appraisal, Massing drawings and Outline Business Case	Wednesday 09/09/20
Project development stages to be completed			
Task	Description	Timescale	
Options selection	Selection of preferred option from the options appraisal		

Initiation	Project definition, involving project constraints and problem statements. Clarifies objectives, scope, constraints, deliverables, stakeholders and key risks.	Monday 14/09/20 – Monday 23/12/20
Setup (Detailed Project Planning)	Development of formal approved documents used to guide project execution and project control. They document planning assumptions and decisions, approved scope, cost, programme and facilitates communication among project stakeholders.	Monday, 14/09/20 – Wednesday 23/12/20
Design Development	Development of concept, developed and Technical designs in accordance with the requirements of the Design Code within the Local development Order (LDO).	Monday 06/07/20 – Friday 19/02/21
Planning and Approval	Deciding whether the design proposals are in accordance with the Design Code as stipulated in the LDO and approve accordingly.	Monday 31/08/20 – Wednesday 09/12/20
Tender Action and Enabling works package	Development of tender documents, invitation to tender (ITT), selection of preferred contractor and tender notifications	Monday 07/12/20 – Monday 25/01/21
Contract Signing	Production of Contract agreement documents defining scope, terms and conditions of agreement. Sets out completion date, transferred risks, derogations and amendments to the standard form of contract.	Friday 29/01/21 -
Pre-Construction	Putting together information that is already in the possession of the Council or which is reasonably obtainable by the council. This includes information about the project, planning and management of the project, health and safety hazards and information in the existing Health and Safety File. Provision of Construction phase plan by contractor.	Monday 01/02/21 – Tuesday 20/04/21
Construction	Site possession, mobilisation, provision of adequate welfare facilities for workers, setting up procedures for RDD, RFI, carrying out operations on site, dealing with change requests, extensions of time as well as Loss and expense requests.	Wednesday 21/04/21 – Tuesday 31/05/22
Soft Landing	Training of Facilities Management personnel on how to manage and maintain the building.	Monday April 4 2022
Sectional Completion 1	Handover of section 1	Thursday March 10/03/22

Sectional Completion and Practical Completion	2 Preparing for soft landing, snagging, making good defects, any required training. Putting client insurance in place.	Tuesday May 31/05/22
Handover	Planning how to handle latent defect and handing over keys.	Wednesday June 1, 2022
In Use and defects Period	Identifying and recording benefits.	Wednesday May 31, 2023

1.15. Proposed completion of outputs:

[Include references to previous phases / tranches of the project (link to the SELEP website) and to future projects to be funded by SELEP. Please see SELEP Programme for more information.]

Construction will be divided into two sections with;

- Section 1: That is the complete building with category A fit out, including raised floors and suspended ceilings as well as basic mechanical and electrical services;
- Section 2: This will include Category B fit out, and external works;
- Section 1 will be complete by Thursday 10/03/2022;
- Section 2 will be complete by Monday 30/05/22;
- Practical completion is expected on Tuesday 31/05/ 2022.

2. STRATEGIC CASE

The Strategic Case should present a robust case for intervention, and demonstrate how the scheme contributes to delivering the SELEP Strategic Economic Plan (SEP) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.

The outlook and objectives of the Strategic Case need should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.

2.1 Scope / Scheme Description:

[Outline the strategic context for intervention, by providing a succinct summary of the scheme, issues it is addressing and intended benefits; max. 2 pages.]

2.1.1 Strategic Context

The Horizon 120 Enterprise Centre will provide a focus for business support, business location and business growth in one of the most exciting business park developments within the SELEP area. It will provide 2 floors of flexible business office spaces for lease, on a range of terms, with a ground floor offering a series of training and meeting rooms, conference space, open networking and touch down work space. A café/bistro will offer a hub for business engagement, networking and learning accessible to the Horizon 120 Business and Innovation Park, surrounding business parks, across the district and beyond. The Centre will comprise a purpose built building with modern facilities to facilitate the growth of micro businesses, start-ups, nascent business ventures and innovation oriented SMEs.

Braintree District Council owns the Horizon 120 Business and Innovation Park site. Braintree is currently promoting plots for development for bespoke buildings for hi-tech, industrial, warehouse and office provision, for a wide range of sectors including professional services, research and development, digital, distribution and advanced manufacturing. The 65 acre site was due to be brought forward by private sector developers; however, after many years of inaction, Braintree decided to purchase the land and develop it into a region leading business park itself, that will support employment and business diversification across the District and beyond, across the county and sub region.

To facilitate delivery on the site, the District Council has this year agreed a Local Development Order (LDO), to make the development of the site easier for potential tenants and to promote and secure a range of business types in the Park. The Park (which Braintree DC has the option to expand by another 26 acres) is, therefore, set to become a major new employment space, strategically positioned in an established commercial location, and will set the standard for a modern business environment. Situated adjacent to the A131 dual carriageway, the Park is in a highly accessible location, close to the A120, providing fast road access to Chelmsford, Colchester, Stansted Airport and the M11 (Junction 8).

2.1.2 Benefits to be Derived

Ultimately, the vision of Horizon 120 Business and Innovation Park is to create a business community which will add to the experience of employees and, through its combination of location and infrastructure provision, including the UK's first electric forecourt being developed

adjacent to the site (developed by Gridserve), will attract businesses to locate to the area supporting the outcomes of Braintree District Council, the North Essex Authorities and the wider A120 economic corridor, and SELEP. To that end, the enterprise centre will provide a focus for start-up and burgeoning companies, as well as established companies that require a flexible space with opportunities to network, engage in local supply chains, and gain access to a suite of business development programmes from partners including Colchester Institute, Adult Community Learning Essex, Anglia Ruskin University, the BEST Growth Hub and the Haven Gateway Partnership.

The purpose and ambition of the centre has become ever more necessary as Covid 19 has impacted on the economy. With nearly 40% of Braintree residents in work having been furloughed from their employment and the early impacts of the coronavirus crisis felt heavily in some of the key sectors of the Braintree economy (including construction, retail, manufacturing), Braintree District Council are keen to accelerate the delivery of the enterprise centre at a time when businesses will be looking to downsize, relocate to cheaper premises (Braintree offers a competitive cost advantage in this regard, given relatively low land and lease costs) and will need all the support they can to either establish themselves, grow or simply maintain their position in the coming years.

To that end, Braintree District Council has had the ambition to include an enterprise centre on the Horizon 120 Business and Innovation Park from its inception. However, Braintree has not had the financial resources to commit to the project in the short term and, to that end, has not been able to scope the breadth and range of spaces we are now planning, given the potential of Getting Building Funding to deliver on our ambition. The SELEP's support will deliver the enterprise centre several years in advance of it coming forward with just BDC resources and will increase the impact of the centre far wider than the original Business Park focus.

The Horizon 120 Enterprise Centre is looking 'to set a precedent for creating a 'distinct place that supports a new model of a healthy, holistic working lifestyle' promoted by the Horizon 120 Business Park. Ambitions for the site are to create a green and environmentally conscious business park that protects and enriches biodiversity. As such, the development of the enterprise centre will be planned to achieve high quality green infrastructure and space for flora and fauna, with no net loss of biodiversity. The Centre will, therefore, be developed at least to BREEAM Very Good standards.

As explained below, Braintree District Council has taken a bold step to fund the development of the 65 acre Horizon 120 Business and Innovation Park itself. The market failure of the commercial development sector has been replaced by forward thinking investment in the economic prosperity of the district by the local authority. To be more than another business park however, and to achieve the economic growth benefits of the sites development, particularly in a post Covid economy, businesses will need direct access to business support, business networks and suitably flexible business space. The Horizon 120 Enterprise Centre will deliver that and ,with the support of the Getting Building Fund, it will be delivered more quickly and with a greater economic impact across a wider geographical area than initially imagined.

2.2 Logic Map

Table 1 – Logic Map

Inputs	Outputs	Outcomes	Impacts
<p>For all schemes:</p> <p>Take from section 1.10 / Financial Case</p> <p>Grant Spend: £7m</p> <p>Matched Contributions Spend: £9m</p> <p>Leveraged Funding: £16m</p>	<p>For all schemes:</p> <p>Influenced by detail in section 3.2.</p> <p>Also refer to metrics output metrics within Appendix E</p> <ul style="list-style-type: none"> • Construct a high quality enterprise building, with offices and meeting rooms, a conference hall and café. • Create a strong connection to natural environment, with green routes which promote healthy 	<p>Influenced by details in sections 2.1, 3.4, 3.5, 3.10</p> <p>For schemes of £2m of funding or less:</p> <p>-Jobs -Houses</p> <p>For schemes £2m-£8m:</p> <p>Include all required LEP shown in Appendix E:</p> <p>M&E Metrics for scheme type (skills, land/property/flood protection, business support / innovation / broadband, transport) plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>Include all required LEP M&E Metrics and consider further metrics within Appendix E plus any moderate or large benefits / disbenefits which occur as part of section 3 in this template</p>	<p>For schemes of £2m of funding or less:</p> <p>-n/a</p> <p>For schemes £2m-£8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>Given the nature of this scheme – high quality, innovative, centred on entrepreneurship – Its impact will have far reaching positive effects on</p>

Inputs	Outputs	Outcomes	Impacts
	<p>transport links between The Country Park and Great Notley Village</p> <ul style="list-style-type: none"> • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Provide a range of facilities and support services including a maker space. • Achieve BREEAM Very Good, 	<ul style="list-style-type: none"> • Enable a collaborative and nurturing environment to enable start up and grow + SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenant growth. <p>LEP M&E Metrics:</p> <ul style="list-style-type: none"> • 160 new jobs will be created as a result of the interaction (124 direct and 36 indirect) • Commercial floor space occupied – 3100m² (GIA), Classes: A2 – Financial & professional services, A3 – Restaurants & Cafes, B1 – Business. • Commercial rental value: £30/ft², inclusive of utilities <p>SKILLS</p> <ul style="list-style-type: none"> • Number of new staff – 4 <p>BUSINESS SUPPORT, INNOVATION & BROADBAND:</p>	<p>businesses and individuals alike. These include:</p> <p>SKILLS:</p> <ul style="list-style-type: none"> • Increased number of people going into higher paid jobs. • A larger population percentage going into NVQ Level 4 <p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> • Increased attractiveness to developers • Increased attractiveness to businesses • Increased productivity • Increased employment levels (Changes in GVA) • Regeneration of the area • Improvements in education • Improved levels of physical activity <p>BUSINESS SUPPORT, INNOVATION & BROADBAND;</p> <ul style="list-style-type: none"> • Increased effectiveness to developers • Increased attractiveness of area to developers • Value for Money

Inputs	Outputs	Outcomes	Impacts
		<ul style="list-style-type: none"> • Virtual environment to support start-ups. • Business Training, leading to professional qualifications provided by an accredited training organisation <p>TRANSPORT:</p> <ul style="list-style-type: none"> • Better public transport integration <p>Reductions in carbon emissions</p>	<ul style="list-style-type: none"> • Increased productivity • Improved air quality • Improved road safety <p>Improvements in local health</p>

2.3 Location description:

[Describe the location (e.g. characteristics, access constraints etc.) and include at least one map; max. 1 page excluding map.]

2.3.1 Location

The Horizon 120 area covers approximately 26.3 ha, and includes a series of development plots for business and commercial use, in addition to the landscape areas for recreation. The Enterprise Centre will form part of the business park.

The site is arable farmland, set within tree and hedge lined boundaries; but, benefits from a verdant, ecological setting within the locality.

With farmland and Great Notley Park on its borders, the setting is grassy, with walking trails and bridle paths that link to the wider countryside (see Site Location map below).

On the Southern boundary of the site, construction is already underway to build a Gridserve fully electric forecourt. It is the first of its kind in the UK. This innovative facility will provide quick and effortless charging for all types of electric vehicles. It provides sustainable, energy powered, affordable public charging. Its presence will amplify the message about innovation and enterprise.

2.3.2 Context and Connections

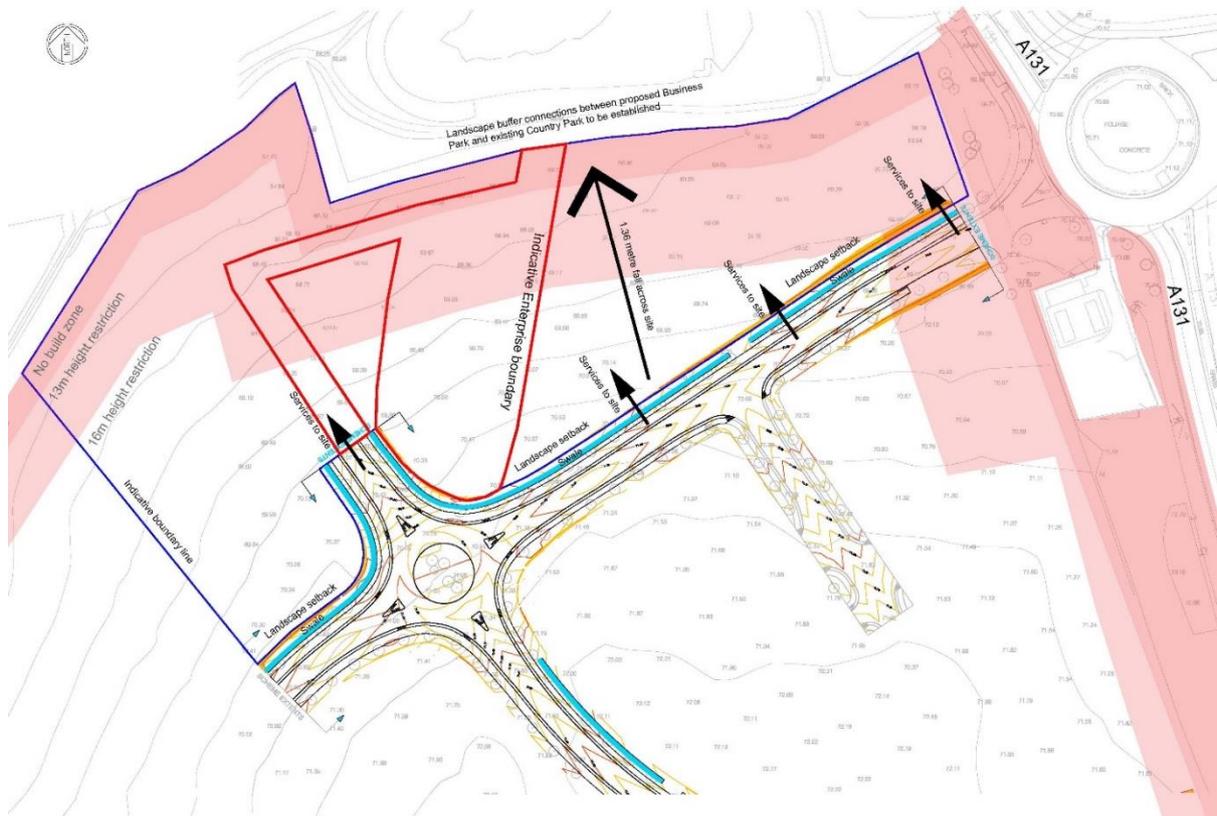
The site is set on the edge of Great Notley Village in Essex. It is located to the south of Great Notley Country Park across the A131 from Great Notley Village. To the south is Slamseys Farm and Store, a working farm which grows food crops, sells Christmas trees, makes Slamsey's Gin, teaches printmaking, stores caravans and rents out barns and containers. To the west, farmland extends out into the countryside. A solar farm can also be found.

There are two business parks within 2km of the site – Skyline Business Centre and Lynderswood Business Park. Chelmsford City Racecourse sits 2km south of the site.

The site is well connected by bus to Great Notley Village and further connection to Braintree railway station along London Road.

A series of bridle paths connect the site to the surrounding countryside, including Great Notley Country Park and Fitch Way Walking Trail to the north and Chelmsford City Race Course to the south. A pedestrian crossing across the A131 links the Village to the country park and the site.

Plan 1: Site Location and Zone A Plan



2.4 Policy context:

[Specify how the intervention aligns with national/regional/local planning policies and the SELEP SEP; max. 3 pages.]

Smaller schemes: (less than £2 million) are required to complete this section in line with the scale of the scheme; max. 1 page]

In 2013 Braintree District Council (BDC) launched its Economic Development Prospectus (EDP) 2013-2026. This document set the strategic context for the authority’s action to support the Braintree economy. Whilst recognising the locational competitive economic advantage of Braintree (sited alongside the economic centres of Chelmsford, Colchester and near to Cambridge, in close proximity to the Haven Ports, London Stansted Airport and London and the M25 via the A120 and M11) the Prospectus recognised significant barriers to economic growth, including infrastructure deficits and the need to support its town centres and rural areas.

Importantly, the Prospectus recognised “We have attractive and accessible employment sites, but need to support the private sector to develop these sites” and, to that end, the “authority will work with owners and developers to bring forward key strategic employment sites as part of the economic development of the wider A120 economic corridor” including “land to the west of the A131 and Great Notley” – i.e. the Horizon 120 Business and Innovation Park site. Since 2013 therefore, Braintree have been working to ensure the land where the Horizon 120 site is based could be brought forward, developed and support businesses to locate in the district.

Importantly, the Prospectus also identified business support should be a central tenet of the authority's EDP. Providing land alone will not encourage the location and growth of businesses which support employment of its residents, the authority recognised:

"We need to build on our foundation of business support, stimulating demand through a co-ordinated approach to inward investment. We need to support growth of businesses with innovation potential including supporting the growth of the green economy".

Thus, support of business and development of the green economy has continued as a vital element in Braintree's economic development programme.

In 2017, BDC refreshed its EDP, refocussing the aim of a new Plan for Growth to deliver 9,000 jobs by 2026. Importantly the Plan for Growth was drafted in context of the governments Industrial Strategy Green Paper and recognised the need to support the UK's, and Braintree's, economic growth through a focus on productivity and innovation. Braintree submitted a response to the Green Paper committing to "work in partnership with Central Government, other public sector bodies and the private sector to encourage sustainable, productive economic growth within the district".

In aligning its economic policy objectives to that of UK Government, the local authority recognised Braintree lagged behind in terms of productivity – in 2017 Braintree ranked 6th in Essex, which itself ranked 5th out of 6 authority areas in the East of England. The lack of high-tech businesses locating in Braintree was compared to the wealth of such firms located in Uttlesford and nearby Cambridge and the subsequent high levels of productivity in those neighbouring areas. The prevalence of microbusinesses in Braintree was also considered a factor that depresses productivity in the area.

As with many areas across Essex and the UK, the Government's Industrial Strategy therefore provided a focus of attention to the Council, in response to which it reinforced belief that whilst the economy of the district would likely grow at an average rate without significant public sector investment, it would not reach full potential without intervention from the public sector. Given the current Covid-19 economic crisis, the Plan for Growth also prophetically suggested a general increase in economic prosperity of the district would arise "barring any further major external economic shocks".

To offer that public sector stimulus, the Plan for Growth again identified several barriers to the economy's development, and again suggested "A further inhibitor to growth is the lack of growth office space for businesses and general employment premises and sites that are at the point of being delivered. The result of this lack is businesses already in the district either do not grow in order to remain within their manageable spaces, or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree".

To break this barrier to growth the Plan suggests the authority work with public and private sector partners to target business support programmes to encourage businesses in growth sectors to flourish in the district and "create employment sites and a range of office accommodation fit for purpose and business need".

Whilst BDC has been identifying the need and developing plans to support delivery of business space and business support in pursuit of increasing employment of residents and improving their productivity, the authority has been working with partners across the North Essex A120 Corridor to determine common actions in support of the sub regional economy. In recent years, this focussed on a need to coordinate effort across the corridor in providing suitable business support and business space locations.

The North Essex Economic Strategy (2019) was the culmination of this work and suggested partners (including the authorities of Braintree, Colchester, Tendring and Essex County Council (ECC)) should work together, providing economic land and premises and support for innovation. This was enshrined in a new vision for the North Essex economy where “North Essex is a high value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity”. A series of missions are identified in the Strategy authorities are actively working together to achieve, including:

- “Driving Innovation” (“developing opportunities for innovative businesses to grow, technology clusters to emerge”) which specifically referenced the potential of Horizon 120 to support this ambition, and
- “Growing a Greener, Sustainable Economy” (“we want to ensure that North Essex is a leading example of sustainable development...through lower carbon, innovative businesses”).

Importantly these, and other ambitions and missions, have fed the Essex County wide approach that responded to government’s Industrial Strategy and productivity challenge. To that end, the Essex Prosperity and Productivity Plan (2020), developed by Success Essex in partnership with ECC, also identified a series of missions, including creating a “Dynamic economy”, which calls for “investment in open innovation facilities...with the aim of developing a stronger innovation ecosystem” and “extend the potential for business to business interaction...encouraging the participation of innovative small businesses”.

Importantly the Productivity Plan seeks to “ensure high-value businesses with the ability to expand have the physical capacity to do so” by “taking a proactive approach to the provision of business workspace, recognising the lack of supply in the context of significant pressures on land”. The strategic fit of the Horizon 120 Enterprise Centre with the Dynamic Economy mission is one of the reasons the Success Essex Board promoted our bid for Getting Building Fund support.

The South East Local Enterprise Partnership (SELEP) has been pragmatic and facilitative in establishing priorities for the growth of the Partnership’s region. Taking its drivers from requirements of central government initially through the Strategic Economic Plan and resulting growth deals, SELEP has consistently seen need to support schemes providing a range of business space coupled with business support programming. This is also evident in the LEP’s initial response to the government’s call for development of Local Industrial Strategies – Smarter, Faster, Together.

In this document, under priority 1, SELEP seeks to “Respond to increasing need for workspace flexibility”; even more relevant as we recover from the impact of Covid-19 on workplaces. There is also reference to “recent research indicates a shortfall in supply across a wide range of business space types and price brackets” and SELEP commits to build on its strong record of bringing forward new managed workspace and innovation centre space and recognises “responding to a more flexible working landscape demands a more integrated approach, linking existing and new facilities and creating conditions for businesses to make new connections and share ideas”.

These commitments are built on the SELEP recognition within its 2014 Strategic Economic Plan that key to the support of a productive economy “is provision of high quality, modern business space, meeting the needs of businesses in the key growth sectors”, mirrored in the Essex chapter of the SEP, where the Essex Federated board committed to “develop and expand four business incubation centres across Essex, and roll out a network of “Growth hubs” to provide integrated business space and support”.

Focussed on delivering against the productivity challenge, Essex committed to “bring forward investment in facilities that will support innovation, business growth and company creation. Through the proposed Growth Deal, Essex partners are looking to co-invest with government in Business Centres that offer provision such as:

- business networks;
- mentoring support;
- access to expertise and facilities; and
- signposting to other specialist support”.

A golden thread of business support and the need to develop innovative business spaces runs through the strategic intent and economic policy from Braintree to the A120 Corridor, the Success Essex Board and SELEP SEP to link with the ambition and intent of the governments Industrial Strategy. The Horizon 120 Enterprise Centre has the potential to become another feature in the LEP’s network of innovation and business support spaces, which could also in time provide the platform and home for future business support and skills support programmes the SELEP may wish to deliver.

2.5 Need for intervention:

[Specify the current and future context and articulate the underlying issues driving the need for intervention referring to a specific market failure, need to reduce externalities, Government redistribution objectives etc.; max. 2 pages.]

Braintree is a thriving economy. It has significant competitive advantage in its location, sitting as it does at the intersection of road and rail infrastructure with direct access to domestic and international markets. This advantage is complemented by a high quality natural and historic environment and a supportive and entrepreneurial business environment where employment land is competitively priced. The Council and partners are serious about enabling investment and helping businesses establish and grow.

The Braintree economy has strengths in the construction, advanced manufacturing and engineering, financial and insurance, and wholesale retail sectors and logistics. Braintree’s economy is broadly in line with the East of England average, made up of:

- 89.5% - Micro businesses (0-9 employees),
- 10.0% - Small and Medium Enterprises (10-249 employees),
- 0.3% - larger businesses employing over 250 staff.

This context though also points to issues within the Braintree economy that require attention. For example, whilst its location is good for business it is also good for out-commuting of labour. This creates a situation within the district where the median salary for Braintree residents is almost £600 per week (reflective of the levels of out-commuting, probably to London) whereas the median wage of employees within the district is £514, lower than the Essex and UK average (£520 and £529 respectively).

As previously highlighted, productivity in the Braintree District is lower than the Greater Essex average. In 2017, at £41,200 labour productivity, Braintree was ranked 6th in Greater Essex, a consequence of relatively low-skilled employment and job opportunities within the district. This compares with the highest productivity level in Greater Essex in the neighbouring district,

Uttlesford, which has £52,100 labour productivity. The common link with these high productivity levels seen nearby is the high-tech business dominance of Cambridge which has spread to neighbouring areas and the impact of life sciences, principally Uttlesford and Stevenage in Hertfordshire.

In its Plan for Growth, Braintree identifies that to improve prospects of economic growth, through creation of more high quality jobs, businesses within the district need support from BDC to grow and new businesses need to be attracted to the district. To that end, the Plan recognises there is currently a lack of grow-on office space for businesses and general employment premises and sites at the point of being delivered.

The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces, or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree. In order to support this, the Plan specifically identifies the need to provide appropriate business premises as a key issue to address, and that the private and public sector need to intervene by creating employment sites and a range of office accommodation that are fit for purpose for business needs, including targeted support to businesses in our growing and emerging sectors, with innovation potential.

Braintree DC commissioned a feasibility study (by CPC Project Services) to examine how an enterprise centre at the Horizon 120 Business and Innovation Park would support delivery of relevant business space and help deliver the ambitions within the Plan for Growth. Whilst the feasibility study examines a broad range of sector specific land and premises requirements, it recognises the strong forecast demand for office space in the Braintree district, with an East of England Forecast Model estimate of requirements increasing from a 2020 level of 136,800m² to 163,700m² in 2045 – an increase of nearly 20%. Importantly, the demand for serviced business park B1a office space is also forecast to increase over that period.

The feasibility concludes that, for B1a/B1b type office space, the sectoral business mix operating in Braintree leans heavily toward those that would occupy B1a general type office space. Sectors seeking such space may include:

- Information and communication;
- Financial and insurance;
- Professional, scientific and technical;
- Administrative and support services (excluding call centre activities).

While, in totality, these sectors are proportionally smaller in Braintree than adjacent districts, some sub-sector clusters exist that, while small in employee terms, have high location quotients offering strengths to build on. These sub-sectors include insurance, specialised design, technical testing and analysis, and security systems services.

Importantly for innovation support, the study recognises professional, scientific and technical activities has (as of 2018) the largest number of 'local units', a total of 1,090 businesses, and also employs the most people at 5,325. The sector shows a relatively high density of clustering around the Horizon 120 site locality. This will provide good adjacencies for businesses looking to locate to Horizon 120, to the existing local sector specific business base. In terms of competition across the near locality, the study also recognises Braintree has substantially

lower prime office rents than Chelmsford and Basildon (being at least £3/ft² lower than the next cheapest alternative). VOA data on rateable values for office space puts Braintree just below the mean and median values; the area ranked 25th most expensive out of 46 in the east of England.

A combination of competitive rents and close to below average rate of local taxation, means Braintree offers a competitive environment from which to start or relocate a business requiring office space, with the EEFM suggesting a likely sustained upward trend in required level of office space within the district for the foreseeable future.

One can therefore conclude from the above that BDC's ambition for its economy is to increase the productivity of its businesses so that the quality of life and life chances of its residents can be improved. However, the lack of provision of suitable business premises in the district means that those businesses that can provide a higher quality, knowledge intensive and ultimately more productive employment are not growing or locating within the district, even though there is a likely increased demand for such office space in the years to come. There is a need, therefore, for the public sector to support provision, given the lack of private sector supply to satisfy this demand.

Given recognised clustering of knowledge intensive, highly productive businesses in the Horizon 120 Business Park vicinity, it is evident that an enterprise centre on the Horizon 120 site would not only support the location of productive businesses, it will provide business help and supply chain networking to bolster establishing and growth of new productive businesses in Braintree. Work on future phases of development of the Horizon 120 Business & Innovation Park being commissioned, it is likely that those businesses identify grow on, or move on, space available elsewhere on site, deepening high value business clusters and delivering greater economic growth to the area.

2.6 Sources of funding:

[Promoters should provide supporting evidence to show that:

- *all reasonable private sector funding options have been exhausted; and*
- *no other public funding streams are available for or fit the type of scheme that is being proposed*

Public funding is regarded as a last resort. Promoters are encouraged to think carefully about and provide strong evidence that the intervention they are proposing has exhausted all other potential sources of funding and there is a genuine need for intervention from the public sector; max. 1.5 pages.]

The funding requirement for the Enterprise Centre is as follows:

- Total project Cost = £16m
- Total Capital Asked for from SELEP = £7m
- Local Authority Funding = £9m. This includes land value of £1.3m

2.7 Impact of non-intervention (do nothing):

[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable. The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. 'Do nothing' scenarios where nothing changes are unlikely; max. 1 page.]

From all analytical evidence at our disposal, doing nothing is a disbenefit (see project benefits) and ignores the critically urgent requirement for support for new enterprises adapting to the seismic impacts of the Covid-19 pandemic, and the macro-economic disruption caused by the transition in the UK's relationship with the EU.

A feasibility study has been carried out. This analysis has three steps, which includes options identification and selection. The 'do-nothing' option has been identified as one of the options that must be considered, but really only for comparison purposes. The 'do-nothing' option is a forecast of the future without reference to the project. This scenario identifies the 'Business As Usual' (BAU) projection. It is a baseline scenario which explains a no-investment situation. It involves incurring operational and maintenance costs within already existing infrastructures.

The final step of the analysis is about evaluating feasibility of selected options to determine their economic sense and technical sustainability within the project environment. The analysis demonstrates that the 'Do Nothing' option will have a number of harmful consequences. These include:

- a complete negation of the clearly stated strategic objectives of the council.
- The council's priorities cannot be achieved.
- The Enterprise Centre forms the focal point of the Horizon Business Park and will help attract inward investment.
- Potential business clients will be forced to look at other, less attractive, alternatives.
- It will be tantamount to throwing-in the towel when evidence suggests market forces cannot reverse a steady decline in the number of businesses succeeding.
- The reluctance of businesses to invest in the district will intensify.

In such a scenario, given that the site has been unused for a considerable length of time it will, therefore, remain undeveloped for probably another ten years, due to lack of commercial viability. The LDO will require relaxing to enable the private sector to bring a different scheme to the market for B8 Warehouse type development, circa 2035. The upshot of this will be:

- scheme benefits will not accrue for a substantial period of time;
- substantially less GVA will be generated than the proposed enterprise centre;
- less (high quality) jobs per m² will be supported;
- added value in the support and creation of new high value businesses within the district will not be created;
- little additional social value will be added, as it will not have links to various industry and academic bodies that would otherwise develop within the Enterprise Centre;

resulting in lower than expected, even detrimental, economic growth in Braintree. It will lead to an increase in out-commuting and will manifest in maintaining Braintree’s low median wage and labour productivity, in comparison to Greater Essex (see para 2.5).

Therefore, following the options appraisal process, which is set out in detail in the Economic Case below, we are clear that the ‘Do Nothing’ option does not meet the series of investment objectives or critical success factors for the scheme.

2.8 Objectives of intervention:

[Outline the primary objectives of the intervention in the table below, and demonstrate how these objectives align with the problems presented in the Need for Intervention section.]

2.8.1 Investment Objectives

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

2.8.2 Principle Problems, or Opportunities, to be addressed

Intervention through this scheme will help address a number of opportunities. One of the sub-targets within the infrastructure priority is Employment Sites and Premises, which the purchase and development of this site would help to achieve by:

- Problem / Opportunity 1: Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand.
- Problem / Opportunity 2: Investing in incubation, start-up and grow on space which is not being provided by the open market.
- Problem / Opportunity 3: Raising the profile of Braintree as a place to do business.

Complete the following using a system of 0, ✓, ✓✓, ✓✓✓ which maps the objectives to their ability to address each problem. Add rows and columns as required and note not all sections of the table may require completion; max. 1 page.]

Table 2 – Problems/Opportunities

Investment Objectives	Problems / opportunities identified in 'Need for Intervention' section		
	Problem / Opportunity 1	Problem / Opportunity 2	Problem / Opportunity 3
	<p>Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand</p>	<p>Investing in incubation, start-up and grow on space which is not being provided by the open market</p>	<p>Raising the profile of Braintree as a place to do business</p>
<p>Objective 1 To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth</p>	✓✓✓	✓✓✓	✓✓✓
<p>Objective 2 To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate</p>	✓✓✓	✓✓✓	✓✓✓
<p>Objective 3 To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree</p>	✓✓✓	✓✓✓	✓✓✓
<p>Objective 4 To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow</p>	✓✓✓	✓✓✓	✓✓✓
<p>Objective 5 To create a physical environment that promotes health and wellbeing</p>	✓✓	✓✓	✓✓
<p>Objective 6 To develop a commercially viable centre that is self-sustaining for the long term without public subsidy</p>	✓	✓✓✓	✓✓
<p>Objective 7 Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation</p>	✓✓✓	✓✓✓	✓✓✓

2.9 Constraints:

[Specify high level constraints or other factors such as social/environmental/financial/developments/schemes/legal consents and agreements which may affect the suitability of the Preferred Option; max. 0.5 page.]

The site is relatively free of constraints and risks. The land has been in the ownership of the Council since December 2018 and the land has been thoroughly investigated. All relevant surveys (topographical, ecological, acoustic, traffic impact, ground conditions, etc.) have been completed. The Horizon 120 site has been re-profiled with each plot already at “line & level”, with gravity fed surface water drainage into a system of swales and land drains feeding into a new pond, in the NW of the site, providing a superb habitat for wildlife. Infrastructure works are in progress and will complete in April 2021 bringing all utilities, of sufficient capacity, to the plot boundary. There is no risk of off-site works or 3rd party interests affecting the plot.

Additionally, it is noted that:

- Construction of infrastructure and services is in two main phases – target completion, April 2021.
- Enterprise Centre must follow the design code set for Horizon 120 Enterprise Centre.
- Large office spaces (Over 65 square metres) do not seem to be in great demand and will be kept to a minimum.
- Asset Management team has confirmed what the maximum size of rooms should be - 65 square metres.

2.10 Scheme dependencies:

[Provide details of any related or interdependent activities that if not resolved to a satisfactory conclusion would mean that the benefits of the scheme would not be fully realised; max. 0.5 page.]

It is noted that:

- Horizon 120 Infrastructure Project: Ongoing construction of infrastructure and services – PC in April 2021.
- The £9m additional financing comes from the council. There is no dependence on any third parties.

2.11 Expected benefits:

[This section identifies scheme benefits (which will be achieved through delivering the scheme) which may not be valued in the Economic Case. Specify the extent of the scheme benefits referring to relevant economic, social, environmental, transport or other benefits. This is where any ‘GVA based’ estimates of benefits should be reported together with any dependent development (e.g. commercial or residential floorspace). Please reference the relevant section of the Economic Case where additional information regarding the assessment approach can be found; max. 0.5 page.]

The benefits that will accrue to businesses and residents as a result of completing this project are varied and include:

- New jobs: 187 gross direct jobs will be created;
- New jobs: 124 net direct jobs will be created after adjusting for leakage, displacement;

- New jobs: 36 additional indirect and inducted jobs will be supported by the centre;
- Apprenticeships: Individuals supported to enter apprenticeships will increase as some of the SMEs flourish and expand.
- Environmental: Use of new technology to promote the green agenda. Air source heat pumps and photovoltaic panelling will be provided as the primary energy saving equipment. A heat pump based system will provide a highly efficient method of supplying both heat and hot water to the Enterprise Centre. This will encourage other developments to adopt similar measures.
- Sense of Place: The Enterprise Centre offers bespoke solutions, governed by a contemporary design code that is focussed on quality and sustainability. It will create a sense of place and will include ancillary retail, a food outlet, serviced offices/meeting rooms and possibly childcare facilities.
- Virtual Provision: The Centre will reflect the changing world of work, offering “best in class”, fibre-optic connectivity and Wi-Fi hotspots.
- Healthy Workforce: It will also benefit from views over open countryside and paths or jogging trails linking to the Great Notley Country Park. This will encourage more exercise and healthy lifestyles for office workers and residents.

2.12 Stakeholder Awareness

It is important to understand and recognise the level and degree of stakeholder awareness and support for the scheme. Support is essential, but the awareness will also contribute to the potential success and economic viability of the project.

In the Management Case we consider how best to manage the process and acknowledge the capacity for different stakeholders to raise concerns throughout the lifetime of the project. This is achieved through the utilisation of BDC’s standard established Stakeholder Mapping template, a workbook which comprises of a number of worksheets.

Meanwhile, Stakeholder Workshops were held on xx xxx 2020, xx xxx 2020 and xx xxx 2020. These enabled the Council to capture, measure and determine the existing level of awareness and support for the scheme and then develop our Stakeholder Engagement Plan.

2.13 Key risks:

[Specify the key risks affecting delivery of the scheme and benefit realisation e.g. project dependencies, stakeholder issues, funding etc. Information on risk mitigation is included later in the template. This section should be kept brief and refer to the main risk register in the Management Case; max. 0.5 page.]

A full copy of the costed Risk Register for the Programme is provided at paragraph 5.4 of the Financial Case. Meanwhile, the key strategic risks associated with the strategic case have been identified as follows.

Table 3: Strategic Risks and Countermeasures

Main Risk	Risk Register Ref	Counter Measures
Business and Political Risks		
1. Cost escalation brought about by prevailing market conditions.	6.5	Reduce project scope. Explore value engineering.

Main Risk	Risk Register Ref	Counter Measures
2. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk.	1.1	Multi-disciplinary project team approach.
3. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult.	8.1	Avoid Europe based supply chains as far as possible.
Service Risks		
1. Unauthorised changes to scope leading to cost escalation.	6.1	Put in place a strict change management regime and ensure that implementation is robust.
2. Delivering a signature gateway building of the best quality with associated landscaping and access ways that falls within budget.	6.4	Regular design milestone cost checks and balance between product and cost.
3. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'.	5.6	All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area.
4. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment.	5.11	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.
External Environmental Risks		
1. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme.	8.5	Closely follow government advice. Ask for alternative programme from contractors at tender stage.
2. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand.	5.9	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.

3 ECONOMIC CASE

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

In addition to this application form, promoters will need to provide a supporting Appraisal Summary Table (AST). This should provide:

- a calculation of Benefit-Cost Ratio (BCR) according to the DCLG Appraisal Guidance, with clearly identified, justified and sensitivity-tested assumptions and costs
- inclusion of optimism bias and contingency linked to a quantified risk assessment
- inclusion of deadweight, leakages, displacement and multipliers

Smaller schemes (less than £2 million) are not required to provide a supporting AST, and do not have to calculate a BCR.

3.1 Options assessment:

Outline all options that have been considered, the option assessment process, and specify the rationale for discounting alternatives.

Promoters are expected to present a sufficiently broad range of options which avoid variations (scaled-up or scaled-down version) of the main options. The key to a well scoped and planned scheme is the identification of the right range of options, or choices, in the first instance. If the wrong options are appraised the scheme will be sub-optimal from the onset.

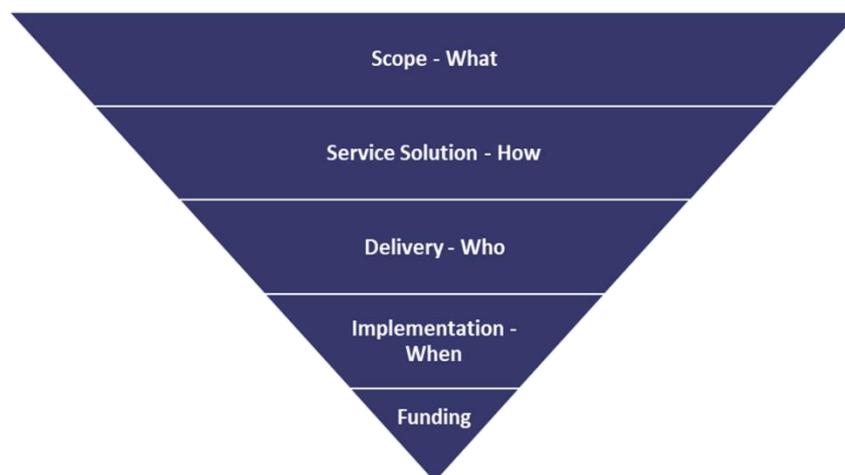
Long list of options considered:

Description of all options which have been considered to address the problem(s) identified in the **Need for Intervention** section above, including options which were considered at an early stage, but not taken forward.

Options assessment:

Describe how the long list of options has been assessed (assessment approach), rationale behind shortlisting/discarding each option.

Optioneering and assessment for this business case has followed the HM Treasury options framework filter. This model outlines the following stages:



3.1.1 Investment Objectives

The investment objectives for this scheme are as follows:

1. To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
5. To create a physical environment that promotes health and wellbeing;
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

3.1.2 Critical Success Factors

CSF1: Strategic Fit

- The option must satisfy all 5 investment objectives and business needs
- The option must be aligned with and promote the national, regional and local strategies

CSF2: Potential Value for Money (VFM)

- The option must optimise the commercial opportunities for the project
- The option must provide value for money in the delivery of office space

CSF3: Potential Achievability

- The option must be politically acceptable at local, county and national level;
- The option must be achievable within current legislation;
- The options must be operationally achievable/physically achievable.

CSF4: Supply side Capacity and Capability

- The option must secure sufficient appropriate resources and expertise to be deployed within Braintree District Council to achieve the investment objectives.

CSF5: Potential Affordability

- The extent to which the option is affordable within the forecasted operational revenue envelope of Braintree District Council;
- The extent to which the option is affordable within the forecasted capital funding envelope of Braintree District Council.

3.1.3 Scope Appraisal

The scope options for this scheme are as follows:

- **Do Nothing:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035;
- **Do Minimum:** Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m²;
- **Intermediate A:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m²;
- **Intermediate A:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m²;
- **Do Maximum:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m².

Table 4: Scope advantages and disadvantages

Do Nothing: Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Does not require LA funding; • Does not require SELEP grant funding; • No risk for public sector agencies. 	<ul style="list-style-type: none"> • This scheme does not support the Councils investment objectives for the project; • The current site has been unused for a considerable length of time as it is not considered commercially viable; • It is considered highly unlikely that an alternative scheme will come forward in the near future, therefore scheme benefits will not accrue for a substantial period of time; • Would likely require the LDO to be changed to enable private sector to bring a different commercially attractive scheme to the market; • Probable alternative schemes such as Warehouse space (for which there is local demand), generate substantially less GVA than the proposed enterprise centre; • This alternative scheme will also support less jobs per m²; • Does not provide added value in the support and creation of new high value businesses within the district; • This alternative scheme adds little in the way of additional social value as it will not have links to various industry and academic bodies that are to be developed within the Enterprise Centre.

Do Minimum: Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m².

Advantages

- Affordable without additional grant funding;
- Enables SELEP funding to be spent elsewhere.

Disadvantages

- Small building GIA;
- Unlikely to realise ambition to be BRREAM excellent;
- Budget will result in compromises to the aesthetics of the building design;
- Will generate substantially less income due to the size constraints of the centre;
- Likely to offer less wrap around and infrastructure support services to new businesses as elements such as the maker space could not be accommodated;
- Will support substantially fewer businesses than the larger options;
- Supports fewer jobs than the larger options;
- Does not make efficient use of the existing plot of land allocated for the Enterprise Centre;
- May not be competitive with other more expansive offering that are found within neighbouring local authorities;
- Likely to offer little in the way of additionality to the reference case scheme.

Intermediate A: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m²

Advantages

- Meets all of the Council's investment objectives and critical success factors for the scheme;
- Will create a state of the art Centre that will support new business development and local jobs;
- Optimum option in relation to balancing risks and benefits offered by all scope options;
- Affordable within existing project envelope;
- Allows all landscaping requirements of the LDO to be met;
- Allows for a suitable number of parking spaces for centre users to be accommodated on the site;
- Allows external space to be maximised to provide a functional external environment that promotes a community feel throughout the site;

Disadvantages

- Less potential income generation than larger schemes.

<ul style="list-style-type: none"> • Is deliverable within the constrained timescales. 	
<p>Intermediate B: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m²</p>	
<p>Advantages</p>	<p>Disadvantages</p>
<ul style="list-style-type: none"> • Will create a state of the art Centre that will support new business development and local jobs; • Larger GIA; • Increases the potential for income generation; • Is possibly deliverable within the constrained timescales; • Will create a state of the art Centre that will support new business development and local jobs; 	<ul style="list-style-type: none"> • Requires a larger footprint to be developed; • Unfordable within existing project envelop; • Compromises the balance of internal and external space; • Presents some difficulties in meeting the LDO requirements for external space landscaping’ • Increases the commercial risk of the project i.e. more space to let; • Increases the ongoing operating costs for the centre.
<p>Do Maximum: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m²</p>	
<p>Advantages</p>	<p>Disadvantages</p>
<ul style="list-style-type: none"> • Will create a state of the art Centre that will support new business development and local jobs; • Largest GIA of all the ‘do something’ options; • Maximised potential for income generation; • Has the potential to maximise the GVA from the scheme • May be deliverable within the constrained timescales. 	<ul style="list-style-type: none"> • Most capital intensive option; • Unfordable within existing project envelope; • GIA of the building will make positioning of the building on the site complex and will be difficult to achieve in light of the LDO requirements for external landscaping; • Severely compromises on the available outdoor space, creating a more imposing structure that will reduce the ability for people to meet and interact in the outdoor environment around the centre; • Increases the amount of parking space required on the site further encroaching on the usable external space on the site; • Highest risk option in commercial terms i.e. more space to let; • Presents some uncertainties in the project timeline due to the design complexities involved in fitting the building, its services and parking effectively on the existing site; • Highest ongoing operating costs for the centre.

3.1.4 Scope Summary

Table 5: Scope appraisal summary

Investment Objectives	Do Nothing	Min	Int. A	Int. B	Max
1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;	x	✓	✓	✓	✓
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;	x	✓	✓	✓	✓
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;	x	✓	✓	✓	✓
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;	x	?	✓	✓	✓
5. To create a physical environment that promotes health and wellbeing;	?	✓	✓	✓	✓
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;	x	?	✓	✓	✓
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.	?	✓	✓	✓	✓
Critical Success Factors					
Strategic Fit	x	x	✓	✓	✓
Potential VFM	x	x	✓	✓	✓
Potential achievability	✓	✓	✓	✓	?
Supply side capability	✓	✓	✓	✓	✓
Affordability	✓	✓	✓	x	x
Summary	Carry Forward	Discounted	Preferred	Discounted	Discounted

Option 3: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m² is the preferred scope option as it meets all the projects critical success factors and investment objectives.

In line with HM Treasury Green book requirements the reference case option is also carried forward as an economic comparator, even though it fails to meet several of the project investment objectives and critical success factors.

All other scope options (2, 4 and 5) are discounted in line with the above appraisal.

3.1.5 Service Solution Appraisal

The service solution options for this business case are as follows:

- **Option 1:** A service office environment only;
- **Option 2:** A service office environment with meeting space and conference room;
- **Option 3:** Enterprise Centre with 1000m² office space, 100m² meeting space, conference room and café
- **Option 4:** Enterprise Centre with 1000m² office, co-working and event space, 100m² meeting space, conference room and café
- **Option 5:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space
- **Option 6:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office

Table 6: Scope advantages and disadvantages

Option 1: A service office environment only;	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Minimises design time; • Maximises lettable office space. 	<ul style="list-style-type: none"> • Does not offer the Council a justification for involvement in the scheme as a service office environment will add little in the way of additional value required for public sector investment; • Will not gain local political support; • Unlikely to attract grant funding; • Unlikely to be a competitive offering compared to local and neighbouring district alternatives; • Unlikely to be cost competitive with private sector specialists in service office provision.
Option 2: A service office environment with meeting space and conference room;	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Offers income generation opportunities through the meeting and conference space; • Meets a local shortage of demand for meeting and conference room space. 	<ul style="list-style-type: none"> • As option 1.
Option 3: Enterprise Centre with 1000m ² office space, 100m ² meeting space, conference room and café	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Considered the minimal configuration for effectively marketability of the centre; • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; 	<ul style="list-style-type: none"> • Offers little in the way of variety of offering for potential customers; • Narrows the user base of the centre to those that can afford a full office let; • Limits the number of micro businesses that can be supported by the Enterprise centre by instead concentrating on those

<ul style="list-style-type: none"> • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite. 	<p>businesses that can afford and require at least small office space;</p> <ul style="list-style-type: none"> • Limits the space available for day to day networking and collaborative working opportunities that are offered by the inclusion of co-working space; • Does not provide support for virtual office clients.
<p>Option 4: Enterprise Centre with 1000m2 office, co-working and event space, 100m2 meeting space, conference room and café</p>	
<p>Advantages</p>	<p>Disadvantages</p>
<ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. 	<ul style="list-style-type: none"> • Does not provide support for virtual office clients; • Does not provide maker space facilities.
<p>Option 5: Enterprise Centre with 1000m2 office space, co-working and event space, 100m2 meeting space, conference room, café and maker space</p>	
<p>Advantages</p>	<p>Disadvantages</p>
<ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; 	<ul style="list-style-type: none"> • Does not provide support for virtual office clients.

<ul style="list-style-type: none"> • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. • Maker space enables businesses to try out their theories and concepts in reality; • No local alternative will enable this to become a USP for the centre. 	
<p>Option 6: Enterprise Centre with 1000m2 office space, co-working and event space, 100m2 meeting space, conference room, café , maker space and virtual office</p>	
<p>Advantages</p>	<p>Disadvantages</p>
<ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. • Maker space enables businesses to try out their theories and concepts in reality; • No local alternative will enable this to become a USP for the centre; • Servicing virtual clients will enable BDC to 'sweat the GIA of the asset'; • Offers another tier of support to local businesses that is extremely cost efficient; • Presents a viable alternative for micro businesses in the new Covid-19 environment. 	<ul style="list-style-type: none"> • None.

3.1.6 Service Solution Summary

Table 7: Service Solution appraisal summary

Investment Objectives	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;	✓	✓	✓	✓	✓	✓
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;	✗	✗	?	?	✓	✓
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;	✗	✗	✗	✓	✓	✓
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;	✗	✗	✗	?	✓	✓
5. To create a physical environment that promotes health and wellbeing;	✗	✗	✓	✓	✓	✓
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;	?	?	✓	✓	✓	✓
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.	✗	✗	?	✓	✓	✓
Critical Success Factors						
Strategic Fit	✗	✗	✗	✓	✓	✓
Potential VFM	✗	✗	✓	✓	✓	✓
Potential achievability	✓	✓	✓	✓	✓	✓
Supply side capability	✓	✓	✓	✓	✓	✓
Affordability	✓	✓	✓	✓	✓	✓
Summary	Discounted	Discounted	Discounted	Discounted	Possible	Preferred

Options 5 and 6 are both considered to meet all the projects investment objectives and critical success factors and are therefore shortlisted for full economic evaluation in addition to the reference case option identified within the scope appraisal.

Options 1 to four are discounted as they do not meet or only potentially meet some of the identified investment objectives and critical success factors.

3.1.7 Service Delivery Appraisal

The service delivery options identified for this business case are:

- Minimum – Local Authority delivery;
- Intermediate – Local Authority and Private Sector partner arrangements;
- Maximum – Private Sector partnership (PPP);

Table 8 – Service delivery advantages and disadvantages

Minimum: Local Authority	
Advantages	Disadvantages
<ul style="list-style-type: none"> • All requisite delivery structures are already in place; • Local Authority has extensive experience in delivering this service delivery model; • Cost effective model; • Most expedient model for delivery; • Politically acceptable; • Limited risk due to specialist support within LA 	<ul style="list-style-type: none"> • May stifle innovation.
Intermediate: Local Authority and Private Sector Partner arrangements	
Advantages	Disadvantages
<ul style="list-style-type: none"> • All requisite delivery structures in place; • Local Authority has extensive experience in delivering this service delivery model; • Cost effective model; • Most expedient model for delivery; • Politically acceptable; • Limited risk due to specialist support within LA 	<ul style="list-style-type: none"> • Contractor may not be au fait with the workings and culture of Local Authority
Maximum: Private Sector partnership (PPP)	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Private sector suppliers will provide specialisms and capacity that the Local Authority alone cannot provide • Services can be delivered relatively quickly 	<ul style="list-style-type: none"> • Private contractor is an unknown quantity • Contractor may not be au fait with the workings and culture of Local Authority • Any private sector partnership will be unlikely to include local contractors; • Profit element of partnership may impact on funds available for development

3.1.8 Service Delivery Summary

Table 9: Service Delivery appraisal summary

Investment Objectives	LA	LA & PSP	PPP
1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;	✓	✓	✓
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;	✓	✓	✓
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;	✓	✓	✓
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;	✓	✓	✓
5. To create a physical environment that promotes health and wellbeing;	✓	✓	✓
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;	✓	✓	✓
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.	✓	✓	✓
Critical Success Factors			
Strategic Fit	✗	✓	✗
Potential VFM	?	✓	✗
Potential achievability	✗	✓	✓
Supply side capability	✗	✓	✓
Affordability	✗	✓	✗
Summary	Discounted	Preferred	Discounted

A mixture of public private sector partner arrangements are the preferred option for the delivery of this scheme, details of the procurement for a design and build contractor are contained within the Commercial Case for the scheme. Ongoing service delivery for the centre will be undertaken by the Local Authority.

3.1.9 Implementation Appraisal

The implementation options for this business case are:

- Do Minimum: Centre is operational by October 23
- Intermediate: Centre is operational by April 23;
- Do Maximum: Centre is operational by October 2022.

Table 10 – Implementation advantages and disadvantages

Minimum: Enterprise Centre opens October 2023	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows for more extensive market engagement during procurement; • Allows for a longer design period; 	<ul style="list-style-type: none"> • Minimises the speed at which benefits accrue; • Does not enable BDC to comply with grant funding spend requirements.
Intermediate: Enterprise Centre opens April 2023	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows for more extensive market engagement during procurement; • Allows for a longer design period; 	<ul style="list-style-type: none"> • Limits somewhat the speed at which benefits accrue; • Does not enable BDC to comply with grant funding spend requirements.
Maximum: Enterprise Centre opens October 2022	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Maximises the speed at which accrual of benefits occurs; • Enables BDC to comply with grant funding spend requirements. 	<ul style="list-style-type: none"> • Challenging delivery timeline limits pre-market engagement within procurement; • Challenging delivery timeline could stifle innovation during design.

3.1.10 Implementation Summary

Table 11 – Funding appraisal summary

Investment Objectives	Oct 23	April 23	Oct 22
1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;	✓	✓	✓
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;	✓	✓	✓
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;	✓	✓	✓
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;	✓	✓	✓
5. To create a physical environment that promotes health and wellbeing;	✓	✓	✓
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;	✓	✓	✓
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.	✓	✓	✓
Critical Success Factors			
Strategic Fit	x	x	✓
Potential VFM	x	x	✓
Potential achievability	✓	✓	✓
Supply side capability	✓	✓	✓
Affordability	✓	✓	✓
Summary	Discounted	Discounted	Preferred

In order to satisfy the grant requirements and maximise the accrual of benefits BDCs preferred implementation plan is to deliver the whole Enterprise centre in one phase to enable opening of the new facility in October 2022.

3.1.11 Funding Option Appraisal

The funding options identified for this business case are

- Minimum – Wholly Local Authority funded from capital programme;
- Intermediate - Mix of Local Authority borrowing and SELEP funding;
- Maximum - Wholly SELEP grant funded.

Table 12 – Funding advantages and disadvantages

Minimum: Wholly Local Authority funded from capital programme.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Wouldn't require any additional Local Authority borrowing; • Maximum control over scale and timescale of scheme. 	<ul style="list-style-type: none"> • Diverts capital from other community priorities; • Cost prohibitive; • Affordability.
Intermediate: Mix of Local Authority borrowing and SELEP grant funding.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Ensures affordability of scheme; • Provides certainty to more than one public sector agency that the scheme fits strategically both locally and regionally; • Allows for the direction of capital monies to other community priorities. 	<ul style="list-style-type: none"> • Repayment costs for Local Authority may impact on revenue budgets; • SELEP grant funding requirements may be onerous; • Application process may delay delivery.
Maximum: Wholly SELEP grant funded.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Enables major local capital investment in other community priorities. 	<ul style="list-style-type: none"> • SELEP grant funding requirements may be prohibitive; • SELEP funding protocols unlikely to fund 100% of any scheme; • Application process may delay delivery. • May stifle innovation.

3.1.12 Funding Option Summary

Table 13 – Funding appraisal summary

Investment Objectives	LA 100%	Mix	SELEP 100%
1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;	✓	✓	✓
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;	✓	✓	✓
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;	✓	✓	✓
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;	✓	✓	✓
5. To create a physical environment that promotes health and wellbeing;	✓	✓	✓
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;	✓	✓	✓
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.	✓	✓	✓
Critical Success Factors			
Strategic Fit	×	✓	✓
Potential VFM	✓	✓	✓
Potential achievability	✓	✓	?
Supply side capability	?	✓	?
Affordability	×	✓	✓
Summary	Discounted	Preferred	Discounted

A mixture of local BDC and SELEP funding is the preferred option for delivery as it meets all of the projects investment objectives and critical success factors. The option to receive full grant funding for the project is obviously attractive to BDC but it has been discounted as it is unlikely to be approved by SELEP.

3.1.13 Option Appraisal Summary

Table 14 – Long List Summary

Scope appraisal	Do Nothing: Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035;		Do minimum: Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m ² ;		Intermediate A: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m ² ;		Intermediate B: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m ² ;		Do Maximum: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m ² ;			
Service solution (Long list appraisal)	Option 1: A service office environment only;		Option 2: A service office environment with meeting space and conference room;		Option 3: Enterprise Centre with 1000Xm ² office space, 100m ² meeting space, conference room and café		Option 4: Enterprise Centre with 1000Xm ² office, co-working and event space, 100m ² meeting space, conference room and café		Option 5: Enterprise Centre with 1000Xm ² office space, co-working and event space, 100m ² meeting space, conference room, café and maker space		Option 6: Enterprise Centre with 1000Xm ² office space, co-working and event space, 100m ² meeting space, conference room, café, maker space and virtual office	
Service Delivery	Minimum: LA Delivery				Intermediate: LA and Private Sector Delivery				Maximum: Private Sector partnership (PPP)			
Implementation	Minimum: Enterprise Centre opens October 2023				Intermediate: Enterprise Centre opens October 2023				Maximum: Enterprise Centre opens October 2022			
Funding	Minimum: Wholly LA Funded				Intermediate: Mixed LA & SELEP Funded				Maximum: Wholly SELEP Funded			

3.2 Preferred option:

[Describe the Preferred Option and identify how the scheme aligns with the objectives. Include evidence of stakeholder support for the Preferred Option either through consultation on the scheme itself or on the strategy the scheme forms part of; max. 1 page.]

Based on the longlist appraisal the shortlisted options for this business case are as follows:

- **Do Nothing:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035;
- **Option 5:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space
- **Option 6:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office.

Following the options appraisal process set out above option 6 is Braintree District Councils preferred option. In terms of capital costs there is no difference between options 5 and 6, only the revenue costs differentiate the two. As stated above the Do Nothing option does not meet a series of investment objectives or critical success factors for the scheme and has only been shortlisted as an economic comparator.

Internal workshops within Braintree District Council have considered the available options and a broad level of officer consensus across a range of disciplines has shown support for the identified preferred option. Key reasons for this are:

- The development of an Enterprise Centre at Horizon 120 aligns to the priorities within the 2020-2024 Corporate Strategy and the Economic Development Prospectus 2013-2026, which includes an ambition to deliver 9,000 job growth by 2026.
- There is a strong demand for growth in office space in the locality, with forecasts that office space requirements will increase from the 2020 level of 136,800m² to 163,700m² by 2045; an increase of almost 20% on current levels.
- A building with a GIA of 3,100m² offers the ability to leverage opportunities from the existing sectoral mix present within the district, providing business incubation facilities to encourage new enterprise start-ups and wrap around business support services to help ensure business survival.
- The target Professional, scientific and technical services areas are clustered quite densely in the locality around the location of Horizon 120, presenting opportunities for businesses, that decide to locate there, strong adjacencies to the existing business community.
- At a GIA of 3,100m² the development will be able to comply fully with the local development order minimising any potential issues with planning.

Local Political Support for the preferred option has been obtained from the portfolio holder, Cabinet, Full Council and the local members for Great Notley.

3.3 Assessment approach:

[Describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used, and specify the Do Minimum and Do Something scenarios. The assessment approach should be a proportionate application of the DCLG guidance; max. 1.5 pages.]

The quantitative economic appraisal for the scheme has adopted the following approach:

- All costs and benefits are expressed in constant 2020 prices and are presented in the discounted cashflow utilising a discount factor of 3.5% for years 0 through 29 and 3.0% for years 30 onwards;
- Year 0 for the project is identified to be the 2020/21 financial year;
- Sunk costs have been excluded from all calculations;
- The evaluation time horizon adopted for the business case has been set at 40 years.
- The DCLG preferred method of economic appraisal has been adopted and the appropriate land value uplift has been calculated for both the reference 'do nothing' option and BDCs preferred 'do something option';
- The VOA land value estimates for policy appraisal have been used to calculate the approximate land value uplift achievable for the reference case scheme;
- A land valuation report conducted by [REDACTED] Property Consultants dated 28th September 2020 has been used to calculate the land value uplift achievable for the preferred case scheme;
- The total site size for the development is 10,000m²;
- HCA guidance has been used to indicate the employment density for space of different planning use cases;
- The potential GVA of employment that is resultant of the scheme has been calculated based on ONS regional balanced value estimates 2018 divided by the BRES 2018 number of people employed within specific sectors and Braintree District;
- HCA guidance on additionality has been used to inform the approach to deadweight, leakage, displacement and economic multipliers;
- The benefit cost ratio has been calculated on the GBF element and total public cost of the scheme;
- Further benefit cost ratios have been calculated to demonstrate the total public value of the scheme based on all workplace GVA not just those moving from unemployment to employment;
- HCA guidance on 'Calculating Cost per job' has been used to demonstrate the gross public sector cost per job created by the Enterprise Centre;
- The reference case is considered to be a private sector development, and will not be in receipt of any SELEP funding.

3.4 Economic appraisal assumptions:

[Provide details of the key appraisal assumptions by filling in the table in Appendix A, expand if necessary. Key appraisal assumptions as set out in Appendix providing justification for the figures used and any local evidence, where appropriate (different from the standard assumptions or the ones with the greatest influence on the estimation of benefits). Explain the rationale behind displacement and deadweight assumptions.]

3.4.1 Reference Case

The following economic assumptions have been made in relation to the reference case:

- **Development description: A 5000m² (GEA) B8 planning use class warehouse, with a 10% ongoing vacant space allocation (4500)m²;**
- Construction: Estimated to take place during business case years 12 and 13, equally spread across the two financial years. Build cost is estimated at £927 per m²;
- Optimism Bias: Is set at 24% and has not been mitigated;
- Risk: Set at 10% of the capital value based on expected SOC stage valuations;
- Opening Date: Year 14 of the appraisal (2034/35). For this scheme to come to the market the current LDO will need to be relaxed, it has been assessed that the likely timeframe for this will be 10 years. A further 5 years are expected to pass before a developer decides to take up the opportunity to develop a scheme and complete the design and build process.
- Deadweight value of land: £21,000 per ha based on VOA land value estimates for policy appraisal for agricultural space 2019;
- Land value post uplift: £600,000 per ha based on VOA land value estimates for policy appraisal for industrial space 2019
- Employee Density (HCA): Storage and distribution (regional) 1:77m²
- Leakage: 12% leakage based on 2011 Census data on method of travel to work usual place of residence and place of work. This indicates that there were a total of 42,204 people over the age of 6 working in Braintree District, with 37,277 of these residing within Essex (88.3%).
- Displacement: 30% There is considered to be a low level of displacement of existing activity as the EEFM forecasts an ongoing demand for light industrial and warehouse space within the district. The relatively poor condition of some of the existing stock may however lead to some displacement of existing activity as businesses look to access more modern, fit for purpose space.
- Multipliers: 1.29 composite multiplier identified by the HCA for B2/B8 space within a local area;
- Average annual GVA per employee: Estimated to be £51,200 for SIC subsectors 52-53 (Warehousing, transport support, postal and courier activities) within Braintree;
- Average annual GVA per employee in region: £63,025 based on a SIC sectors within Braintree;
- Construction Employee Jobs: Based on a construction coefficient of 10 (private industrial) multiplied by 1 job for every £1m construction spend;
- Construction leakage: 25% as per HCA guidance;
- Construction displacement: 25% as per HCA guidance;
- Construction multiplier: 2.7 as per HCA guidance;

- Average annual GVA per Construction employee: Estimated to be £79,000 for SIC sector F (Construction) within Braintree;
- Economic inactivity conversion rate: 10% of net direct jobs created by the scheme will be taken by those currently unemployed or economically inactive;
- Employee turnover rates have assumed that there will be on average one new employee at the warehouse, who moves from being economically inactive to employment each year.
- Persistence: Benefits arising from the movement from being economically inactive to economically active are assumed to persist for a ten year period, depreciating in a straight line at a rate of 10% per annum.

3.4.2 Preferred Case

The following economic assumptions have been made in relation to the preferred case:

- **Development description: Development of a 3100m² (GIA) Enterprise Centre, with a 10% ongoing vacant space allocation (310)m².**
- Opening Date: The Enterprise Centre is forecast to open on 1st October 2022, which is Y2 of the appraisal.
- GBF Grant: £7,000,000
- Optimism Bias: Is set at 24% and has been mitigated to 6.2% (see section 3.5.3 below for full breakdown);
- Risk: Estimated risk cost is £1,150,000 (see section 5.4 below for full breakdown);
- Land value post uplift: £00 per m² based on local valuation;
- Employee Density (HCA): Professional Services 1:12 m²
- Deadweight: The deadweight for the preferred case is estimated to be the total value of the reference case (assumptions set out above)
- Leakage: 12% leakage based on 2011 Census data on method of travel to work usual place of residence and place of work. This indicates that there were a total of 42,204 people over the age of 6 working in Braintree District, with 37,277 of these residing within Essex (88.3%);
- Displacement: 25% (HCA guidance ready reckoner low). There is considered to be a low level of displacement of existing activity as the EEFM forecasts an ongoing demand for office space within the district. The level is assessed to be slightly lower than the reference case as there is no within district equivalent to the proposed Enterprise Centre, the nearest equivalent alternatives being out of district, in Colchester and Chelmsford;
- Multipliers: 1.29 composite multiplier identified by the HCA for B1 space within a local area;
- Average annual GVA per employee: Estimated to be £90,086 for SIC subsectors J, K, M and N within Braintree;
- Average annual GVA per employee in region: £63,025 based on a SIC sectors within Braintree;
- Construction Employee Jobs: Based on a construction coefficient of 16.6 (private commercial) multiplied by 1 job for every £1m construction spend;
- Construction leakage: 25% as per HCA guidance;

- Construction displacement: 25% as per HCA guidance;
- Construction multiplier: 2.7 as per HCA guidance;
- Average annual GVA per Construction employee: Estimated to be £79,000 for SIC sector F (Construction) within Braintree;
- Economic inactivity conversion rate: 10% of net direct jobs created by the scheme will be taken by those currently unemployed or economically inactive;
- Survival Rates: ONS survival rates have been applied to businesses operating at the centre on a basis of Year 1 95%, Year 2 80%, Year 3 65%, Year 4 55%, Year 5 46%, with extrapolations from that point forward. This will lead to an average of two new individuals moving from unemployment to employment within the centre for each year of operation;
- Persistence: Benefits arising from the movement from being economically inactive to economically active are assumed to persist for a ten year period, depreciating in a straight line at a rate of 10% per annum.

3.5 Costs:

[Provide details of the costs of the scheme. All public-sector costs should be included:

- *Public sector grant or loan*
- *[Public sector loan repayments] (negative value)*
- *Other public sector costs*
- *[Other public sector revenues] (negative value)*

If the land is owned by the public sector, then the public sector will be incurring holding costs assumed to be 2% of the existing value of the land per year. Should the land be used for non-residential development these holding costs will be avoided. This needs to be reflected in the appraisal as a negative cost.

Please note that any private costs associated with the development should be included in the appraisal as a dis-benefit and therefore feature in the numerator of the BCR calculation rather than the enumerator.

Additional details regarding the consideration of costs as well as standard assumptions that can be used in the absence of local data can be found in the [DCLG appraisal data book](#).]

3.5.1 Capital Costs

As this business case does not involve a residential scheme holding costs are assumed to be irrelevant in line with the template guidance.

Table 15 – Capital Cost Summary

Cost Element	Reference Case	Preferred Case
Capital Cost	£5,935,000	£16,000,000
Optimism Bias	£1,424,400	£994,560
Risk	£593,500	£1,150,000
Total	£7,952,900	£18,144,560

3.5.2 Preferred Case Capital Costs Breakdown

The capital costs of the scheme is estimated to be £16m. A breakdown of this cost is set out in the elemental plan below.

Table 16 – Cost Summary

Element of building	Cost
Facilitating works	£00
Substructure	£00
Frame, Upper Floors & Roofs	£00
Staircases	£00
External Walls	£00
M&E	£00
Internal Walls	£00
Wall Finishes	£00
Floor Finishes	£00
Ceiling Finishes	£00
Internal Doors	£00
M&E Fitout	£00
FF&E	£00
External Works	£00
Sub Total work cost	£00
Contingency @ 10%	£00
Add Client Directs	£00
Add Professional Fees	£00
Add land purchase costs	£00
Total costs	£00

3.5.3 Preferred Case Optimism Bias

Based on a scheme of £16 million value optimism bias has been calculated on the basis of a standard build project rate of 24% (£3.8m) mitigated to take account of project specific factors, to leave a residual optimism bias estimation of £994,560, which equates to 6.2%. A full breakdown of these mitigations is set out in the table below.

Table 17 – Optimism Bias Mitigation

Factors	Mitigation %	Mitigation explanation	CAPEX	Mitigated	Residual
Late contractor involvement in design	25%	Some mitigation, but early design is without contractor and therefore still a risk	76,800	19,200	57,600
Poor contractor capabilities	80%	All contractors in the framework are vetted financially and have significant experience in the education sector.	345,600	276,480	69,120
Dispute and claims occurred	75%	The project mandate, aligned to an experienced set of contractors, means that disputes can be managed without significant risk	1,113,600	835,200	278,400
Design Complexity	90%	There is no significant design complexity in this option	38,400	34,560	3,840
Degree of innovation	90%	There is no significant design complexity/innovation in the preferred option	153,600	138,240	15,360
Inadequacy of business case	70%	The business case is the reasonably compelling financially and more compelling Economically for this option	1,305,600	913,920	391,680
Project management team	90%	The Council has an experienced project management team set up for this scheme	38,400	34,560	3,840
Poor project intelligence	80%	Good project intelligence exists	76,800	61,440	15,360
Public relations	80%	No major negative responses	76,800	61,440	15,360
Site characteristics	80%	Site characteristics are sound for the preferred option	76,800	61,440	15,360
Economic	75%	This option is the best economically	422,400	316,800	105,600
Legislation/Regulations	80%	LDO in place to facilitate preferred scheme	115,200	92,160	23,040

Capital Expenditure: £3,840,000
Mitigated: £2,845,440
Residual £994,560

3.6 Benefits:

[Provide details of the benefits of the scheme identifying the ‘initial’ and adjusted benefits that were used to calculate the ‘initial’ and ‘adjusted’ BCR. The DCLG Appraisal Guidance provides additional details regarding the initial and adjusted benefit calculations on page 17.]

‘Initial’ Benefits

All impacts quantified based on the Green Book Guidance and Green Book Supplementary and Departmental Guidance should feature in the ‘initial’ BCR calculation. These impacts currently include:

- *Air quality*
- *Crime*
- *Private Finance Initiatives*
- *Environmental*
- *Transport (see WebTAG guidance)*
- *Public Service Transformation*
- *Asset valuation*
- *Competition*
- *Energy use and greenhouse gas emissions*
- *Private benefits e.g. land value uplift*
- *Private sector costs if not captured in land value*
- *Public sector grant or loan if not captured in land value*
- *Public sector loan repayments if not captured in land value*

‘Adjusted’ Benefits

There are several external impacts to the users or entities already present in a development area or to the society that are additional to the impacts included in the Green Book Supplementary and Departmental Guidance.

Such external impacts include potential agglomeration impacts on third parties, health impacts of additional affordable housing and brownfield land clean-up, educational impacts of additional housing, transport externalities, public realm impacts, environmental impacts, and cultural and amenity impacts of development. Such externalities should still form part of the appraisal and included in the ‘adjusted’ BCR.

Promoter should present here additional estimates of impacts based on their own evidence. These estimates might be based on tentative assumptions where the evidence base is not well established. Additional guidance regarding the identification of externalities and ways of estimating the ‘adjusted’ impacts are available in Annex F of the DCLG Appraisal Guidance.]

3.6.1 Quantitative Benefits Assessment

The quantitative benefits assessment for the reference scheme generated the following results:

Table 18 – Reference Case Quantifiable Benefits

Annual Jobs/GVA

Ref	Calculation	Description	
A		Gross direct jobs	44
B	A*Leakage	Leakage	5
C	A-B	Workplace direct effects	39
D	C*Displacement	Displacement	12
E	C-D	Net workplace direct effects	27
F	E*Multiplier	Multiplier	8
G	E+F	Total net workplace effects	35
H		Average annual GVA per employee	£ 51,200
I		Average annual GVA per employee in region	£ 63,025
J	(E*H)+(F*I)	Total net local effects	£ 1,886,600
K			£ 1,886,600

Construction Jobs/GVA

Ref	Calculation	Description	
A		Gross direct jobs	46
B	A*Leakage	Leakage	12
C	A-B	Workplace direct effects	35
D	C*Displacement	Displacement	9
E	C-D	Net workplace direct effects	26
F	E*Multiplier	Multiplier	44
G	E+F	Total net workplace effects	70
H		Average annual GVA per employee	£ 79,000
I		Average annual GVA per employee in region	£ 63,025
J	(E*H)+(F*I)	Total net local effects	£ 4,827,100
K			£ 4,827,100

Social Value Converting Unemployment to Employment (10 Year Persistence)

Ref	Value	Description	40 Year Value
1	10%	Ongoing Unemployment to Employment	23
2	10%	Construction Unemployment to Employment	3
3	£ 51,200	Ongoing Unemployment to Employment	£ 9,558,125
4	£ 79,000	Construction Unemployment to Employment	£ 205,400
5			£ 9,763,525

The quantitative benefits assessment for the preferred scheme generated the following results:

Table 19 – Preferred Case Quantifiable Benefits

Annual Jobs/GVA

Ref	Calculation	Description	
A		Gross direct jobs	187
B	A*Leakage	Leakage	22
C	A-B	Workplace direct effects	165
D	C*Displacement	Displacement	41
E	C-D	Net workplace direct effects	124
F	E*Multiplier	Multiplier	36
G	E+F	Total net workplace effects	160
H		Average annual GVA per employee	£ 90,086
I		Average annual GVA per employee in region	£ 63,025
J	(E*H)+(F*I)	Total net local effects	£ 13,439,564
K	Less Deadweight	Total net additional effects	£ 11,552,964

Construction Jobs/GVA

Ref	Calculation	Description	
A		Gross direct jobs	266
B	A*Leakage	Leakage	66
C	A-B	Workplace direct effects	199
D	C*Displacement	Displacement	50
E	C-D	Net workplace direct effects	149
F	E*Multiplier	Multiplier	253
G	E+F	Total net workplace effects	402
H		Average annual GVA per employee	£ 79,000
I		Average annual GVA per employee in region	£ 63,025
J	(E*H)+(F*I)	Total net local effects	£ 27,716,325
K	Less Deadweight	Total net additional effects	£ 22,889,255

Social Value Converting Unemployment to Employment (10 Year Persistence)

Ref	Value	Description	40 Year Value
1	10%	Ongoing Unemployment to Employment	98
2	10%	Construction Unemployment to Employment	15
3	£ 90,086	Ongoing Unemployment to Employment	£ 39,457,688
4	£ 79,000	Construction Unemployment to Employment	£ 1,177,100
5		Total	£ 40,634,768
6	Less Deadweight	Total net additional effects	£ 30,871,253

The quantitative benefits appraisal identifies that BDC's preferred option is forecast to generate substantially more jobs and therefore GVA than the reference case alternative. There are several factors which influence this including:

- The preferred options is estimated to become operational 12 years earlier than the reference case scheme due to several local factors including that the land has remained undeveloped to this point in time as it has not been seen as commercially attractive. It has also been considered that the likely alternative developments on the site would require the council to seek to relax the recent LDO on the land, in order to enable a private developer to bring an alternative scheme to market;
- The Enterprise Centre has a substantially higher employee density than the hypothesized alternative Warehouse scheme, and despite being smaller in GIA/GEA, it will naturally support a greater number of direct jobs;
- The expected tenancy profile for the Enterprise Centre is estimated to be drawn from SIC sectors J (Information and Communication), K (Finance and Insurance), M (Professional, Scientific and Technical) and N (Admin and Support Services) which create substantially higher GVA than SIC subsector 52-53 (Warehousing);
- The construction of the Enterprise Centre has a higher construction co-efficient than the construction of a warehouse with the result that construction will support more jobs in the preferred case than the reference case;
- The estimation of displacement for the reference case is estimated to be slightly higher than the preferred case due to the condition of the local stock of warehouse space.

Key metrics from the analysis include:

- The Enterprise centre is estimated to support 160 net ongoing jobs within the local economy of which 124 will be directly employed at the centre;
- The total annual GVA supported by the centre once it reaches 90% capacity is estimated to be £13,439,564 per annum;
- Over the 40 year model it is estimated that 98 people will move from being economically inactive to being economically active generating at total of £39,457,688 GVA over the period;
- Construction is estimated to support a net workplace effect of 402 jobs for the duration of the build, of which 149 are direct net workplace jobs, and 15 of which are estimated to be taken by those who are economically inactive.

3.6.2 Qualitative Benefits Assessment

Scheme benefits have been grouped into four categories, and the benefit groups were then weighted by the project team to facilitate the qualitative assessment.

Table 20 – Benefits assessment table

Benefit Category	Example Qualitative Benefits	Weight Total 100%
Support the growth of key economic sectors within the local economy	<ul style="list-style-type: none"> Improved links with markets beyond the District and Essex; Create higher value employment opportunities, helping to retain and attract new residents; 	25%
Foster business development and support existing businesses within the District	<ul style="list-style-type: none"> Facilitate business growth and maximise business survival rates; Enable a critical mass of SMEs either directly or indirectly, thereby facilitating additional value through clustering; Help small to businesses develop greater efficiencies and specialisms enabling them to become more competitive within the marketplace; 	25%
Stimulate skills development in Braintree District and the wider Essex County	<ul style="list-style-type: none"> Improve attractiveness of Braintree as a business location; Increase skills base and competitiveness of local labour force; Support the movement from unemployment to employment, and from less productive to more productive jobs. 	25%
Improve the attractiveness of Braintree as a place to do businesses	<ul style="list-style-type: none"> Attract inward investment and new businesses to the area acting as a catalyst for further localised regeneration; Reduce commuter outflows; Raise awareness of opportunities and aspirations in the local area and wider region; Help to create a stronger and more diversified local economy. 	25%

Table 21 – Benefits assessment results

Each of the benefit groups were scored on a range of 0-10 for each option. These scores were agreed by the workshop participants to confirm that the scores were fair and reasonable.

Benefit Group	Weight	Maximum Score	Raw Scores		Weighted Scores	
			Reference Case	Preferred Case	Reference Case	Preferred Case
Support the growth of key economic sector within the local economy	25%	10	4	8	1.0	2.0
Foster business development and support existing businesses within the District	25%	10	2	8	0.5	2.0
Stimulate skills development Braintree District and the wider Essex County	25%	10	3	9	0.8	2.3
Improve the attractiveness of Braintree as a place to do businesses	25%	10	3	9	0.8	2.3
Total	100%		12	36	3.0	8.5

The qualitative benefits assessment identifies that the preferred scheme is expected to generate substantially greater benefits to the locality than the reference case scheme. This aligns to the option appraisal framework application, where the preferred scheme to deliver an ‘Enterprise Centre with at least 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office’ was found to meet all the investment objectives and critical success factors for the scheme.

In contract the reference case did not meet any of the project investment objectives and only three of the five critical success factors.

3.7 Local impact:

[If the scheme has a significant level of local impacts these should be set out in this section.]

Estimates for leakage set out above suggest that 87.5% of jobs supported by the Enterprise Centre will be filled by those living within the Essex County area. This is a workplace direct effect of 165 jobs.

3.8 Economic appraisal results:

[Please provide details of the key appraisal results (BCR and sensitivity tests) by completing the table below. Please note, not all sections of the table may require completion.]

Promoters should also include a statement which identifies other schemes which may have potentially contributed to the same benefits/impacts.

Smaller schemes (less than £2 million) are not required to complete a quantified economic appraisal but are required to include a Value for Money rationale.]

Options Summary:

- **Do nothing Reference Case:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035 (5000m² GEA);
- **Option 6 Preferred Case:** Enterprise Centre (3100m² GIA) with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space and virtual office;

The economic appraisal results for this business case are set out in table 22 below. To provide a rounded economic analysis a range of BCR's have been produced based on different approaches, these can be summarised as follows:

- BCR Reference Case: There is no BCR as the costs are not public sector costs and the scheme would not be in receipt of any GBF grant or public funding;
- BCR GVA whole life model (40 years):
 - A: All ongoing revenue income generated by the centre;
 - B: All construction costs, inclusive of optimism bias and risk;
 - B: All ongoing revenue costs to operate the centre (less business rates);
 - C: Total GVA for net workplace effects generated by the scheme;
 - A and C: Less deadweight benefits.
- BCR GBF Only Land Value Uplift (40 years):
 - A: Land value uplift;
 - B: GBF cost only;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence.
- BCR GBF Only Land Value Uplift Less Deadweight (40 years):
 - A: Land value uplift;
 - B: GBF cost only;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
 - A and C: Less Reference Case Deadweight benefits;
- BCR Full Capital Cost Land Value Uplift (40 years):
 - A: Land value uplift;
 - B: Full capital cost of the scheme;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
- BCR Full Capital Cost Land Value Uplift Less Deadweight (40 years):
 - A: Land value uplift;
 - B: Full capital cost of the scheme.
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
 - A and C: Less Reference Case Deadweight benefits.

Table 22 – DCLG Summary Table

Re	DCLG Sections	Appraisal	5000m2 Warehouse	3100m ² Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight	3100m ² Enterprise Centre GBF Only	3100m ² Enterprise Centre GBF Only Net Deadweight	3100m ² Enterprise Centre Whole Capital Cost	3100m ² Enterprise Centre Whole Capital Cost Net Deadweight
	Option		Reference Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case
A	Present Value Benefits		£357,696	£15,200,295	£1,730,065	£1,372,369	£1,730,065	£1,372,369
B	Present Value Costs (£m)		£-	£29,627,799	£6,763,285	£6,763,285	£15,420,060	£15,420,060
C	Present Value of other quantified impacts (£m)		£4,213,566	£261,255,614	£23,494,537	£19,280,971	£23,494,537	£19,280,971
D	Net Present Public Value (£m) [A-B] or [A-B+C]		£4,571,262	£246,828,110	£18,461,317	£13,890,055	£9,804,542	£5,233,280
E	'Initial' Benefit-Cost Ratio [A/B]		No BCR	0.51	0.26	0.20	0.11	0.09
F	'Adjusted' Benefit Cost Ratio [(A+C)/B]		No BCR	9.331	3.730	3.054	1.636	1.339
G	Significant Non-monetised Impacts	See Qualitative Benefits Assessment						
H	Value for Money (VfM) Category		No BCR	High	High	High	Low	Low

Re	DCLG Sections	Appraisal	5000m ² Warehouse	3100m ² Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight	3100m ² Enterprise Centre GBF Only	3100m ² Enterprise Centre GBF Only Net Deadweight	3100m ² Enterprise Centre Whole Capital Cost	3100m ² Enterprise Centre Whole Capital Cost Net Deadweight
	Option		Reference Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case
I	Switching Rationale Category	Values & VfM for	>2 = High >1 = Low	>2 = High >1 = Low	>2 = High >1 = Low	>2 = High >1 = Low	>2 = High >1 = Low	>2 = High >1 = Low
J	DCLG Financial Cost (£m)		N/A	N/A	N/A	N/A	N/A	N/A
K	Risks		See risk sections of the report.					

It should be noted that the initial cost benefit ratio for this project using the land value uplift calculations do not provide an accurate reflection of the benefits of the scheme as the parcel of land within which the Enterprise Centre will be built is only one hectare, while the capital cost of a building is substantial. The adjusted BCR is therefore put forward as the most accurate representation of value for money.

The deadweight reference scheme is considered ambitious and has been developed in order to provide a robust counterweight to BDCs preferred development of an Enterprise Centre. It is entirely plausible that the land on which the Enterprise Centre is to be developed could remain undeveloped for the whole of the 40 year time horizon, were this scenario to occur then the deadweight value of the scheme would be negligible at just the agricultural value of one hectare of land alone.

In summary:

- If all GVA impacts of the scheme are considered the scheme presents a very high and robust BCR of 9.33:1;
- Using DCLG's preferred land value uplift calculation against the GBF funding allocation alone, after subtracting for deadweight the scheme provides a high BCR of 3.05:1 (3.7:1 before deadweight).

Sensitivity applied to these figures based on switching values is set out below.

Table 23– DCLG Summary Switching Value 5% Economically inactive to active

Ref	Scheme Description	5000m2 Warehouse	3100M2 Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight	3100m2 Enterprise Centre GBF Only	3100m2 Enterprise Centre LGF Only Net Deadweight	3100m2 Enterprise Centre Whole Capital Cost	3100m2 Enterprise Centre Whole Capital Cost Net Deadweight
	Option	Reference Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case
A	Present Value Benefits (£M)	£ 357,696	£15,200,295	£ 1,730,065	£ 1,372,369	£ 1,730,065	£ 1,372,369
B	Present Value Costs (£M)	£ -	£ 29,627,799	£ 6,763,285	£6,763,285	£ 15,420,060	£15,420,060
C	Present Value Other Impacts (£M)	£685,424	£ 261,255,614	£11,077,973	£10,392,549	£ 11,077,973	£ 10,392,549
D	Net Present Public Value (£M)	£1,043,120	£ 246,828,110	£6,044,753	£ 5,001,633	-£2,612,022	-£ 3,655,142
E	Initial Benefit Cost Ratio	No BCR	0.51	0.26	0.20	0.11	0.09
F	Adjusted Benefit Cost Ratio	No BCR	9.331	1.894	1.740	0.831	0.763
H	Value for Money Category	No BCR	High	Low	Low	Low	Low

Reducing the proportion of employment that is resultant from a movement from being economically inactive to economically active by 5% to 5% of the total can be seen to have a downward effect on all relevant BCR calculations. For some calculations this could push the BCR below the threshold of 1 that is necessary to indicate a low value for money for the scheme.

Table 24 – DCLG Summary Switching Value 15% Economically inactive to active

Ref	Scheme Description	5000m2 Warehouse	3100M2 Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight	3100m2 Enterprise Centre GBF Only	3100m2 Enterprise Centre LGF Only Net Deadweight	3100m2 Enterprise Centre Whole Capital Cost	3100m2 Enterprise Centre Whole Capital Cost Net Deadweight
	Option	Reference Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case	Preferred Case
A	Present Value Benefits (£M)	£357,696	£15,200,295	£1,730,065	£1,372,369	£1,730,065	£1,372,369
B	Present Value Costs (£M)	£-	£ 29,627,799	£6,763,285	£6,763,285	£15,420,060	£15,420,060
C	Present Value Other Impacts (£M)	£4,955,729	£ 261,255,614	£33,435,216	£28,479,487	£33,435,216	£28,479,487
D	Net Present Public Value (£M)	£5,313,424	£ 246,828,110	£28,401,996	£23,088,571	£19,745,220	£14,431,796
E	Initial Benefit Cost Ratio	No BCR	0.51	0.26	0.20	0.11	0.09
F	Adjusted Benefit Cost Ratio	No BCR	9.331	5.199	4.414	2.280	1.936
H	Value for Money Category	No BCR	High	High	High	High	Low

Increasing the proportion of employment that is resultant from a movement from being economically inactive to economically active by 5% to 15% of the total can be seen to have a upward effect on all relevant BCR calculations. Within this scenario all variations are close to or above the 2% threshold that would indicate a high value for money for the scheme.

4 COMMERCIAL CASE

The commercial case determines whether the scheme is commercially viable and will result in a viable procurement and well-structured deal. It sets out the planning and management of the procurement process, contractual arrangements, and the allocation of risk in each of the design, build, funding, and operational phases.

4.1 Procurement options:

[Present the results of your assessment of procurement and contracting route options and the supplier market, and describe lessons learned from others or experience; max. 1 page.]

The procurement process followed by the project team is robust and well-structured and is expected to result in a viable procurement.

Two procurement options were looked at:

- Go out to full market
- Use a Framework

Due to the tight deadlines of the programme, the council decided to use a Framework Agreement. Advantages to the council of using one of these established OJEU approved procurement frameworks are as follows:

1. Faster, more efficient procurement leading to time savings gained from streamlined tendering processes.
2. Contractors have been vetted for their financial standing and technical capability –reduced risk and additional vetting will be carried by the council before appointment is finalised.
3. Cost savings –lower overheads and profit from Contractors owing to prospect of large volume of work.
4. Ease of Project Management –clients see their wider project administration costs reduced from standard contracts.
5. The framework promoters offer end to end administration, project initiation and relationship support to the client.
6. Many of the frameworks have evolved to offer the best contractors for particular types of projects in given areas.
7. The frameworks are promoting best practice ways of working in BIM, sustainability, inclusion and collaboration.

A number of Agreements were reviewed:

1. The Southern Construction Framework
2. The Crown Commercial Service, Lot 3.2: Construction & Assoc. Services
3. The London Construction Programme Major Works Framework
4. Procure Partnerships East Framework
5. The LHC Framework –Schools & Community Buildings
6. PAGABO Framework –Major Works £5M to £10M (South East)
7. The Scape Group Region Framework
8. Fusion 21 Framework
9. Essex Construction Framework 2 –Lot 3 (£4m+)

The LHC framework became the front runner. Following review, this framework was deemed suitable, with minor concerns regarding the definition of our build fitting into a “Community Building” definition.

4.2 Preferred procurement and contracting strategy:

[Define the procurement strategy and contracting strategy (e.g. traditional, (design and build, early contractor involvement) and justify, ensuring this aligns with the spend programme in the Financial Case and the project programme defined in the Management Case; max. 2 pages.]

A decision was made earlier in the process to use an established national framework. We (The project team) identified nine pre-approved public sector procurement frameworks which can be used by Braintree District Council, namely:

1. The Southern Construction Framework
2. The Crown Commercial Service, Lot 3.2: Construction & Assoc. Services
3. The London Construction Programme Major Works Framework
4. Procure Partnerships East Framework
5. The LHC Framework – Schools & Community Buildings
6. PAGABO Framework – Major Works £5M to £10M (South East)
7. The Scape Group Region Framework
8. Fusion 21 Framework
9. Essex Construction Framework 2 – Lot 3 (£4m+) framework promoters offer end to end administration, project initiation and relationship support to clients.

Advantages to BDC of using one of these established OJEU approved procurement frameworks are as follows:

1. Avoids the requirement to use a contract notice (since the project is advertised through a pre-approved framework)
2. Faster, more efficient procurement leading to time savings gained from streamlined tendering processes.
3. Contractors have been vetted for their financial standing and technical capability – reduced risk.
4. Cost savings – lower overheads and profit from Contractors owing to prospect of large volume of work.
5. Ease of Project Management – clients see their wider project administration costs reduced from standard contracts.
6. The Any of the following Public Sector Frameworks can be used by Braintree District Council:
7. Many of the frameworks have evolved to offer the best contractors for particular types of project in given areas.
8. The frameworks are promoting best practice ways of working in BIM, sustainability, inclusion and collaboration

Following careful analysis and evaluation, we came to the conclusion that the LHC framework was best suited for our purpose.

Individuals within the Council have had positive experiences of the LHC framework in the past. It provided a robust but flexible option to suit our initial combined procurement thoughts.

An early appointment of a contractor will be made using the LHC framework. The form of contract will be JCT Design and Build. A pre-construction Services Agreement (PCSA) will be used to limit the risk to Braintree District Council resulting from the early appointment of the contractor.

4.3 Procurement experience:

[Describe promoter (and advisor) experience of the proposed approach including any lessons learnt from previous procurement exercises of a similar scale and scope; max. 0.5 pages.]

Braintree District Council has a specialist in-house team; with highly experienced personnel. The Head of Procurement and her team have several years experience between them and have in-depth knowledge of the different procurement routes that can be used in this scheme.

Lessons learnt from past experience include:

- When assessing Framework Agreements, look at the costs involved in using the Agreement, mostly these are to the Supplier / Contractor, however these are passed on in the quoted prices,
- Mini-competition provides the most value for money route when using a Framework Agreement,
- Provide as much information as you have at the time of mini-competition, even if this is subject to change,
- Allow as long as possible for Suppliers / Contractors to read, absorb, ask relevant clarification questions, and to produce a decent submission. Subject to the value and the complexity of the documents, this can be 2-3 weeks for a simple exercise, to 4-5 weeks for a complex, high value exercise,
- The questions and weightings used to evaluate the submissions are key and should be similar to the ones used for the creation of the Framework Agreement, although these can be amended to be more relevant to the work required,
- Avoid an early commitment to a single provider, in order to maintain competitive pressure and to mitigate the risk of a price “ambush” by a contractor aware of programme constraints.

4.4 Competition issues:

[Describe any competition issues within the supply chain; max. 0.5 page.]

The Council has considered a variety of procurement alternatives & is proceeding with procurement on a single stage basis, with an early works package but maintaining competitive dialogue and tension, until after the planned SELEP Accountability Board meeting on November 20th. This approach will deliver the optimum balance between cost certainty and mitigating the risk of over-reliance on a single contractor during a pressurised delivery programme.

4.5 Human resources issues:

[Where possible, describe what you have done to identify and mitigate against any human resource issues; max. 0.5 pages.]

The Council has procured specialist interim resources to focus on this project and prioritise its delivery. The additional resources include a Project Director, who holds a PhD in Architecture and is full member of the Royal Institute of British Architects (RIBA). The Project Director led on the delivery of similar projects at Royal Holloway, University of London and at the London Borough of Lambeth.

The project is being led by a multi-disciplinary team which identifies all issues and inter-dependencies & ensuring that the workload is spread effectively.

4.6 Risks and mitigation:

Specify the allocation of commercial risks (e.g. delivery body, federated area, scheme promoters) and describe how risk is transferred between parties, ensuring this is consistent with the cost estimate and Risk Management Strategy in the Management Case; max. 1 page.]

The identification, analysis and mitigation of risk is covered elsewhere in this document. Meanwhile, the potential for risk transfer has been assessed and is planned to be managed through the procurement of the contract utilising a Design and Build Contract.

It is planned that early contractor involvement will assist in bringing the project in within budget. Early contractor involvement will allow the contractor to have significant input into the detailed design and product specification, which should contribute to reducing the risk of abortive works at detailed design stage.

Establishing a comprehensive and robust Employers Requirements Document (ERD) would help to transfer much of the risk generally incurred at construction stage over to the Contractor, as the contractor's will employ their own architects to submit the planning application and provide them with a full package of production information.

It is expected the ERD will provide as much detailed information about the site that is practically possible. The ERD will provide the bidding contractors with a full topographical survey (including any statutory services) and detailed geotechnical surveys at tender stage, thus reducing and transferring risk of any potential claim for delay due to ground conditions at construction stage.

One of the greatest risks to a client utilising a Design and Build contract is the changing of the brief. It is anticipated that through thorough preparation and consultation, a design brief, developed floor plan, and comprehensive set room data sheets, should result in minimal changes, thus minimising risk. However, it should be noted that as with all projects, changes to the brief can occur at any stage.

Table 25 – Commercial Risk categorisation

Risk Category	Potential allocation			
	Delivery Body	Federated Area	Scheme Promoters	Shared
Design risk				✓
Construction and development risk	✓			
Transition and implementation risk				✓
Availability and performance risk	✓			
Operating risk			✓	
Variability of revenue risks			✓	
Termination risks			✓	
Technology and obsolescence risks			✓	
Control risks			✓	
Residual value risks			✓	
Financing risks				✓
Legislative risks				✓
Other project risks				✓

4.7 Maximising social value:

[Where possible, provide a description of how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses); max. 0.5 page.]

By using a National framework, social value will be a key consideration. TOMs (themes, outcomes & measures) will focus on training opportunities for local people, impact on the environment, support for a local charitable enterprise.

5 FINANCIAL CASE

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values¹. The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

5.1 Total project value and funding sources:

[Specify the total project value and how this is split by funding sources by year, as per the table below (expand as appropriate). This should align with the total funding requirement described within the Project Overview section. Please include details of other sources of funding, and any conditions associated with the release of that funding. LGF can only be sought to 2020/21.]

The funding requirement for the Enterprise Centre is as follows:

- Total project Cost = £16m
- Total Capital Asked for from SELEP = £7m
- Local Authority Funding = £9m. This includes the land value of £1.3m

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

[Specify the amount and type of SELEP funding sought to deliver the project. This should align with the SELEP funding requirement described within the Project Overview section.]

SELEP Funding sought is £7m. Type is GBF.

5.3 Costs by type:

Detail the cost estimates for the project by year as per the table below (expand as appropriate) and specify how the inclusion of the Quantitative Risk Assessment (QRA) and other overheads aggregate to the total funding requirement. Where conversion has been made between nominal and real cost estimates (and vice versa) please provide details of any inflation assumptions applied. The Financial Case should not include Optimism Bias. Please confirm that optimism bias has not been applied in the Financial Case. Also, include details of the agreed budget set aside for Monitoring and Evaluation, and ensure this aligns with the relevant section in the Management Case. Please note, not all sections of the table may require completion.]

The following cashflow forecast has been prepared for the preferred case. Braintree District Council confirm that:

- Optimism Bias has been excluded from the calculations;
- The cashflow shows the total inclusive and exclusive of the risk contingency for the project;
- The budget for monitoring and evaluation is to be met from internal Braintree District Council revenue costs and will be borne as an overhead to existing project delivery;
- Construction inflation assumptions are set at 0% for Year 0 (2020/21), 2% for Year 1 (2021/22) and 3% for Year 3 and 4 (2022/23);
- CPI target inflation rate of 2% has been applied to all revenue expenditure items and all unit based income items (such as bookable meeting rooms), and estimated five yearly uplift in letting and membership costs is assumed at a rate of 10% every five years;
- The cost of monitoring and evaluation will be borne by BDC and therefore has no direct financial cost as officer time will not be charged to the project (i.e. it is a sunk cost).

¹ Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

Table 26 – Expenditure Forecast

Cost type	2020/21	2021/22	2022/23	2023/24	Total
Capital Construction	£2,445,913	£10,053,997	£3,200,090	£300,000	£16,000,000
Non-capital Contributions (Land)	-£1,300,000				-£1,300,000
QRA	£1,025,000	£125,000			£1,150,000
Monitoring and Evaluation	£0	£0	£0	£0	£0
Total funding requirement	£2,170,913	£10,178,997	£3,200,090	£300,000	£15,850,000
Inflation (%)	0%	2%	3%	3%	
Net Risk	£1,145,913	£10,053,997	£3,200,090	£300,000	£14,700,000

5.4 Quantitative risk assessment (QRA):

[Provide justification for the unit costs and a Quantitative Risk Assessment (QRA) provisions (detailed in the capital and non-capital tables above); max. 2 pages. Please provide supporting documents if appropriate.]

Table 27 – QRA table

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
1.0	BRIEF										
1.1	02/10/2020	Timely completion of SELEP Business case for funding approval	2	5	10	Wider team engaged to input into Business Case deliverables.	Braintree DC	Open		N/A	Consequences of not achieving SELEP funding not assessed.
1.2	05/10/2020	LDO Delivering a Compliant Scheme	3	5	15	Continued liaison with planning team / Buy in. Agreement of what the Planning team require in advance of the submission date to preview /feedback informally on WIP before submission. Explanation document describing approach and compliance with LDO. Strutt and Parker to develop and inform submission strategy (notably non architecture).	S&P/STL/ CPC	Open	Stage 3	N/A	Design team working to deliver compliance
1.3	02/10/2020	Project ownership and governance	3	3	9	Clear leadership and terms of reference - steering group meetings/EPB.	CPC	Open		N/A	N/A
1.4	02/10/2020	Instruction of Design/ PM/ QS Team for Stage 3 & 4 Design	2	3	6	Braintree scheduled to issue POs on 6/10/20 following sign off on 5/10/20	Braintree DC	Open		£200,000	Based on 1 month's programme delay pre-contract resulting in acceleration required on site to recover time
1.5	05/10/2020	Operational Approach Defined	3	3	9	Operational Team input into the building / layout / spaces and innovative offers (makers space etc). Level of service in catering provision and event space operation. Agree / determine next level of detail, service provision and sign off layouts.	Braintree DC	Open	Stage 2/3	£100,000	Based on 2 weeks' programme delay pre-contract resulting in acceleration required on site to recover time

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
1.6	05/10/2020	Business case rejected by SELEP	3	3	9	Review by SELEP independent technical evaluator	BDC	Open		N/A	Consequences of not achieving SELEP funding not assessed.
2.0	PLANNING										
2.1	02/10/2020	Completion of Planning Pack by end of November 2020	3	3	9	Consultation between Stride and Planning Officer during design development period. Compliance with LDO requirements.	Stride	Open		N/A	Currently on programme to achieve
2.2	02/10/2020	Planning Officer Resource	3	3	9	Planning Officer assigned to project and Planning Performance Agreement is in place.	Braintree DC	Open		N/A	N/A
2.3	02/10/2020	Compliance with LDO	2	2	4	LDO checklist in place and regular review taking place.	Stride	Open		N/A	Design team working to deliver compliance
2.4	05/10/2020	Design rejected by LPA	2	4	8	Engagement with planners via PPA	Braintree DC	Open		N/A	Design team working to deliver compliance
3.0	STATUTORY										
3.1	02/10/2020	Supporting documentation requirements to be determined e.g. Noise Dust and Vibration	3	3	9	Requirements to be developed in line with Planning and LDO requirements.	Stride	Open		N/A	Design team working to deliver compliance
3.2	02/10/2020	Agreement of Fire Strategy (Building Control/Fire Officer)	3	3	9	In collaboration with building control authority, ensure that objections by the LFPA to aspects of the fire safety strategy are addressed.	Stride	Open		N/A	Design team working to deliver compliance
4.0	THIRD PARTIES										

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
4.1	02/10/2020	Completion of Balfour Beatty works on schedule and ahead of commencement on site.	3	3	9	Closely monitor progress of BB works package and report to Project Steering Team weekly so mitigation strategy can be agreed if handover is delayed.	Braintree DC	Open		20,000	Worst case risk for BB demob/decant but low risk because a) works due to complete before ours commence, and b) existing site cabin does not clash with our works
5.0	DESIGN										
5.1	02/10/2020	Appointment of Fire Safety Consultant	1	1	1	Proposal for fire strategy consultant off framework being sought from Hydrock.	CPC	Open		Included above	Included above in 1 month precontract delay resulting in on site acceleration
5.2	02/10/2020	Acoustics requirements for the project.	1	3	3	Acoustic specialist to be appointed from RIBA stage 2 onward.	CPC	Open		N/A	Design team working to deliver compliance
5.3	02/10/2020	Late agreement of Option 5 Design. Accelerated design programme, completion of Stage 2 by 7/10/2020	3	3	9	Good communication/steering team meetings in place with all project stakeholders to enable quick decision making on design/operational impact.	STL/BDC/CPC	Open	RIBA 2/3	Included above	Included above in 1 month precontract delay resulting in on site acceleration
5.4	02/10/2020	Timely sign off of design stages by BDC.	3	3	9	Internal sign off agreed with AK and SE. Engagement with Council. Design freeze dates with all relevant parties.	Braintree DC	Open		Included above	Included above in 1 month precontract delay resulting in on site acceleration
5.5	02/10/2020	Urgent appointment of further design consultants to achieve Stage 3 completion on time.	1	5	5	CPC to issue proposal to BDC for remaining consultant appointments. If no direct supplier agreement is in place, appointments to be made as sub-consultants.	CPC	Open		Included above	Included above in 1 month precontract delay resulting in on site acceleration
5.6	05/10/2020	Suitability of Ground Investigation Information	3	3	9	Review current information and highlight any gaps in information and associated risk.	HYD	Open	ASAP	£200,000	assumed additional 1 month design delay for surveys and findings. Cost for accelerated on site works

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
5.7	05/10/2020	Contractor Impact on Design	3	3	9	Early engagement with Contractors at stage 1 of tender process to understand any proposals they have that may impact on current design. If significant review commercial and programme risks before adopting the proposals.	CPC/HYD/STL	Open	RIBA 3	N/A	Design team working to deliver compliance
5.8	05/10/2020	Zone coordination MEP/Structures	1	1	1	Agree and understand key servicing zone requirements at design stage positioning structure to accommodate. Set out basic servicing and structure zones so this is understood by any potential stakeholders such as the Architect and Main Contractor's specialist MEP sub-contractors.	HYD	Open	RIBA 3	N/A	Design team working to deliver compliance
5.9	05/10/2020	COVID 19 impact on business operations/ use of facility. Covid restrictions impact on the appetite for the large events space, with this impacting on the financial projections for a number of years	3	3	9	Design features to adapted to meet the need for social distancing and the potential that things never return back to the way we were use to. Enable flexibility of event space to enable multiple smaller groups	STL/BDC/CPC	Open	RIBA 3	Impact on revenues not CAPEX	Assumed this item doesn't refer to a change in concept
5.10	05/10/2020	Insufficient parking to service the office space and events activity at Horizon 120, resulting in parking on streets or in neighbouring Great Notley Garden Village	5	4	20	Discussions to be held with the Great Notley Country Park to consider use of overflow car park, although attractiveness of this car park as grass, particularly in winter months is questionable	BDC/CPC	Open	RIBA 2	Impact on revenues not CAPEX	Assumed this item doesn't refer to a change in concept
5.11	05/10/2020	Move to homeworking reduces appetite for office space	2	4	8	Flexible space able to adapt to where demand is required and offer of multiple space types including coworking etc. Identify key industries where homeworking may not be possible	STL/BDC	Open	RIBA 2/3	Impact on revenues not CAPEX	Assumed this item doesn't refer to a change in concept

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
5.12	05/10/2020	Additional Plant Space Requirement	3	3	9	HYD have reviewed the current architectural requirements and provided plant spatial advice. 10% plant space provision and load capacity could be added, subject to agreement with client. We have provided sections through corridors to show MEP impact and also outline present known plant and equipment size requirements on plans for inclusion in the architectural design.	HYD	Open	RIBA 3	£5,000	Based on say additional 20m2 GIA required @ say £250/ft
5.13	05/10/2020	Incoming Utilities	3	3	9	HYD have undertaken an initial load assessment and intend to update this a release to the utilities contractor at each RIBA Stage	HYD	Open	RIBA 4	N/A	Client advised sufficient capacity available
5.14	05/10/2020	Kitchen & Café Servery	4	4	16	HYD have advised team on allowance/provision made and recommended that a specialist consultant be appointed.	CPC	Open	RIBA 5	N/A	Provision of £100k for kitchen included
5.15	05/10/2020	Sprinkler Requirements	4	5	20	HYD have advised that a Fire Consultant be appointed and engaged Hydrock in house fire team to provide a fee proposal for consideration	HYD	Open	ASAP	N/A	Design team working to deliver compliance
5.16	05/10/2020	Secondary Supplies	4	5	20	Will be required if sprinkler system is necessary. Hydrock will update the MEP design when known	HYD	Open	RIBA 3	N/A	Design team working to deliver compliance
5.17	05/10/2020	Incorrect operating assumptions lead to future revenue deficits	3	3	9	Flexible design to facilitate changes in response to market demand	BDC/STL	Open	RIBA 2/3	Impact on revenues not CAPEX	Assumed this item doesn't refer to a change in concept
6.0	FINANCIAL										

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
6.1	02/10/2020	Cost certainty and alignment of scope of works to budget.	4	4	16	VE exercise undertaken to reduce projection by £600k. Further VE required by reduction of NIA to further reduce overspend by £500k.	CPC	Open		£250,000	Assumed risk based on 50% of the VE shortfall not being achievable
6.2	02/10/2020	Cost certainty - close out remaining provisional sums.	3	5	15	Regular review during design team meetings to firm up scope for remaining prov sums.	CPC	Open			
6.3	02/10/2020	BREEAM Pre-Assessment premium	5	3	15			Open		£100,000	Excellent included for within budget but depends on route to achieve credits.
6.4	02/10/2020	Aspiration to achieve 'Excellent' on BREEAM score needs to be calculated.	3	4	12			Open		Design team action to provide proposed measures to achieve	
6.5	05/10/2020	Achieving Early Cost Certainty	4	4	16	Stage 2 Release to determine Market appetite Stage 3 + Release Competitive Tender. Discussion : Accelerating Substructure/Superstructure and Façade packages Early Contractor Involvement / Tender let on Stage 3+ / 4a. CPC Budget review and Process of Budget Rationalisation	Team	Open	Stage 2/3	£250,000	Based on the risk of losing competitive tension in the tender process and by the design not being ready in time to competitively procure as a lump sum

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
6.6	05/10/2020	Budget Rationalisation Balancing Cost / Delivering Brief. Concurrency of Design Development, Budgetary Rationalisation and Market Feedback	4	5	20	BDC to make decisions based on level of offer: quantum of office space quantum of café space quantum of event space Resultant level of parking based on maximum standards to be defined further to spatial decisions above.	CPC/STL/ CPC	Open	Stage 2	Included above	
7.0	PROCUREMENT										
7.1	02/10/2020	Early contractor appointment necessary to achieve aggressive programme.	3	5	15	Two stage procurement route using LHC framework agreed with BDC Procurement. Early PQQ process for readiness of suitable contractors for tender.		Open		2-stage risk premium inc. above	
7.2	02/10/2020	Risk premium of taking competitive tension out of the procurement process	3	5	15			Open		2-stage risk premium inc. above	
8.0	PROGRAMME										
8.1	02/10/2020	Impact of BREXIT on long lead in on supply items from European countries. E.g. lift, AHUs, HVAC	2	3	6	Specification of UK products. Due diligence on supply chain to be undertaken and early procurement of long lead items.	Stride/ Hydrock	Open		Assumed included within 2 months Contractor acceleration included for above	
	05/10/2020	Programme – Deadlines prescribed by Funding/ SELEP Committee Approval of Budget	5	5	25	Accelerating Design Programme. Concurrent Design and Budgetary rationalisation and Market Feedback.	BDC/CPC	Open	All Stages		

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
8.2	02/10/2020	Construction programme too rapid. Spend requirement of £1.5m by March 2021 and £7m by PC in March 2022.	3	5	15			Open			
8.3	02/10/2020	Maintaining accelerated design programme outputs through to completion of RIBA stage 4	5	3	15	Ensure design programme rigorous and all relevant parties have contributed. Check key milestones being met.	CPC/STL/HYD	Open	All Stages		
8.4	02/10/2020	Impact on programme due to sub-contractors performance and the ability to source sufficient labour	5	1	5			Open			
8.5	05/10/2020	COVID & BREXIT	5	5	25	Foresight of : Construction Supply chain – Labour and Material availability/cost and lead times Market – Solvency (principal contractor and supply chain) Impact on business operation Incorporation of new models of operation / Working practices / Processes.	BDC/CPC	Open	All Stages		
8.6	05/10/2020	Delay increasing risk of recovery of SELEP grant	3	3	9			Open			
9.0	SERVICES & INFRASTRUCTURE										

Ref	Date Raised	Risk Description	Likelihood	Impact	Severity	Mitigation Plan	Owner	Status	Forecast Date for Risk Mitigation	Value £	Quantification comments
9.1	02/10/2020	Performance of Statutory Authorities with regard to new supplies	1	3	3	Water, Gas, Sewer, electrical, communications / broadband - delay to programme and additional costs associated with temporary works while awaiting utility supply.		Open		N/A	We are advised the available infrastructure is already ready and available.
10.0	CONSTRUCTION										
10.1	02/10/2020	ground conditions variant to that expected	1	1	1			Open		£25,000	£25,000 capex. Programme inc. in 2 months acceleration above
11.0	ENVIRONMENTAL AND SUSTAINABILITY										
11.1	02/10/2020	Decision to be made on 'Excellent' BREEAM	3	3	9	Pre-assessment to be costed to allow decision making on whether BREEAM target needs to be aligned to 'Very Good'	STL/BDC	Open	Stage 2	Inc. above	Inc. Above
TOTAL										£1,150,000	

5.5 Funding profile (capital and non-capital):

[Where possible, explain the assumed capital and non-capital funding profile, summarise the total funding requirement by year, and funding source (add rows / columns as appropriate). Please note, not all sections of the table may require completion. Also, explain the external factors which influence/determine the funding profile, describe the extent of any flexibility associated with the funding profile, and describe non-capital liabilities generated by the scheme; max. 1 page.]

An extract from the project financial cashflow is provided below, this contains the total cost over 40 years and extracts for years 0-9. CPI target inflation has been used accruing at a yearly rate for all unit cost income items and all expenditure and at a stepped rate for lets and memberships of 10% every five yearly interval.

Table 28 – Funding Profile Whole Life Cost Model

		20	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
CAPITAL EXPENDITURE	40 Year Total	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9
BDC CAPEX	£16,000,000	£2,445,913	£10,053,997	£3,200,090	£300,000						
GBF SELEP	£7,000,000		£7,000,000								
Land Value	£1,300,000	£1,300,000									
Total Capital	£7,700,000	£1,145,913	£3,053,997	£3,200,090	£300,000	£0	£0	£0	£0	£0	£0

REVENUE EXPENDITURE	Total	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9
Staffing	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Administrative/office costs	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Building running costs	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Security (CCTV)	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Marketing & website	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Property Management	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Lifecycle (sinking fund)	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Replacement FFE	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Grounds Maintenance	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Loan Interest	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Total Expenditure	£00										

REVENUE INCOME	Total	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9
Office Space	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Café Servery	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Hatchery (Co working)	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Boardroom	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Networking & Event space 1	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Networking & Event space 2	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Maker Space	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00

Virtual Office	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Meeting Rooms	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Total Income	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Grand Total Exc. Risk	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Cumulative Cash Flow	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Quantifiable Risk Assessment	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00
Total Inc. Risk	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00	£00

5.6 Funding commitment:

[Provide signed assurance from the Section 151 officer to confirm the lead applicant will cover any cost overruns relating to expenditure and programme delivery, as per the template in Appendix B. Please also confirm whether the funding is assured or subject to future decision making.]

The £9m component of the funding, from Braintree District Council was approved by cabinet on Wednesday 21/10/20. The £9m includes a Land Value of £1.3m.

5.7 Risk and constraints:

[Specify project and funding risks and constraints. Describe how these risks have, where appropriate, been quantified within the QRA/contingency provisions; max 0.5 pages.]

A copy of the costed Risk Register is provided above at paragraph 5.4. However, the key strategic risks have been identified as follows:

Main Risk	Risk Register Ref	Counter Measures
Business and Political Risks		
4. Cost escalation brought about by prevailing market conditions.	6.5	Reduce project scope. Explore value engineering.
5. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk.	1.1	Multi-disciplinary project team approach.
6. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult.	8.1	Avoid Europe based supply chains as far as possible.
Service Risks		
2. Unauthorised changes to scope leading to cost escalation.	6.1	Put in place a strict change management regime and ensure that implementation is robust.
5. Delivering a signature gateway building of the best quality with associated landscaping and access ways that falls within budget.	6.4	Regular design milestone cost checks and balance between product and cost.
6. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'.	5.6	All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area.
7. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face	5.11	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.

Main Risk	Risk Register Ref	Counter Measures
meetings in a socially distanced environment.		
External Environmental Risks		
2. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme.	8.5	Closely follow government advice. Ask for alternative programme from contractors at tender stage.
3. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand.	5.9	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.

6 MANAGEMENT CASE

The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.

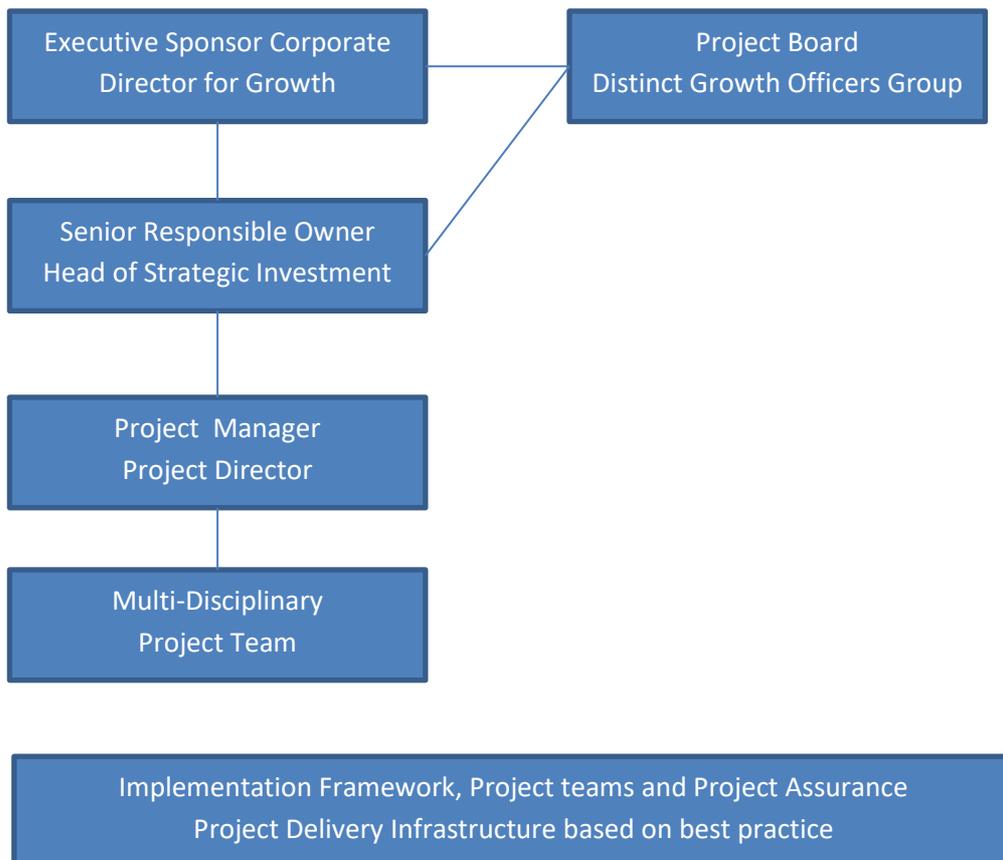
6.1 Governance:

[Nominate the project sponsor and Senior Responsible Officer, explain the project governance structure (ideally as a diagram with accompanying text) and describe responsibilities, project accountability, meeting schedules etc.; max. 1 page.]

Project governance is the management framework within which project decisions are made in Braintree District Council. The council has a set of policies, processes, guidelines, procedures and templates which inform the implementation of projects and programmes within the council. These constitute the project implementation standards of the council.

The governance mechanism has been designed to ensure compliance with these implementation standards and is as shown below:

BDC PROJECT GOVERNANCE STRUCTURE FOR HORIZON ENTERPRISE CENTRE



The roles and responsibilities within the council's project governance structure are:

- The project sponsor is directly accountable to the project Board. The responsibilities for which the sponsor is accountable include the provision of leadership on culture and values, keeping projects aligned with the council's strategy and portfolio direction, ensuring continuity of sponsorship and providing assurance.
- The senior responsible owner (SRO) is accountable for ensuring a programme or project meets its objectives, delivers the projected outcomes and realises the required benefits. SROs are directly accountable to the project sponsor (PS).
- The project director/ Project Manager (PD) is accountable to the senior responsible owner for the day to day management of the project.
- The Project Board is a decision making body that is accountable for the success or failure of the project, provides unified direction to the project and Project Manager, provides the resources and authorizes the funds for the project and provides visible and sustained support for the Project Manager.

6.2 Approvals and escalation procedures:

[Specify the reporting and approval process; max. 0.5 pages.]

The Enterprise Centre project is managed by a Project Director. The delivery process is in stages. The tasks performed by the Project Director at key stages of the project delivery process include:

- Delivering client requirements in accordance with the specifications in the correct sequence.
- Monitoring progress and cost against programme and project budget.
- Managing any deviations from plans
- Managing the cost and impact of any changes.
- Ensuring all stakeholders are engaged appropriately
- Following the agreed procedure for reporting
- Progressing, managing and updating the Risk log.

The Project Director is supported by an internal project team made up of key stakeholders and a team of consultants. Key among these are the Project Manager, the Cost Consultant, the Architect, the Mechanical and Electrical Engineers, the Structural Engineer and the Planning Consultant.

Management oversight is provided by the Project Sponsor and the Senior Responsible Owner via dashboard reporting. This formal reporting happens monthly. In addition, weekly meetings are carried out by the Head of Strategic Investment. Escalation of issues to the Project Sponsor and to the Senior Responsible Owner can also take place as needed. There is a Project Board which is responsible for governance and decision making. The project director reports to the team through Highlight Reporting on a quarterly basis.

Alongside these is a Project Assurance team whose responsibilities are to give confidence to the Project Board that the project is on course to achieve its objectives, outcomes and predefined benefits. This is achieved by carrying out project health checks at key stage gates of the delivery process.

6.3 Contract management:

[Explain your approach to ensuring that outputs are delivered in line with contract scope, timescale and quality; max. 0.5 pages.]

The consultants on the project are reviewed quarterly against an agreed Service Level agreement as defined in the contract, as well as predefined Key performance indicators (KPIs).

There is a strict change control process which is robust and implemented by the Project Director in an ordered and systematic manner.

Project team meetings are held on a weekly basis and actions are followed up in a timely manner to forestall any delays to the programme.

6.4 Key stakeholders:

[Describe key stakeholders, including any past or planned public engagement activities. The stakeholder management and engagement plan should be provided alongside the Business Case; max. 0.5 pages.]

The key stakeholders on this project comprise:

- South East Local Enterprise Partnership (SELEP)
- Ward Councillors
- BDC Commercial Team
- BDC Economic Development Team
- BDC Asset management team
- Local Residents
- Local Businesses
- SMEs
- Investors

BDC has a standard established Stakeholder Mapping template which is being used by the Project Team to manage the process and, in doing so, enable us to acknowledge the capacity for different stakeholders to raise concerns throughout the lifetime of the project.

This document comprises of the following tabs (worksheets):

- Stakeholder **Register** – comprising a list of identified stakeholders and contact details
- Stakeholder **Management Analysis** – essentially, this is the Stakeholder Engagement Plan and monitors the issues and predisposition of commitment for each stakeholder
- *Stakeholder **Matrix** – identifies the communication methodology for each stakeholder
- Stakeholder **Plan** – monitors the success of communication for each stakeholder

* Copy attached at Appendix H.

6.5 Equality Impact:

[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered

as part of the project's development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the accountability board; max. 0.5 pages.]

The new building will comply with all relevant disabled access requirements. The needs of those with protected characteristics are being considered in the design development of the Enterprise Centre.

All members of the professional team and the eventual main construction contractor are required to provide satisfactory equality and diversity policies as a prerequisite for selection.

There are no indications that this project would have an adverse impact on the protected characteristics of any individuals.

6.6 Risk management strategy:

[Define the Risk Management Strategy referring to the example provided in Appendix C (expand as appropriate), ensuring this aligns with the relevant sections in the Financial and Commercial Case. Please provide supporting commentary here; max. 0.5 pages.]

The Risk Register is the management tool that logs potential risks to the project, primarily driven by Health and Safety, cost, programme delays or any other risks that may be relevant to the successful completion of the project. The risk register will be formally reviewed and updated on an ongoing basis, but issued formally monthly.

The Project Director ensures that roles and responsibilities are coordinated carefully to assure that risk and control processes operate as intended. The challenge for the Project Director is to assign specific roles and to coordinate effectively and efficiently among the project team members, so that the risk owners are clearly identified and held accountable.

Clear responsibilities must be defined, so that each group of risk and control professionals understands the boundaries of their responsibilities, and how their positions fit into the project's overall risk and control structure.

The Project Director is responsible for maintaining effective internal controls and for implementing risk and control procedures on a day-to-day basis. The Project Director identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.

At the operational level, the procedure is tried and tested and is as follows.

- Quantify likelihood and impact of each risk – High, Medium, Low.
- Assign severity to each assessed risk - done automatically on BDC register.
- Identify control method and/or control actions together with key delivery dates.
- Identify the risk owner to monitor, manage and mitigate the risk, through to closure.
- Assign cost impact to risk if failure to manage
- Update progress of any actions being undertaken to manage/mitigate the risk.

For the purposes of the register impact is defined as the following:

<i>Effect</i>	<i>Cost / Benefit (k)</i>	<i>Schedule (weeks)</i>	<i>Quality*</i>		<i>Likelihood</i>	<i>Probability</i>
1 (VL)	<£10	<2	1		1 (VL)	<1%
2 (L)	£10-£50	2-4	2		2 (L)	1-5%
3 (M)	£50-£200	4-8	3		3 (M)	5-50%
4 (H)	£200-£500	8-12	4		4 (H)	50-75%
5 (VH)	>£500k	>12	5		5 (VH)	75-100%

6.7 Work programme:

[Provide a high-level work programme in the form of a Gantt Chart which is realistic and achievable, by completing the table in Appendix D (expand as appropriate). Please describe the critical path and provide details regarding resource availability and suitability here; max. 0.5 pages.]

A full Programme Plan in Gantt Chart format is provided at Appendix D. The sequence of key project activities which make up the Critical Path, along with Milestones, are as follows:

Phase One: (Jul '20 – Feb '21)

1. Appointments	11 weeks	to September '20
2. Funding	1 week	to August '20
3. Design Development	32 weeks	to February '21
4. <i>SELEP Funding Board</i>	<i>milestone</i>	<i>23 November '20</i>
5. <i>Principal Designer Design Risk Freeze</i>	<i>milestone</i>	<i>30 November '20</i>
6. Planning & Submission	15 weeks	to December '20
7. <i>Compliance Application</i>	<i>milestone</i>	<i>30 November '20</i>

Phase Two: (Dec '20 – May '22)

1. Procurement – Substructure	8 weeks	to February '21
2. Construction Programme – Substructure	16 weeks	to May '21
3. Procurement – Main Works	10 weeks	to April '21
4. Construction Programme – Main Works	56 weeks	to May '22
5. <i>Practical Completion</i>	<i>milestone</i>	<i>31 May '22</i>

The shortest time possible to achieve completion of Phase 1 is 33 weeks. The shortest time possible to achieve completion of Phase 2 is 72 weeks. The Programme Plan shows that the shortest time possible to complete the project is 95 weeks. We are currently progressing through the design development stage.

6.8 Previous project experience:

[Describe previous project experience and the track record of the project delivery team (as specified above) in delivering projects of similar scale and scope, including whether they were completed to time and budget and if they were successful in achieving objectives and in securing the expected benefits; max. 0.5 pages.]

Previous Project Experience and Track Record of the Project Delivery Team

The Project delivery Team has a demonstrable track record of delivering complex projects successfully in recent years. However the team is made up of seasoned professionals with vast amounts of experience in the delivery of similar projects with a mix of permanent project

managers and highly experienced interims with specialist expertise. The team was assembled by the Head of Strategic investment who himself has several years experience in portfolio, programme and project management. The project is managed by the project director who also has several years experience in portfolio, programme and project management. Similar projects being delivered by the team are currently at the construction stage. Despite the effect of the pandemic they are on course to be delivered successfully.

These include Horizon 120 infrastructure project, I-construct and Manor street. Two of these projects, Horizon 120 infrastructure and Manor House are significantly larger in scope and capital value involving inter-dependencies with 3rd parties. The third, I-construct is a smaller project. All three are currently on site and on course to be delivered successfully, in accordance with their respective business cases

The team has laid the foundation for success by developing and nurturing a control environment for delivering programmes and projects successfully, in an attempt to raise the maturity level of Portfolio, programme and project management in the council. This initiative was designed to raise the maturity level from its present level 1 to level 3 by October 2022 using the P3M3 framework.

This control environment comprises: Delivery teams, namely a Project board, an assurance team and an internal project team. Other components of this environment include a hierarchy of documents and templates; effective controls; and a conducive environment for collaborative working. The programme and project Assurance Board provides confidence to the Project Board and stakeholders, on all capital projects, that the projects will achieve their stated objectives

6.9 Monitoring and evaluation:

[Complete the Logic Map over the page. This provides a read across between the objectives, inputs, outputs, outcome and impacts of the scheme and is based on the Logic Map established in the Strategic Case. A guide to what is required for each of these is included in Appendix E. Note that the number of outcomes and impacts is proportionate to the size of funding requested.]

Complete the Monitoring and Evaluation Report template and Baseline Report template in Appendix F.]

6.10 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>Take Scheme objectives from section 2.7</p> <p>Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;</p> <p>Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;</p> <p>Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;</p> <p>Objective 4: To develop state of the art,</p>	<p>For all schemes:</p> <p>Take from section 1.10 / Financial Case</p> <p>Grant Spend £7m</p> <p>Matched Contributions Spend £9m</p> <p>Leveraged Funding £16m</p>	<p>For all schemes:</p> <p>Influenced by detail in section 3.2.</p> <p>Also refer to metrics output metrics within Appendix E</p> <ul style="list-style-type: none"> • Construct a high quality enterprise building with offices and meeting rooms, a conference hall and a café. • Create a strong connection to natural environment with green routes which promote healthy transport links between The Country Park and Great Notley Village • Provide a range of facilities and support 	<p>Influenced by details in sections 2.1 and the Economic Case</p> <p>For schemes of £2m of funding or less:</p> <p>-Jobs -Houses</p> <p>For schemes £2m-£8m:</p> <p>Include all required LEP shown in Appendix E:</p> <p>M&E Metrics for scheme type (skills, land/property/flood protection, business support/innovation/broadband, transport) plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>Include all required LEP M&E Metrics and consider further metrics within Appendix E plus</p>	<p>For schemes of £2m of funding or less:</p> <p>-n/a</p> <p>For schemes £2m-£8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>Given the nature of this scheme – high quality, innovative, centred on entrepreneurship – Its impact will have far</p>

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;</p> <p>Objective 5: To create a physical environment that promotes health and wellbeing;</p> <p>Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;</p> <p>Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.</p>		<p>services including a maker space.</p> <ul style="list-style-type: none"> Achieve BREEAM Excellent / Net Zero Carbon. 	<p><i>any moderate or large benefits/disbenefits which occur as part of section 3 in this template</i></p> <ul style="list-style-type: none"> Enable a collaborative and nurturing environment to enable start up and grow on SMEs to thrive. Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. Offer flexibility for tenants to grow. <p>LEP M&E Metrics</p> <ul style="list-style-type: none"> 160 new jobs will be created as a result of the interaction (124 direct and 36 indirect) Commercial floor space occupied – 3100 sq. metres (GIA), Classes: A2 – Financial and professional services, A3 	<p>reaching positive effects on businesses and individuals alike. These include:</p> <p>SKILLS:</p> <ul style="list-style-type: none"> Increased number of people going into higher paid jobs. A larger percentage of the population going into NVQ Level 4 <p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> Increased attractiveness to developers Increased attractiveness to businesses Increased productivity Increased employment levels (Changes in GVA) Regeneration of the area Improvements in in education

Objectives	Inputs	Outputs	Outcomes	Impacts
			<ul style="list-style-type: none"> – Restaurants and Cafes, B1 – Business. • Commercial rental value: £30 per sq. foot inclusive of utilities SKILLS • Number of new staff – 4 BUSINESS SUPPORT, INNOVATION AND BROADBAND • Virtual environment to support start-ups. • Business Training leading to professional qualifications provided by an accredited training organisation TRANSPORT • Better public transport integration • Reductions in carbon emissions 	<ul style="list-style-type: none"> • Improved levels of physical activity BUSINESS SUPPORT, INNOVATION AND BROADBAND; • Increased effectiveness to developers • Increased attractiveness of area to developers • Value for Money • Increased productivity • Decreased deprivation • Improved air quality • Improved road safety • Improvements in local health

7 DECLARATIONS

<p><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></p>	<p>No</p>
<p><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></p>	<p>No</p>
<p><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></p>	<p>No</p>

**If the answer is “yes” to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*

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>	Dominic Collins
<i>Designation</i>	Corporate Director

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	Assumptions stated in Risk Register (table 22, Section 5.4)
Real Growth	
Discounting	In line with HM Treasury Green book guidance 3.5% years 0 to 29, 3% years 30 onwards
Sensitivity Tests	All main sources of uncertainty have been identified and have been modelled
Additionality	Additionality identified in line with HCA guidance:
Administrative costs of regulation	
Appraisal period	40 years
Distributional weights	None applied
Employment	Employment calculations in line with HCA guidance on employment density.
External impacts of development	
GDP	
House price index	
Indirect taxation correction factor	
Inflation	Inflationary increase in the price of construction materials is stable.
Land value uplift	
Learning rates	
Optimism bias	<p>Ordinarily, the Green Book would suggest an optimism bias of 24% at this stage. This has been significantly mitigated by completed site surveys and earthworks.</p> <p>The operational costs and occupancy rates are informed by current experience at the Braintree Enterprise Centre</p>

Planning applications	The LDO requires a 28 day checklist submission process rather than a planning application
Present value year	Present Value Year is 2020.
Private sector cost of capital	
Rebound effects	
Regulatory transition costs	

9 APPENDIX B - FUNDING COMMITMENT

Draft S151 Officer Letter to support Business Case submission

Dear Colleague

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

- The information presented in this Business Case is accurate and correct as at the time of writing.*
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.*
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.*
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.*
- The delivery body has access to the skills, expertise and resource to support the delivery of the project*
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting*
- The project will be delivered under the conditions in the signed LGF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

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

Yours Sincerely,

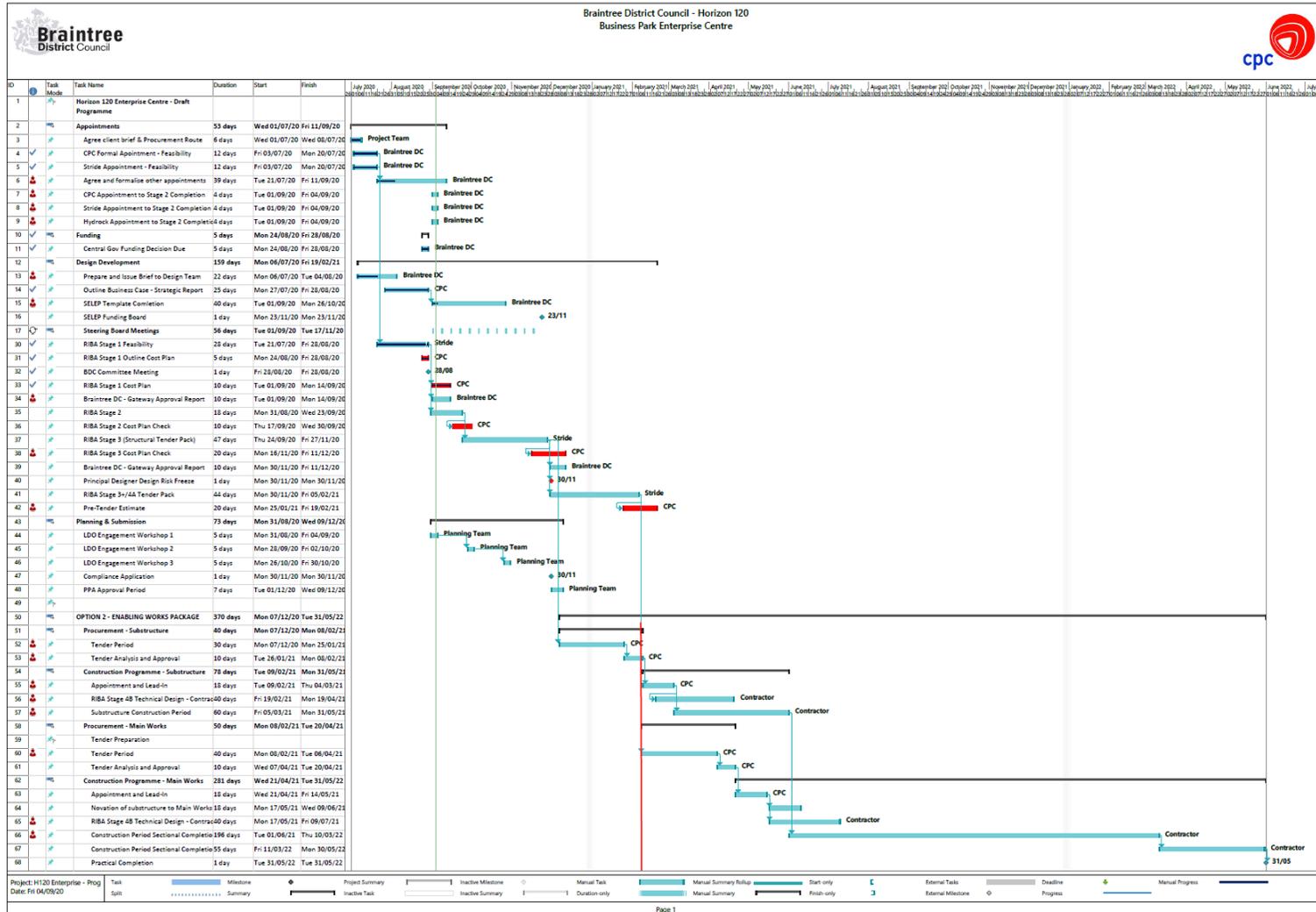
SRO (Director Level)

S151 Officer

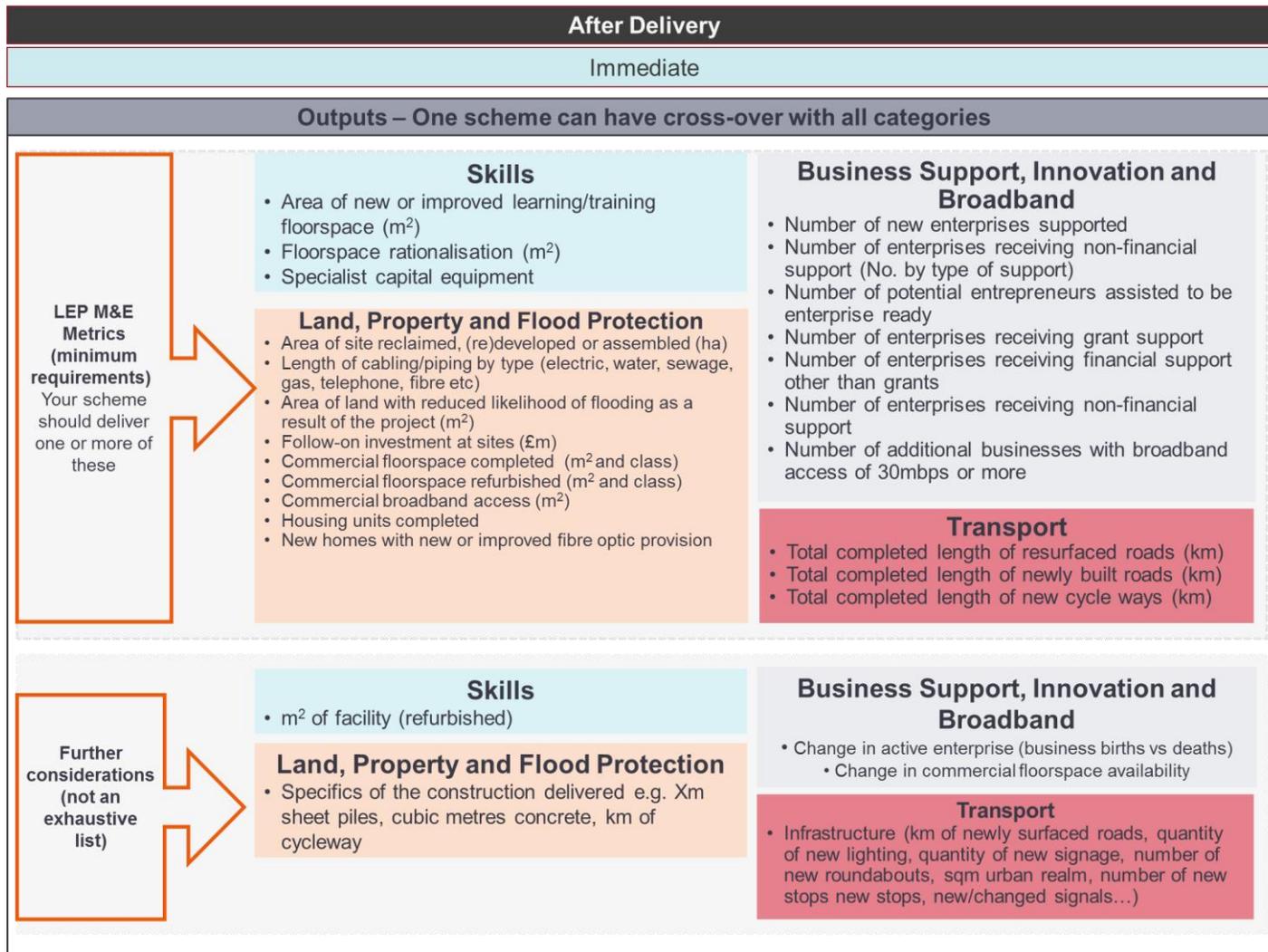
10 APPENDIX C – RISK MANAGEMENT STRATEGY

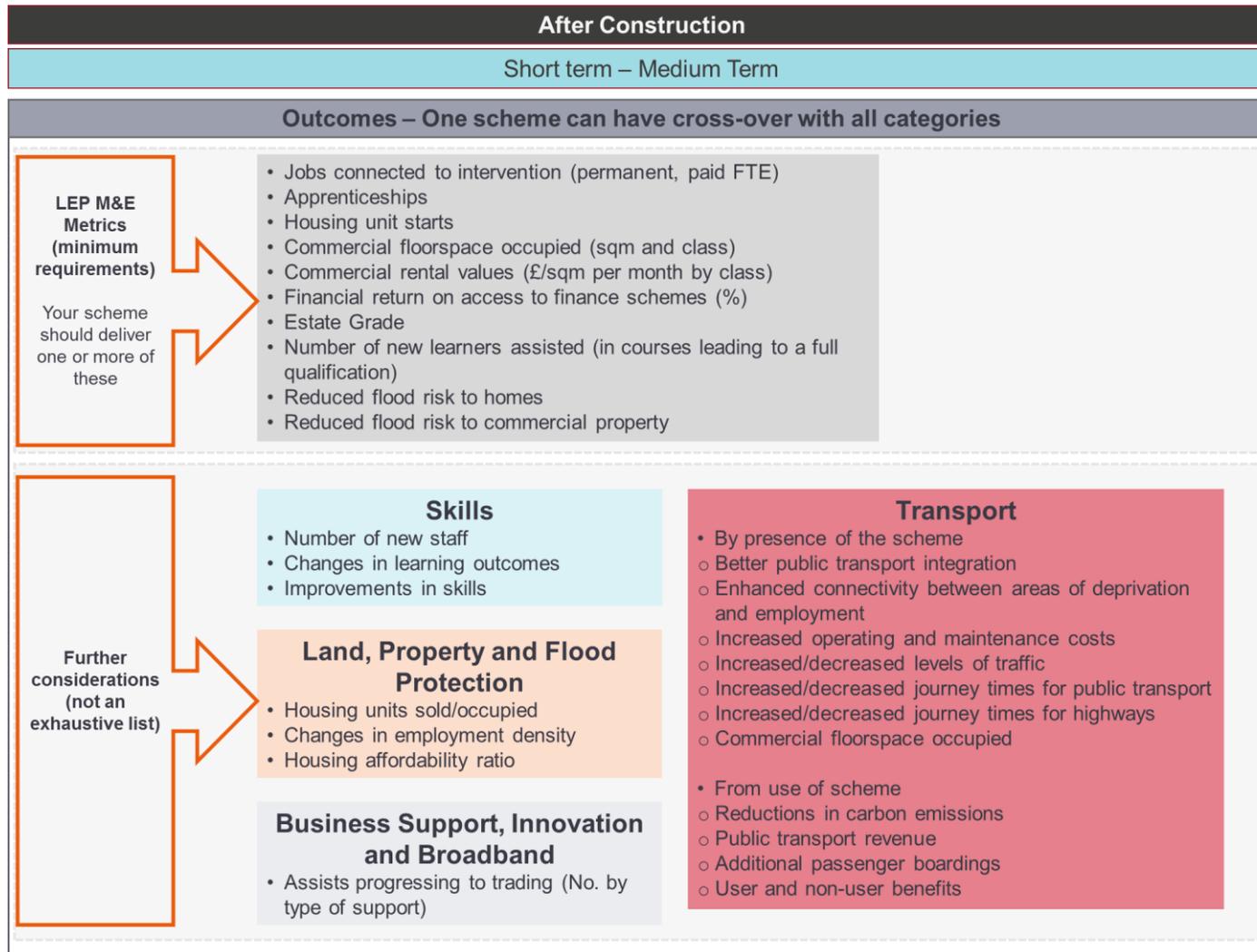
A copy of the Programme’s full costed Risk Register is included at section 5.4 of the Financial Case above.

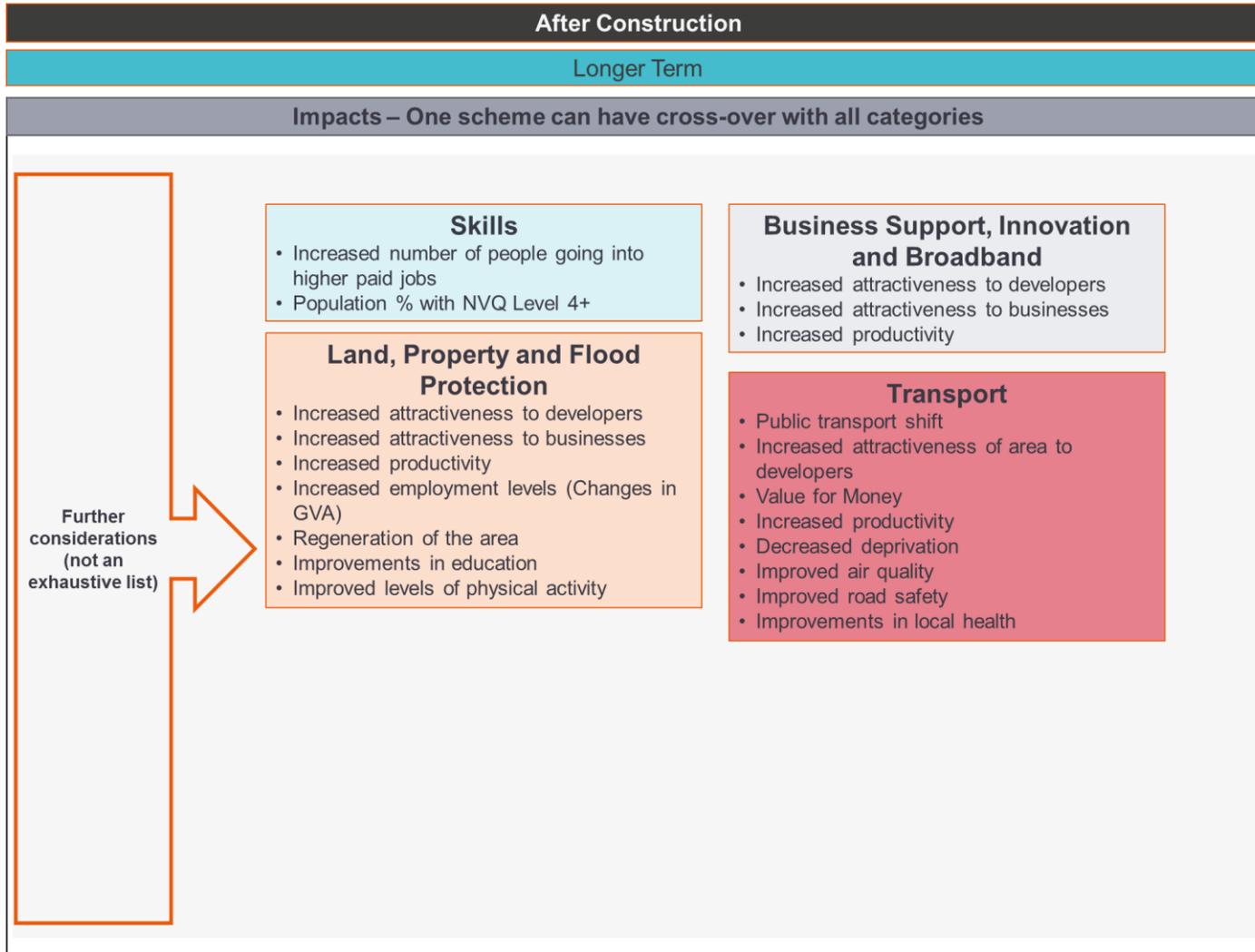
11 APPENDIX D – GANTT CHART



12 APPENDIX E – MONITORING AND EVALUATIONS METRICS FOR LOGIC MAP







13 APPENDIX F – MONITORING AND EVALUATION PLAN AND BASELINE REPORT TEMPLATES

Braintree District Council has systems, processes and procedures in place for tracking, monitoring, reporting and taking corrective action on capital programmes and projects.

The management of programmes and projects is currently judged to be at maturity level 2. This means that Braintree District Council ensures that each programme is run with its own processes and procedures to a minimum specified standard. The council also ensures that appropriate governance arrangements are in place and that stakeholders are engaged throughout the project.

In October 2019, an assessment was carried out looking at processes employed, the competencies of people, the tools deployed and the management information used to manage and deliver improvements. This assessment was based on the requirements of the Portfolio, programme and Project management maturity model (P3M3) framework.

It led to plans being drawn up to put a robust monitoring and evaluation plan in place which has currently reached advanced implementation stages.

The over-arching objective of the council was to establish a Control Environment, for Delivering Capital Programmes and Projects successfully, with features and characteristics that were commensurate with the maturity level the council expected to achieve within two years. The council's target was to achieve maturity level 2 by October 2020 and maturity level 3 by October 2021.

The environment the council has put in place has the following features and characteristics:

1. There are three teams, with a healthy tension between them, namely:
 - An Implementation team (Strategic Investment)
 - An Oversight Team (DGOG)
 - An Independent Assurance Team (PPAT)
2. There is a hierarchy of documents for Portfolio, Programme and Project Management. These include Policies, Processes, Guidelines, Procedures and Templates for producing portfolio, programme and project documents.
3. The presence of Effective Controls, including:
 - Approval points/ Gateways
 - Periodic Reporting
 - Regular Meetings
 - Change Control
 - Auditing Arrangements
4. Engendering a conducive environment for collaborative working. Each programme or project should establish ad hoc arrangements for collaborative working.

The last evaluation in August 2020 showed that the council was well on its way to achieving maturity level 3.

The following baseline report templates are in use within the council for managing capital programmes and projects.

1. Project Justification Report template
2. Risk Register
3. Issue Register
4. Actions Register
5. Stakeholder and Communications Management
6. Resource Management
7. Benefits Realisation Matrix
8. Programme Report template
9. Procurement of Consultants Report template
10. Commissioning a Feasibility Study template
11. Dashboard report template
12. Highlight Report
13. Outline Business Case template
14. Project Initiation Document (PID) template
15. Procurement Strategy template
16. Project Implementation Framework
17. Invitation to Tender (ITT) report template
18. Cabinet Report template
19. Full Business Case template
20. Pre-construction Health and Safety File Information template

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.

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.



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	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from	Those relevant to the scheme/package from within the list in Appendix A (supplied separately)

			<p>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>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
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H120 ENTERPRISE CENTRE FOR HORIZON 120 BUSINESS AND INNOVATION PARK

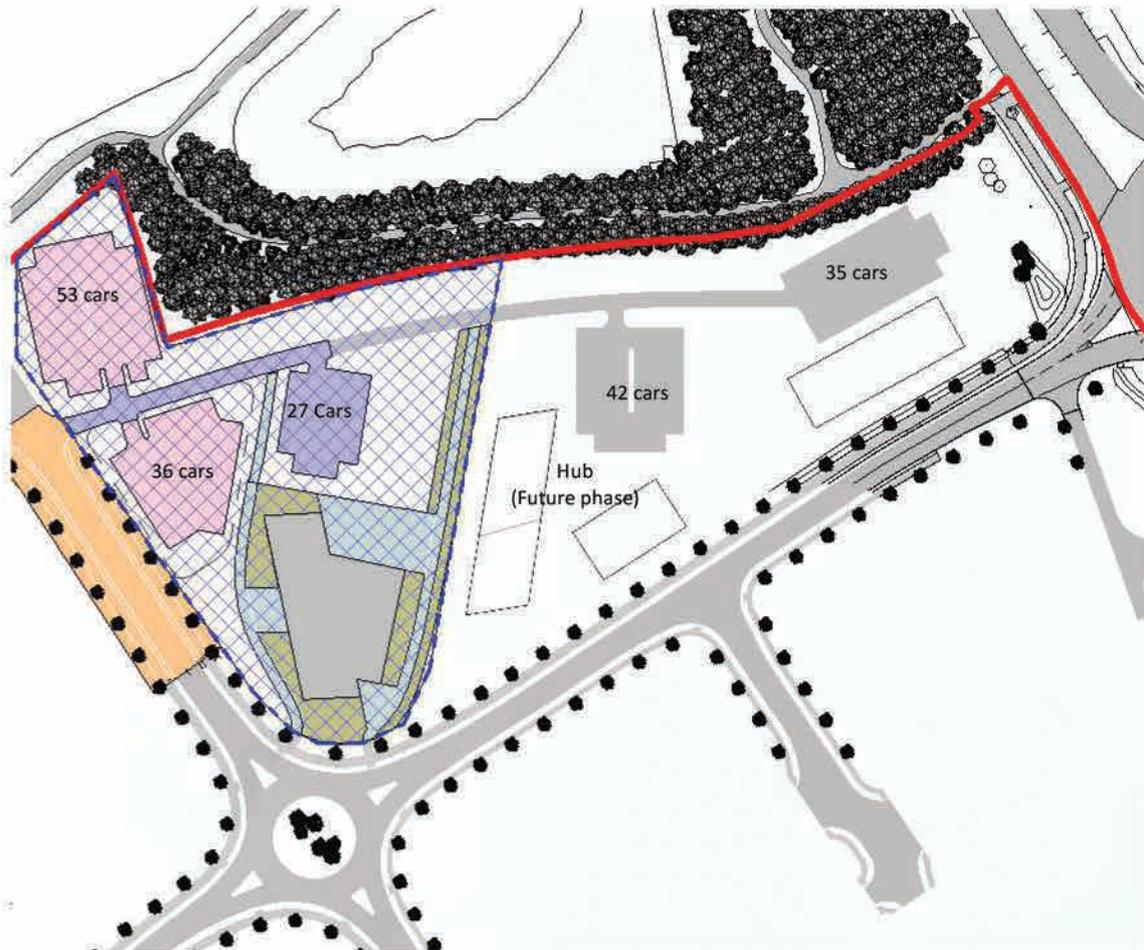
This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the H120 Enterprise Centre for Horizon 120 Business and Innovation Park, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

The geography of the scheme is shown in the map below

[insert map(s) of final scheme here]



Area Categories

- Balfour Beatty road extension
- Initial stage car park and road development extent
- Later stage car park and road development extent
- Development area extent
- Hard landscape development extent
- Soft landscape development extent
- Building outline
- Light touch meadow seeding (tbd)

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	[20/21]				[21/22]				[22/23]							
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
							Note: all quarterly figures are £m															
IN1	Grant Spend £7m	Planned / Forecast		SELEP Monitoring Requirements	Quarterly	Planned/ Forecasted Spend Profile		0.5	0.4	0.3	0.3	1.0	1.5	3.0								
IN2	Matched Contributions Spend £9m*	Planned / Forecast		BDC Monitoring Requirements	Monthly	Planned/ Forecasted Spend Profile		0.9	0.2	0.2	0.6	0.5	1.2	1.9	2.7	0.5						
IN3	Leveraged Funding £16m*	Planned / Forecast		BDC and SELEP Monitoring Requirements	Monthly	Planned/ Forecasted Spend Profile		1.4	0.6	0.5	0.9	1.5	2.7	4.9	2.7	0.5						
*Note: there remains £0.3m of expenditure expected to be incurred in the next financial year.																						

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)	1 August 2020
Public Consultation	
Detailed Design	November 2020
Full Planning Permission Granted	December 2020 Through adopted Local Development Order
Site Mobilisation Works Commence	February 2021
Completion of Section 1 of 2	Main construction PC 31/03/22
Project Completion / Site Opening	Fit-out complete & opening end May 2022

INPUT 5: RISK MITIGATION

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

High Level Risks Table

Main Risk	Risk Register Ref	Counter Measures
Business and Political Risks		
7. Cost escalation brought about by prevailing market conditions.	6.5	Reduce project scope. Explore value engineering.
8. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk.	1.1	Multi-disciplinary project team approach.
9. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult.	8.1	Avoid Europe based supply chains as far as possible.
Service Risks		
3. Unauthorised changes to scope leading to cost escalation.	6.1	Put in place a strict change management regime and ensure that implementation is robust.
8. Delivering a signature gateway building of the best quality with	6.4	Regular design milestone cost checks and balance between product and cost.



Main Risk	Risk Register Ref	Counter Measures
associated landscaping and access ways that falls within budget.		
9. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'.	5.6	All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area.
10. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment.	5.11	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.
External Environmental Risks		
3. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme.	8.5	Closely follow government advice. Ask for alternative programme from contractors at tender stage.
4. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand.	5.9	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.

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

EXAMPLE		
ID	Output Description	
OP1	Type of service improvement	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: 6 minutes from x to y by tram in the morning peak hour
		Source of Value: Full Business Case, p10
		Future Monitoring Approach: Through public timetable information from scheme opening (July 2021) for tram
		Frequency of tracking: Once after opening for One Year After Report
		Costs Allocated to Monitoring: Free- from public data source
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: Review of public transport timetable for equivalent bus route
		Costs Allocated: Free- from public data source

COMPLETE AND REPEAT FOR ALL OUTPUTS

ID	Output Description	
OP1	Construct a high quality enterprise building with offices and meeting rooms, a conference hall and a café.	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: High quality category A fitting.
		Source of Value: Quality Assurance
		Future Monitoring Approach: End user surveys
		Frequency of tracking: Once after opening for One Year After Report
		Costs Allocated to Monitoring: End of defects inspection
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: End user surveys

		Costs Allocated: Final certificate at end of making good defects
OP2	Create a strong connection to natural environment with green routes which promote healthy transport links between The Country Park and Great Notley Village	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Reduced commute time between the country park and Great Notley Village
		Source of Value: Economic Development report
		Future Monitoring Approach:
		Frequency of tracking: Once after opening for One Year After Report
		Costs Allocated to Monitoring: In-house costs
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: End user surveys
		Costs Allocated: In-house costs
OP3	Provide a range of facilities and support services including a maker space	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring

		<p>Value: Improved user satisfaction</p> <p>Source of Value: Asset management report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening for One Year After Report</p> <p>Costs Allocated to Monitoring: Project Capital Cost</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: User satisfaction surveys</p> <p>Costs Allocated: In-house costs</p>
OP4	Achieve BREEAM Very Good as a minimum	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: BREEAM Very Good</p> <p>Source of Value: Contractor's report</p> <p>Future Monitoring Approach: Once after opening for One Year After Report</p> <p>Frequency of tracking: Once after opening for One Year After Report</p>

		Costs Allocated to Monitoring: Project Capital Cost
		Details: Proposed Method of Collecting Baseline Information
		<p>Approach for Collection:</p> <p>Costs Allocated: Project Capital Cost</p>

...OP2, OP3, OP4 etc



- 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

EXAMPLE		
ID	Output Description	
OC1	Jobs connected to the intervention	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 30 jobs – 15 from construction and 15 total FTE as a result of the scheme (5 additional jobs delivered in each year after opening for the first three years only)</p> <p>Source of Value: Full Business Case, p22</p> <p>Future Monitoring Approach: Construction jobs from contractor’s data. FTEs from surveying new businesses along the route of the tram with a short email questionnaire after scheme opening.</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: £450 for the email questionnaire to be externally delivered for each future report and 1 day of internal resource for mapping responses in GIS. In total £900 but with inflation, this is equivalent to £958+2days of internal resource for both the One Year After Opening Report and Five/Three Years After Opening Report</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>

		<p>Approach for Collection: There is one business in the impact area of the scheme on a small business park which is newly opened. This is a small accountancy firm. An email would be sent to this business to understand the number of people employed there.</p> <p>Costs Allocated: To send the email and interpret results- £0</p>
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COMPLETE AND REPEAT FOR ALL OUTCOMES

ID	Output Description	
OC1	Enable a collaborative and nurturing environment to enable start up and grow on Businesses to thrive.	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: End User Satisfaction Rate</p> <p>Source of Value: Benefits Realisation report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: In-house costs</p>
		Details: Proposed Method of Collecting Baseline Information

		<p>Approach for Collection: User Satisfaction surveys</p> <p>Costs Allocated: In-house costs</p>
OC2	Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation.	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: End User Satisfaction Rate</p> <p>Source of Value: Benefits Realisation report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: In-house costs</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: User Satisfaction Survey</p> <p>Costs Allocated: In-house costs</p>

OC3	Offer flexibility for Businesses (tenants) to grow.	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Ability to move into more suitable accommodation within the premises following growth</p> <p>Source of Value: Marketing Newsletter</p> <p>Future Monitoring Approach: Satisfaction Survey</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: Centre costs</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Satisfaction Survey</p> <p>Costs Allocated: Centre costs</p>

...OC2, OC3, OC4 etc

IMPACTS

- Impacts are often not measurable but can be anecdotal or inferred. However, if they can be measured then an approach and budget should be allocated for this.
- They are a longer-term effect of the scheme being in place and often occur as a result of the outcomes
- They would not be monitored or tracked beyond the Five/Three Years After Opening Report

EXAMPLE		
ID	Output Description	
IM1	Improved safety road	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring Value: General downwards trend in accidents Source of Value: Full Business Case, p42 Future Monitoring Approach: STATS 19 (Road Accident Statistics) Frequency of tracking: Annually Costs Allocated to Monitoring: Free dataset from online but would require 1 day of GIS analysis from internal resource for each report
		Details: Proposed Method of Collecting Baseline Information

		<p>Approach for Collection: STATS 19 (Road Accident Statistics)</p> <p>Costs Allocated: Free dataset from online but would require 1 day of GIS analysis from internal resource</p>
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COMPLETE AND REPEAT FOR ALL IMPACTS

ID	Output Description	
IM1	<p>SKILLS</p> <p>Increased number of people going into higher paid jobs.</p>	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: Improved performance</p> <p>Source of Value: trend studies</p> <p>Future Monitoring Approach: Trend studies</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: Freely available published studies</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>

		<p>Approach for Collection: published statistics</p> <p>Costs Allocated: Freely available published studies</p>
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ID	Output Description	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
IM2	<p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> Increased attractiveness to developers and businesses 	<p>Value: High quality Building</p> <p>Source of Value: Marketing promotions</p> <p>Future Monitoring Approach: User Surveys</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: In-house economic development surveys</p>
		Details: Proposed Method of Collecting Baseline Information

		<p>Approach for Collection: User Surveys</p> <p>Costs Allocated: In-house economic development surveys</p>
ID	Output Description	
IM3	<p>BUSINESS SUPPORT, INNOVATION AND BROADBAND;</p> <ul style="list-style-type: none"> • Increased effectiveness to developers • Increased attractiveness of area to developers 	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value:</p> <p>Source of Value:</p> <p>Future Monitoring Approach:</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring:</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection:</p> <p>Costs Allocated:</p>

ID	Output Description	
IM4	<ul style="list-style-type: none"> • Improvements in education 	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Upward trend in formal qualifications</p> <p>Source of Value: Economic development newsletter</p> <p>Future Monitoring Approach: Local qualifications and labour market participation statistics (Office of National Statistics)</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: Free Online dataset</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Local qualifications and labour market participation statistics (Office of National Statistics)</p> <p>Costs Allocated: Free Online dataset</p>

...IM2, IM3, IM4 etc

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.



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	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see	Those relevant to the scheme/package from within the list in Appendix A (supplied separately)

			<p>ppendix supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	A	<p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
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H120 ENTERPRISE CENTRE FOR THE HORIZON BUSINESS AND INNOVATION PARK

This Baseline Report provides the details of the inputs, outputs, outcomes and impacts of the [insert scheme name *here*] from the period [date] to [date], before the scheme is constructed/delivered.

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

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 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	[20/21]				[21/22]				[22/23]				
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Note: all quarterly figures are £m																		
IN1	Grant Spend £7m	Planned / Forecast	SELEP Monitoring Requirements	Quarterly	Planned/ Forecasted Spend Profile		0.5	0.4	0.3	0.3	1.0	1.5	3.0					
IN2	Matched Contributions Spend £9m*	Planned / Forecast	BDC Monitoring Requirements	Monthly	Planned/ Forecasted Spend Profile		0.9	0.2	0.2	0.6	0.5	1.2	1.9	2.7	0.5			

IN3	Leveraged Funding £16m*	Planned / Forecast		BDC and SELEP Monitoring Requirements	Monthly	Planned/ Forecasted Spend Profile		1.4	0.6	0.5	0.9	1.5	2.7	4.9	2.7	0.5		
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****Note: there remains £0.3m of expenditure expected to be incurred in the next financial year.***

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)	1 August 2020
Public Consultation	
Detailed Design	November 2020
Full Planning Permission Granted	December 2020 Through adopted Local Development Order
Site Mobilisation Works Commence	February 2021
Completion of Section 1 of 2	Main construction PC 31/03/22
Project Completion / Site Opening	Fit-out complete & opening end May 2022

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].

Main Risk	Risk Register Ref	Counter Measures
Business and Political Risks		
10. Cost escalation brought about by prevailing market conditions.	6.5	Reduce project scope. Explore value engineering.
11. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk.	1.1	Multi-disciplinary project team approach.
12. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult.	8.1	Avoid Europe based supply chains as far as possible.
Service Risks		
4. Unauthorised changes to scope leading to cost escalation.	6.1	Put in place a strict change management regime and ensure that implementation is robust.
11. Delivering a signature gateway building of the best quality with	6.4	Regular design milestone cost checks and balance between product and cost.

Main Risk	Risk Register Ref	Counter Measures
associated landscaping and access ways that falls within budget.		
12. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'.	5.6	All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area.
13. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment.	5.11	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.
External Environmental Risks		
4. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme.	8.5	Closely follow government advice. Ask for alternative programme from contractors at tender stage.
5. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand.	5.9	This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand.

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.

EXAMPLE							
ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Type of service improvement	Baseline	8 minutes from x to y by bus 11 in the morning peak hour	Through public timetable information	n/a	Timetable Bus 11 (March 2018)	March 2018
		Planned/ Anticipated	6 minutes from x to y by tram in the morning peak hour	Through public timetable information	Once opening for One Year Report after One After	Full Business Case, p10	From scheme opening (July 2021)
Details: Method of Collecting Baseline Information							
<p>Public transport information from the latest bus timetable for service 11 was reviewed from stop X to Stop Y. The map shows where these locations are.</p> <p>The cost of collecting this information was £0.</p>							

COMPLETE AND REPEAT FOR ALL OUTPUTS

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							
ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

...OP3, OP4 etc

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.

EXAMPLE							
ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1	Jobs connected to the intervention	Baseline	10 jobs from one business	Short questionnaire email	n/a	Email questionnaire before opening	2020
		Planned / Anticipated	30 jobs – 15 from construction and 15 total FTE as a result of the scheme (5 additional jobs delivered in each year after opening for the first three years only)	Construction jobs from contractors data. FTEs from surveying new businesses along the route of the tram with a short email questionnaire after scheme opening.	Once after opening and once for five years after opening report	Full Business Case, p22	After opening
Details: Method of Collecting Baseline Information							
There is one business in the impact area of the scheme on a small business park which is newly opened. This is a small accountancy firm. Through an email questionnaire before opening, we found that it employs 10 FTE. The cost of finding out this information was 1 day of internal resource.							

COMPLETE AND REPEAT FOR ALL OUTCOMES

	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							
	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC2		Baseline					
		Planned/ Anticipated					

Details: Method of Collecting Baseline Information

...OC3, OC4 etc

IMPACTS

- Impacts are often not measurable but can be anecdotal or inferred. However, if they can be measured then an approach and budget should be allocated for this.
- They are a longer-term effect of the scheme being in place and often occur as a result of the outcomes.
- They would not be monitored or tracked beyond the Five Years After Opening Report.

EXAMPLE							
ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1	Improved road safety	Baseline	14 slight 7 serious 2 killed	STATS 19 (Road Accident Statistics)	n/a	STATS 19	2020

		Planned/ Anticipated	General downwards trend in accidents	STATS 19 (Road Accident Statistics)	Annually	Full Business Case, p42	By 2026
Details: Method of Collecting Baseline Information							
Map STATS19 data and analyse results for key roads and junctions affected by reductions in traffic as a result of the scheme. This required 1 day of GIS time. STATS19 data was free to use.							

COMPLETE AND REPEAT FOR ALL IMPACTS

	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM2		Baseline					

		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

...IM3, IM4 etc

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.*

None of the information given in this report falls under the above categories.

APPENDIX H – STAKEHOLDER ENGAGEMENT MATRIX

PROJECT NAME: WITHAM ENTERPRISE CENTRE

POWER / INFLUENCE	HIGH	<p>KEEP SATISFIED, INFORMED AND CONSULTED (Champions) Need occasional but appropriate information. If their interest grows they could become key stakeholders.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • TARGETED ALERTS • BLOGS • LINKS TO ARTICLES 	<p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Cabinet Members • Council Members 	<p>MANAGE CLOSELY AND MOST THOROUGHLY</p> <p>Key Stakeholders. If they feel positive about the project, they will be powerful supporters. If they feel negative, they could do a lot of damage. Manage them closely, keeping them fully informed and engaged and win them round if you need to.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • FACE TO FACE • BRIEFING 	<p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Project Sponsor - Corporate Director (Dominic Collins) • Head of Strategic Investment (Aidan Kelly) • Leader of the Council (Graham Butland) • Chief Executive • District Growth Officer Group (DGOG) • Ward Councillors (Graham Butland, Frankie Ricci, Tom Cunningham) • Finance • Procurement • Planning <p>EXTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • External consultants (PM/ QS, Architect, MEP, Structural and Other Consultants) • Principal Contractor
	LOW	<p>MONITOR AND INFORM (MINIMUM EFFORT) (Detractors)</p> <p>May become more interested or powerful in time, so don't ignore them. Instead monitor their positions and be prepared to address any concerns they have promptly, particularly if they move to another quadrant of the grid.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • SOCIAL MEDIA • WEBSITE • EMAIL • PRESS 	<p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Other Council Officers 	<p>KEEP INFORMED, ANTICIPATE AND MEET NEEDS (Supporters)</p> <p>Will expect frequent communication. Choose a cost-effective way to keep them informed, so that they feel positive towards your project and, if they gain more power, will contribute to its success.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • DISCUSSION CHANNELS • ON-LINE SURVEYS 	<p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Council Officers Resident in the Area
		LOW		HIGH	
		INTEREST			