

HARLOW

 HARLOW
SCIENCE PARK



Getting Building Fund Business Case Submission

Modus – Harlow Science Park.
Harlow Enterprise Zone

Harlow District Council

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1. PROJECT OVERVIEW

1.1. Project name:

Modus – Harlow Science Park

1.2. Project type:

Site Development

1.3. Federated Board Area

East Sussex, Kent & Medway, Essex, and Thames Gateway South Essex

1.4. Lead County Council / Unitary Authority:

Essex

1.5. Development location:

Harlow Science Park
Newhall Way,
Harlow
Essex
CM17 9LX

1.6. Project Summary:

The Harlow Science Park (HSP) is the flagship development of the Harlow Enterprise Zone (HEZ), providing space for science and technology companies and bringing many high value jobs to Harlow. It is specifically designed to provide high quality space that will complement the science parks in the Cambridge area and capitalise upon the growth of the science and technology sectors in the London Stansted Cambridge Corridor (LSCC).

Following the development of the Nexus multi-tenant office building and the Anglia Ruskin University's Arise Building, Modus was selected as the next stage of development to complement the provision of office space, provide opportunities for vertical integration of the supply chain across the targeted industries and also as a response to market indications of requirement

Modus will provide collection of 5 mid-tech buildings to a total space of 4774sqm within HSP for businesses focusing on all areas of science, technology, research and innovation.

The mid-tech units will offer complete flexibility to occupiers along with relevant localised landscaping and parking provision, as well as access to the wider park services as these come online.

Like a large proportion of the projects selected by SELEP for this funding opportunity, the Modus project commenced with a strategy to establish some contributively funding, with the GBF becoming the key opportunity for this.

Successful allocation of funding would relinquish HDC of any additional funding requirement for Modus and would free up loan capacity to commence with a 'Community Heart' for the park to include a Café/Restaurant operation, Children's Nursery, associated parking, drop-off and public realm space.

Given the aspirational nature of HSP and the emphasis placed on these services by tenants and potential developments with the park, the Community Heart is an integral development to the future success of the HEZ and to delivery of further employment space and job creation linked thereto.

The success of HEZ will also generate significant funds through the Business Rates uplift which will facilitate the positive interventions linked to that income within the formal Enterprise Zone agreement.

1.7. Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
Harlow District Council	Land Owner and Financing
Vinci UK	Development Partner – Operational Role Only

1.8. Promoting Body: *Harlow District Council (HDC)*

1.9. Senior Responsible Owner (SRO): *Jane Greer – Head of Community & Wellbeing – Harlow District Council*

1.10. Total project value and funding sources:

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
HDC Loans	£5.0m	Funding approved by Cabinet decision and secured.
GBF Funding	£1.96m	Currently seeking funding to finalise programme
Total project value	£6.96	

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

£1,960,000.00 via the Getting Building Fund.

1.12. Exemptions:

N/A

1.13. Key dates:

Construction commenced on site in May 2020, and should funding be approved, the total provision will be utilised towards profiled costs within December 2020, and January, February & March 2021.

1.14. Project development stage:

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Procurement	OJEU compliant process.	Vinci UK established as development partner through OJEU process.	Complete
Initial design stages	Feasibility, Viability and planning submission design.	All relevant drawings prepared for submission to planning.	Complete
Planning Approvals	Full application submitted to planning authority	Full approval received for scheme	Complete
Second Stage costing tender	Final works costing developed under the OJEU contract	Final total scheme costs agreed which protects expenditure to HDC at a capped level	Complete
Project development stages to be completed			
Task	Description	Timescale	
Construction to Practical completion	Full scheme construction to completion to a position for tenancy.	Completion due March 2021	
Marketing	Marketing of all units to market	On-going until completion – Expected December 2021	

1.15. Proposed completion of outputs:

Practical completion of the scheme is projected for March 2021 with occupancy commencement anticipated from early 2022.

The Nature of the timing is linked to both anticipated tenancy agreements which are not expected until substantial form of the buildings are complete and the resulting fit-out of the buildings that will then be required before occupancy.

These fit-outs will vary depending on the variations between the type of laboratory/production equipment and machinery required by a tenant and the bespoke nature thereof.

Given these factors, it is anticipated that full occupancy will occur around March 2023. The projection of job creation will scale through the entire period to account for this with all 217 jobs being realised at that point.

2. STRATEGIC CASE

2.1. Scope / Scheme Description:

The HSP is the flagship development of the HEZ, providing space for science and technology companies and bringing many high value jobs to Harlow. It is specifically designed to provide high quality space that will complement the science parks in the Cambridge area and capitalise upon the growth of the science and technology sectors in the LSCC.

Harlow can offer perhaps the most competitive location in the south east of England, so close to London. HEZ provides: -

- 51 hectares of development opportunity
- Refurbished buildings ready for occupancy from 2016
- Easy access to London, Cambridge and Stansted Airport
- Simplified planning regime, often not requiring a planning application
- Business Rate discounts
- Superfast broadband supplies

HEZ is one of 45 locations across the country, designated by the UK Government, to provide incentives for investment. The Zone provides three specific opportunities: -

- London Road South (Kao Park); 20,000 square metres of 'Grade A' office space as well as the largest Data Centre development with full planning consent and currently under construction in the South East of England.
- London Road North (HSP); 15 hectare greenfield site available for design and build opportunities with a focus on the Med Tech, Life Science and ICT sectors; construction commenced in 2017.
- Templefields; existing industrial estate offering SME manufacturing space and longer term re-development opportunities.

HEZ will carry on this tradition for innovation and enterprise through the creation of a campus environment for dynamic businesses creating new technologies and new products, thereby stimulating innovation and generating economic growth.

There are four core objectives: -

- The development of two sites to provide high quality, modern business space meeting the needs of businesses in the ICT, Advanced Manufacturing and Life Science sectors.
- The location of 100 businesses and the creation of a minimum of 2500 jobs with the potential to create more than 5,000 jobs over a 25 year period.
- Increase the GVA of the West Essex sub-region through inward investment and enabling the growth of existing companies through re-location, expansion and supply chain opportunities.
- The creation of employment opportunities for local residents.

Following the development of the Nexus multi-tenant office building and the Anglia Ruskin University's Arise Building at HSP, Modus was selected as the next phase of development to complement the provision of office space, provide opportunities for vertical integration of the

supply chain across the targeted industries and also as a response to market indications of requirement.

Modus will provide a collection of 5 mid-tech buildings to a total space of 4774sqm within HSP for businesses focusing on all areas of science, technology, research, advanced manufacturing and innovation.

The mid-tech units will offer complete flexibility to occupiers along with relevant localised landscaping and parking provision, as well as access to the wider park services as this comes online.

These designs can be found in Appendix 2 – Modus Site Plan and Appendix 3 – Modus External Design CGIs

The council approval for the construction of Modus followed significant market analysis and forms a key deliverable of the Enterprise Zone (EZ) strategy, which is the establishment of laboratory/research facilities as part of the focused objective of bringing high quality employment opportunities to Harlow and to begin the definition of the HSP in a broader context than the office spaces already built.

As part of on-going strategies, the delivery team have continued to search for opportunities to gather part-funding for the Modus scheme, which would alleviate HDC of the need to utilise available loan capacity to the full value of the project.

The importance of this endeavour has been to unlock loan capacity for use within the next phase of development at HSP being a services and community area which is an integral part of the future success of the whole park and will be a key influencer to delivery of the wider employment delivery across that entire area of the EZ.

Along with factors such as price and location, the service provision within immediate vicinity to a work environment is a key consideration for employers when selecting relevant premises, with catering and childcare being pivotal to decision making.

These facilities are found within all established and successful science, innovation and enterprise parks, often driven by the out-of-town location, which sees little immediate local provision without intervention.

The HSP delivery team have worked with a local childcare company to establish initial designs for a nursery and two national café/park catering providers to develop an operation requirement.

This work has produced initial site layout and building designs along with construction costs assessments; these can be found in Appendix 4 - Central Heart Proposed Site Plan, Appendix 5 - Central Heart Nursery - Proposed GA Plan, Appendix 6 - Central Heart Cafe - Proposed GA Plan and Appendix 7 - Central Heart Feasibility Estimate.

Whilst it is recognised that the Modus scheme would be complete through additional borrowings should funds not become available, the attainment of funding through the GBF would facilitate loan capacity to be utilised for the services area development, which in turn would accelerate the delivery of the wider park in terms of both construction and job creation.

Furthermore, this acceleration would facilitate the delivery of the overarching EZ deliverables as well as Business Rate uplift which will facilitate further positive interventions as defined within Enterprise Zone agreement.

2.2. Logic Map

<p>Total project value: £6,960,000.</p> <p>Funding sources include;</p> <p>HDC £5,000,000 Commercial income (10 year profile) - £5,079,100</p> <p>SELEP funding request:</p> <p>A total of £1,960,000 is requested from the Getting Britain Building Fund.</p>	<p>Mid-tech buildings providing flexible infrastructure and design to provide facility to 5 commercial operators for laboratory, R&D and advanced manufacturing requirements.</p> <p>'Platinum' accredited fibre connectivity to all buildings.</p> <p>Release of HDC loan capacity to commence development of the 'Community Heart' of HSP, allowing for the establishment of:</p> <ul style="list-style-type: none"> • Café and flexible park community space. • Children's nursery providing childcare solutions for park residents. • Community Public Realm and associated landscaping, access and parking provision 	<ul style="list-style-type: none"> • 4645m2 of new commercial space • 190 new hi tech jobs • New GVA of £13,012,350 over a 10-year period. • Case. • 'Platinum' accredited fibre connectivity to all buildings. • 27 jobs created through 'Community Heart' development 	<ul style="list-style-type: none"> • Contribution to the establishment of HSP as an operational science and innovation park. • Acceleration of private sector and further public sector investment in future zone developments and associated job creation • High quality employment generation for Harlow/catchment residents • Significant boost to the EZ, additional detail can be found in Economic Case.
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2.3. Location description:

HSP and the wider EZ is situated 5 minutes from Junction 7 of the M11, providing easy access to London, Stansted Airport, Cambridge and the wider national motorway network.

Transport:

As well as the excellent road access to the EZ, Harlow also benefits from good train connections through its two mainline stations – Harlow Town and Harlow Mill, providing direct access to London Liverpool Street, Stansted Airport and Cambridge. Central London can be reached in 35 minutes and Stansted in 20 minutes. Utilising the London Underground connection at Tottenham Hale, Oxford Circus can be reached in 45 minutes.

Harlow Council is currently working with Essex County Council to develop a new motorway junction on the M11 to the north east of the town (Junction 7a), which would provide even faster access to the motorway from the EZ. Work commenced on this new junction in 2020.

Benefits:

As well as the locational advantages of Harlow, businesses establishing themselves in the HEZ will have the following specific benefits: -

- Business rate relief of up to £55,000 per year for a five year period
- An existing planning framework which means in most cases a planning application is not required for building alterations or for new buildings
- Fast tracking of the provision of superfast broadband

Setting:

Harlow sits within an attractive area of the Essex and Hertfordshire countryside on the River Stort. The town provides a mix of housing, and the EZ itself is immediately adjacent to the award winning Newhall development, providing high quality family housing. The attractive villages of Hertfordshire and north Essex are within Harlow's catchment area.

The town has a strong business base and is already a sub-regional employment centre. Historically the town has been home to businesses such as GlaxoSmithKline, Pitney Bowes and Nortel and today provides around 25,000 jobs for the local economy. The presence of these employers ensures that the area has a strong skills base particularly in life sciences and manufacturing.

Harlow sits at the heart of the LSCC. This provides a significant catchment of 3.3million people within an approximate one hour journey of Harlow. This population is set to grow by 20% by 2032. The area has a strong economy and skills base with 41% of an expanding working age population qualified to degree level.

The area benefits from a strong educational offer, which is expanding year on year. As well as the location of Anglia Ruskin University on the Harlow Science Park, Harlow College has an established Advanced Manufacturing Centre and created the Stansted Airport College providing a range of airport related vocational education. Both Harlow Collage and Anglia Ruskin University have signed Memorandums of Understanding with Public Health England to support

their future employment needs. Their programmes, along with that of the BMAT STEM Academy, complement the target activities of the EZ, providing science and technology programmes for 14 – 19 year olds.

Below is a map showing the location of the EZ in a national context:



2.4. Policy context:

The EZ was established to support the health and allied industries and advanced manufacturing sectors within West Essex. HSP was established under an approved Local Development Order (LDO).

When drawing up the LDO, particular attention was given to the balance between offering flexibility to businesses to deliver employment and GVA growth, and ensuring that frontages along the external boundaries of the site create the right impression of quality and are

appropriate in respect of the residential areas or main highways nearby. Permitted development has been granted for refurbishment of existing buildings consistent with design and sustainability criteria.

The designation of the EZ provides certainty to a range of business activities that will support future investment and contribute to regeneration of Harlow and West Essex. The land is currently designated as employment land, but elements of it – particularly the greenfield at London Road and the TNE frontage onto Cambridge Road – may come under pressure for other types of development. EZ status would support protection of the land for employment uses and prevent other types of development for example housing and retail.

Uses that would be appropriate include the following:

- B1 (A,B and C) and
- B2, C2 (training centres only)

The LDO met all necessary national planning policy and the masterplan for HSP delivered as part of the establishing process provides a campus style design which unifies the buildings and ensures that commercial, manufacturing and research buildings sit harmoniously together. Sizes range from 10,000 sqft through to 100,000 sqft and from 2 to 4-storey development.

Modus received planning approval under the LDO and the services area of the park makes up part of the approved masterplan.

The approved masterplan is shown below:



Modus and the wider EZ meet a number of the governmental objective 1 of the funding criteria for the GBF by being focused on job creation for the town and wider geographical areas.

The following LEP priority areas are also met:

- LEP Priority interest area 2: Physical infrastructure to improve the local economy – The EZ, and HSP contribute to the delivery of infrastructural development to assist with the delivery of an expanded and improved local economy for Harlow with Modus providing relevant flexible mid-tech space to allow for an integrated supply chain across the development area. This vertical integration within the various innovation sectors is key to delivering a variety of jobs and career opportunities.
- LEP Priority interest area 4: Innovation ecosystem – The EZ and HSP have been developed to directly meet the needs of the life sciences sector, innovative technologies and digital industries. The LDO for HSP seeks to establish a relevant mix of building uses to include office, laboratory and research premises as well as production facilities. It is this variety of provision that will deliver a true Innovation ecosystem in any location and following the practical completion of Nexus, which provides traditional office space for relevant market participants, Modus represents the first step in realising this ambition.
- LEP Priority interest area 5: Digital connectivity – The digital infrastructure for Modus and the wider HSP have been designed to represent market leading connectivity. Nexus has achieved a Platinum score for Wired Accreditation and Modus has been designed to meet with the same level of digital infrastructure. Nexus's Wired accreditation can be found in Appendix 8 - WiredScore

2.5. Need for intervention:

Harlow has a once in a generation opportunity for regeneration and transformation. The town is as a key location in the LSCC for both economic and housing growth. The town must provide the quality of place that supports the town's economic aspirations through planned major investments. These include the government backed move of Public Health England (PHE) to Harlow, the growing city scale population of the Harlow & Gilston Garden Town (HGGT), the development of the HEZ and Harlow Science Park (HEZ/HSP), and the building of a new Princess Alexandra Hospital (PAH). All of these rely on attracting both businesses and employees, and both the Harlow Growth Board and our partners leading these major investments, greatly emphasise how planned and future developments must match this growth ambition.

Covid-19 has triggered adverse economic impacts to Harlow with disproportionately high levels of furlough and unemployment making the stimulation of employment space and tenant uptake an imperative. The public sector must provide resolute leadership and show confidence to invest for the future. Modus and the wider HSP will demonstrate high quality development, and raise the bar for private sector interventions, improving quality of place and life in the town centre.

At the time of the EZ being established, Harlow was the 95th most deprived district in England, with four Super Output Areas in the top 20% most deprived nationally.

This deprivation is in part caused through the low earning levels present within Harlow and is further exacerbated by the national trend that the proportion of the population of working age

who work (either by choice or necessity) has raised substantially. Consequently, many more jobs are required to 'support' a given population.

Harlow's population (87,100 in 2019) has grown strongly over the past 10 years - by 0.8 per cent per year, higher than the UK average of 0.7 per cent per year. Growth is projected to continue at above the national rate for the next 20 years (Harlow: 0.6% per year 2016-2036; UK: 0.5% per year). Official growth projections do not adequately reflect planned future housing developments and therefore the full extent of population growth. The catchment area is set to expand significantly through HGGT and housing growth in nearby towns. HGGT will deliver 16,000 homes to 2033 and 7,000 post 2033 totalling growth of the existing Harlow urban area of 23,000 homes, a two-thirds increase on the current number of homes and raising the population to circa 130,000 residents.

Further infill development and redevelopment within the town and town centre will see this number rise significantly.

These additional households will put significant pressure on the provision of employment in the local area, and whilst commuting to London and wider geographical employment areas will consume some of this demand, post Covid-19 working solutions and green recovery aspirations will mean a greater emphasis is placed on locally driven solutions.

These solutions will require a variety of job and career types, flexible and traditional working environments and a robust infrastructure to support new and developing businesses.

In order to meet these prevailing issues and to support the Governments Sustainable Development Goals, the EZ and HSP represent clear interventions to support the expansion of the Harlow employment areas and deliver a wide variety of job and career types to appeal to a wide cross section of the local working population.

These aspirations are dependent on realising the opportunities of an integrated supply chain across the targeted sectors which will provide employment across different education, skill and vocation types.

It is this range of employment that will answer the employment need of the immediate and future generations of the town's residents.

The development of Modus is an important tactical part of the the strategic realisation, by providing mid-tech buildings that offer flexible solutions across research and engineering led disciplines that will allow for the projected supply chain to develop. This in turn will allow for the leverage the pipeline areas of development to be targeted for further integrative industry participants.

Should funding from the GBF be successful, the loan capacity that will be available for use at the services area of HSP will deliver specific elements of the park that will stimulate and accelerate the establishment of the employment opportunities targeted by the interventions of Modus, HSP and the EZ.

2.6. Sources of funding:

The funding for development across the EZ has to date included significant infrastructural investment for road and access arrangements as well as utility and digital connectivity provision which have been delivered through public sector funding.

Since the establishment of the EZ, extensive market engagement has occurred to seek private sector investment, and whilst the location within the innovation corridor has proved of significant interest to a number of market participants, the lack of services in direct locality and established employment space as complete and operational assets has detrimentally affected this interest for HSP.

This situation is compounded by the low residual land value across Harlow, which makes a direct sale against investment a low yield proposition and this can be found in both the commercial and retail sectors, with a number of large office buildings in the town becoming low-quality rental accommodation under permitted development.

KAO Park however have had success in lower level interventions for asset upgrades and this has seen uptake of space within this section of the EZ, albeit no further significant investment is planned by the land owner until further development of the wider area is complete.

The decision of the council and Anglia Ruskin University to invest on assets to establish HSP as an entity has been a significant step forward in the realisation of EZ aspirations, and good interest has been found for both the Nexus and Arise buildings, and whilst Covid-19 has changed the nature of this interest, it is expected that uptake of space will be forthcoming once fit-out is complete.

Similarly, good market interest in Modus has been developed and as is the market norm, once asset delivery is reached final stages, potential tenants will be able to start costing and appraisals for specialist fit-out arrangements linked to laboratory/research facilities, but these significant costs are a contributing factor as to the nature of the reticence of organisations of this type to fund a proprietary development on top of these costs.

The development costs of Modus to date have been driven by loan capacity of HDC against revenue and business rate benefits. Whilst it has continued to be the case that the delivery team has continued to seek contributive funding for the scheme to assist in realizing the benefits of it and HSP, there is of course the assumed position that the council would have to utilise further loan capacity to complete the project.

The ongoing strategy for the delivery at HSP remains to stimulate private sector investment and involvement, but these are anticipated to be delivered through freehold and/or long lease hold opportunities with organisations looking for proprietary premise delivery, and it is anticipated that this will be delivered through prior sale/lease agreement prior to asset delivery by HDC.

Some excellent prospective developments through these mechanisms are currently being negotiated with potential park participants, but the delivery of services to the site remains a clear barrier, with desire to see funded plans for these to be confirmed before commitment is made.

The delivery of Modus and the fit-out and occupation of Nexus remain a key stepping stone to the realisation of a functioning science park and the retention of loan capacity to contribute to

the delivery of the services area of the park is key to unlocking private sector involvement and investment.

HSP offers an excellent proposition for growing and established organisations within the targeted sectors, as fit-for-purpose facilities become key to the development and success of these entities.

Areas of research and advance manufacturing are mainly unaffected by the changes in working habits associated to Covid-19 and this assertion is supported by the types of organisations being engaged at this time.

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

The establishment of the EZ was predicated on the attraction and targeting of the Life Sciences, Advance Manufacturing and other innovation industries, and this strategy flows through the flagship HSP development.

Whilst market conditions have been affected by Covid-19, and the financial drivers and capacity of the industry participants have caused a shift in demands and types of investment options, the strategy for the targeted sectors remains applicable.

This is further supported by the Government's increased focus on innovation sector development and the location of HSP within the Innovation Corridor provide clear rationale to the continued benefits of HSP.

The changes in working practises driven by Covid-19 may reduce the need or demand for large isolated office only premises within the sector and this will become understood in the coming year, but the ability of HSP to react to these changes and to concentrate options around flexible spaces and premises mean that investment at this time are shielded from these changes to a large degree.

Modus represents this type of flexible development, with the ability to react to market needs over the entire lifecycle of the buildings.

The intervention of it and the services area of HSP provide a catalyst to establishing a successful park, and in turn will help realise the opportunities for private sector investment and involvement.

Failure to secure funding would result in difficulties in funding the services area of the park and the effect of this would cause significant delays in the realisation of the wider benefits of employment and economic opportunities available at HSP. This would result in a failure to fulfil the outcomes and aspirations of the EZ, the uplift in employment and economic drivers to support the growing local population and the Business Rates uplift to provide further supportive interventions.

Further failure to employment strategies for the town and catchment areas would also be a negative outcome to failing to secure funding with the onus becoming centred on private sector intervention which would be affected by recession and confidence.

This failure would directly affect Harlow's ability to support the Government's Sustainable Development Goals and the opportunity to provide a wide variety of employment opportunities to the current and increasing population of Harlow will be lost for a significant period of time.

2.8. Objectives of intervention:

Project Objectives (add as required)

Objective 1:

Deliver flexible mid-tech units to support targeted industry participants, delivering space suitable for laboratory, research or production.

Objective 2:

Provide suitable employment space to realise the ambition of varied and quality employment opportunities for the local population.

Objective 3:

Support the future developments of HSP through the provision of space required to begin delivery of integrated supply chain within the EZ.

Objective 4:

Provide critical mass of development to stimulate private sector investment and involvement on other development zones of HSP under the LDO.

Problems or opportunities the project is seeking to address (add as required)

Problem / Opportunity 1:

Employment and quality job creation as to meet the needs of the increasing population, along with an increase in average earning capabilities across the town.

Problem / Opportunity 2:

Meet the outcomes of the EZ.

Problem / Opportunity 3:

Realise the opportunities presented by the location of HSP and the EZ within the Innovations corridor.

Problem / Opportunity 4:

Release loan capacity to deliver a HSP/EZ services area to overcome the barrier to participation that the absence of one currently presents.

Problem / Opportunity 5:

Provide the targeted sector the location led opportunity to utilise an increasingly skilled workforce driven by skills programmes delivered by Harlow College, Anglia Ruskin University and supported by HDC.

	Problems / opportunities identified in Need for Intervention section				
	Problem / Opportunity 1	Problem / Opportunity 2	Problem / Opportunity 3	Problem / Opportunity 4	Problem / Opportunity 5
Objective 1	✓✓	✓✓	✓✓	✓✓✓	✓✓
Objective 2	✓✓✓	✓✓	✓✓	✓✓	0
Objective 3	✓✓	✓✓	✓✓	✓✓	✓
Objective 4	✓✓	✓✓	✓✓	✓✓	✓

2.9. Constraints:

At this juncture of delivery, constraints around planning and infrastructure have been overcome with construction already underway.

It is anticipated that all projects within the GBF will be in a similar situation given the 'shovel ready' nature of the requirement, and should these constraints still be present it would be difficult to meet the timeframes of delivery for projects of any significant impact.

The residual constraints for the Modus project and its ability to gain funding is therefore linked to the ability of HDC to retain loan capacity to deliver the future services area and as such deliver the wider development of HSP and the EZ and their objectives.

Whilst work has commenced on the design of the services area, the process of construction would fall outside the deliverable date of the GBF and as such, the route of funding for the deliverable project of Modus would appear sensible.

The approval of designs for the services area will of course remain a barrier which needs to be overcome, but working within the parameters of the LDO will provide a fast-track process to this endeavour.

Furthermore, whilst legal, social, environment and other constraints have been addressed through the LDO; financing remains the key constraint to the delivery of the services area, which this application seeks to address.

2.10. Scheme dependencies:

As described in the preceding sections, whilst the legal and procedural matters to deliver Modus has already been finalised and all constraints overcome, the main area of dependency in the ability to deliver the scheme's benefits are centred on the ability to secure contributed funding.

Whilst it is likely that any residual requirement of cost would be borne by HDC in the event of a failure to secure GBF funding, the realisation of the job creation will be dependent on the wider delivery of the services area which will bolster the park offer and significantly increase the opportunities to confirm tenants and participants for Modus and the wider HSP.

Another key area of dependency for the success of the EZ, HSP and the delivery of the associated growth potential of the UK Innovation Corridor is the improvements to the main road network linking London, Harlow and Cambridge.

Work has started on an additional motorway junction access for the town at M11 7a, and Harlow benefits from close proximity to London via major road and rail links, including the A10, M25, A414, M11, and West Anglia Route. London Liverpool Street, Tottenham Hale and Stratford can all be reached within 30 minutes. London Stansted Airport is 12 miles north east, Cambridge just 35 miles north.)

2.11. Expected benefits:

The expected benefits of the Nexus project are:

- 4645m² of new commercial space
- 190 new hi tech jobs, with 27 support staff
- New GVA of £13,012,350 over a 10-year period.
- This outcome would provide a significant boost to the EZ, additional detail can be found in Economic Case.

2.12. Key risks:

In line with industry best practise and as detailed in the Management Case, a fully detailed delivery risk register is managed as part of site delivery and this can be found in Appendix 12.

Key areas of risk are associated to a second lockdown due to Covid-19 during internal works which could provide delays to the programme of works.

This is of course a risk present in all projects that include interior works, but given the advanced nature of the Modus project, the timelines for deliver could accommodate such delays whilst not having detrimental impact to the backstop date of the GBF funding.

Given the contractual nature of the construction, cost increases sit within the liability of the contracted partner and as such this risk has been mitigated.

The main area of risk sits with the delivery of the key benefits of the scheme surrounding job creation, and this has been detailed in previous sections through its relationship to the establishment of the services area of the park and the establishment of HSP as a functioning and attractive proposition to employers and employees alike.

3. ECONOMIC CASE

Modus is Plot H of the Harlow Science Park. The project seeks to develop the site into a range of 'mid-tech' units combining office, research and manufacturing/assembly space. The HSP is the flagship development of the HEZ, providing space for science and technology companies and bringing high value jobs to Harlow. It is specifically designed to provide high quality space that will complement the science parks in the Cambridge area and capitalise upon the growth of the science and technology sectors in the LSCC. The Modus project is 5 mid-tech buildings to a total space of

4645sqm within HSP for businesses focusing on all areas of science, technology, research, advanced manufacturing and innovation.

The mid-tech units will offer complete flexibility to occupiers along with relevant localised landscaping and parking provision, as well as access to wider park services as this comes online.

Harlow Council and our development partners Vinci & Wrenbridge, are also currently in active discussions with a number of companies for space in this particular development: -

The uncertainty over Brexit and Covid-19 has led to a reduction in enquiries for larger developments, with many businesses deferring decision making until there is greater clarity. However, this trend has been less apparent at the smaller end of the market (unit sizes between 5,000 and 10,000 square feet) and we now have a healthy pipeline of development potential.

Local property agents Derrick Wade Waters have provided a Market Assessment which provides support to the projected rental levels and the ability to secure occupiers for the development.

The land value uplift is calculated according to MHCLG methodology (appraisal guide – see <https://www.gov.uk/government/publications/department-for-communities-and-local-government-appraisal-guide>)

	Option 2
Gross Development Value	£11,202,095
Development costs + fees + profit	£10,165,901
Land price / Land value uplift	£1,036,194

3.1. Options assessment:

Long list of options considered:

In determining the selection of the scheme at the Modus Site, option consideration was given directly to the LDO and outcomes defined by the Enterprise Zone.

The use classes and their contribution to the ambitions of HSP were considered during the LDO process and the Nexus and Modus meet the parameters thereof as well as delivering the initial capacity to the delivering an integrated supply chain as previously discussed

The LDO process engaged widely with stakeholders across public and private sector organisations as well as resident groups.

When considering this application, the advance nature of the build and the need to accelerate the project, there are a limited number of options that could be considered. In order to develop a short list of potential options to appraise, we chose to undertake a sifting process, using a simple

matrix to summarise and present evidence on options in a clear and consistent format. This matrix utilises a simple 4-point red/amber/green (RAG) scoring system for each of the assessment areas, which aims to facilitate the early assessment and comparison of scheme options. Using these criteria, the various options and resulting scores are illustrated below in Figure 2. These schemes are considered individually for the purposes of a comparative assessment; however, the better performing options could be packaged in due course as part of further evolution of the Scheme should this achieve multiple complementary benefits. **We have therefore considered 'Do nothing' and two further scenarios.**

Scheme Name	Description
Option 1 - Do Nothing	This scheme assumes no development the Modus building and no new job opportunities delivered.
Option 2 – Build to full shell and then mothball awaiting other funding sources	This option would see the completion of the build; however the finish would be more basic and offer space which is general B1/2 in nature, rather than be bespoke to more laboratory and manufacturing space.
Option 3 – Preferred option – completion of High Quality Mid Tech space for innovative companies	Development of Plot H of the Harlow Science Park into a range of 'mid-tech' units combining office, research and manufacturing/assembly space, to be known as Modus.

Options assessment:

Due to the advance nature of the build, and the need to accelerate the project, there are a limited number of options that could be considered. In order to develop a short list of potential options to appraise, we chose to undertake a sifting process, using a simple matrix to summarise and present evidence on options in a clear and consistent format. This matrix utilises a simple 4-point red/amber/green (RAG) scoring system for each of the assessment areas, which aims to facilitate the early assessment and comparison of scheme options. Using these criteria, the various options and resulting scores are illustrated below in Figure 2. These schemes are considered individually for the purposes of a comparative assessment; however, the better performing options could be packaged in due course as part of further evolution of the Scheme should this achieve multiple complementary benefits.

Option	Strategic fit	Benefits Optimisation	Potential achievability	Potential Affordability	Key Issues
Option 1 - Do Nothing	0	0	5.0	5.0	This option does not address the need to complete new build to meet the demand that exists for Mid-Tech space.
Option 2 – Completion of the build with increased flexible space which is general B1/2 in nature	3.0	3.0	5.0	5.0	This option delivers new space, but more generic B1/B2 office space rather than the more specific laboratory and technical space than the market is currently seeking.
Option 3 - Preferred option - completion of High Quality Mid Tech space for innovative companies	5.0	5.0	5.0	5.0	This option delivers new High Quality Mid-Tech space to meet known demand. The building's specification is designed to meet this demand.

3.2. Preferred option:

Following Options evaluation, local partners quickly discounted Options 1 and 2. Option 1 as reference case was quickly dismissed as 'doing nothing' is not going to deliver high quality space which meets known local demand for space.

Option 2 was also dismissed, principally as it does not provide space currently sought within the market. While the option was affordable, it was felt that the approach would not help establish Harlow's reputation as a high performing Science Park

Local partners have therefore identified Option 3 as the preferred scheme, not least due to the advanced nature of delivery. Option 3 has been designed to meet local demand and help further establish Harlow Science Park as a leading centre for High Tech jobs within the LSCC.

Option 3 enables local partners to develop a management approach that will deliver improved economic performance. Option 3 has been identified as the preferred as it is deliverable and affordable.

3.3. Economic appraisal assumptions and Assessment approach:

In the remainder of this section of the economic case we assess a range of different scenarios in the following stages:

1. First, the specific benefits that each option would deliver will be considered;
2. Second, the likely benefits that might result from each option will be analysed to provide an estimate of the overall Cost-Benefit of public investment. Three different scenarios will be considered, compared to a 'do nothing' scenario;
3. Thirdly, the economic benefits to the region, and UK as a whole will be considered in more detail. Scenarios are created and then the literature and modelling work used to estimate an appropriate rate of return which the intervention will generate. Consideration is made of the Net Present Value (NPV) for the three different scenarios. A Green Book consistent methodology is followed in order to present the NPV and benefit cost ratios. The methodology for evaluating the qualitative benefits associated with each option has included:
 - 3.1 An initial literature review to assess the potential range of benefits that might accrue to the project;
 - 3.2 Base modelling of the impacts and benefits derived from similar past programmes;
 - 3.3 An initial modelling of the main headline benefits likely to be delivered through the programme;
 - 3.4 Consultation with the programme sponsors, estate team and relevant academics;
 - 3.5 More detailed modelling to model the secondary benefits likely to be delivered.
 - 3.6 Final consultation to assess key stakeholders' opinions of the modelling work;
 - 3.7 Weighting the relative importance of each benefit in relation to each investment objective; and;
 - 3.8 Scoring each of the short-listed options against the benefit criteria.

The methodology includes the following:

4. **Time period considered:** In the analysis it is assumed that the investment would lead to returns for 60 years following the initial spend. The Green Book states "Costs and benefits should be calculated over the lifetime of the intervention or asset. For many interventions, a time horizon of 10 years is suitable. Where significant assets are involved up to 60 years may be suitable e.g. buildings and infrastructure.
5. **Timing of spend:** For all scenarios a planned timing of spend was used, relying on the assumption of the project being supported in 2020 with completion of the project in early 2021.
6. **Contingency** –Contingency levels were provisionally set at the commencement of the build phase. Since signing the Development Agreement, Harlow District Council has been able to

transfer the contingency risk to the developers. Contingency for the phase of funding relating to this project stands at a sum of £381,995 or 3% of the remaining costs, as shown.

7. **Impacts:** The range of potential economic impacts deliverable across the range of scenarios to be tested are the direct jobs created and safeguarded; the GVA increase for suppliers (over and above indirect jobs) and the growth in value added in start-ups and spin offs.

8. **Additionality:** Using mean estimates for deadweight, displacement, leakage, substitution, multipliers and net additionality based on evaluation work conducted by DBIS and Cambridge Economic Associates. We have looked at the individual components of deadweight, displacement, leakage and multiplier effects to revisit assumptions about additionality. These have then been taken over into the revised CBA calculations and Business Case;

9. **Deadweight:** The reference case accounts for deadweight loss of what would happen in the absence of intervention. A figure of 10.3% has been applied to the model to account for deadweight, we have used the DBIS/Cambridge Economic Associates model for sub-regional projects to account for the likely impact on Nexus.

10. **Displacement:** We have considered the number/proportion of intervention outputs accounted for by reduced outputs elsewhere in the target area. We are aware from the enquiry pipeline that there is limited alternative space within the local area. The proposed Modus building will meet an existing market need. We have assumed displacement of the reference case to be 5 due to Harlow's connectivity and location to other innovation locations.

11. **Leakage:** Leakage measures the number or proportion of outputs (occurring under the reference case and the intervention options) that benefit those outside of the intervention's target area. This could have positive and negative effects on other areas;

12. **Reference Case:** As far as the reference case is concerned, we do not believe the current performance will lead to any leakage.

13. **Preferred Case (Option 3 – Preferred option – delivery of complete fit out of Nexus with the delivery of Option 3 there is a relatively small chance of leakage due to the fact that any potential competition currently available within the market and as a result it will mean the level of leakage will be relatively small. Due to this, a factor of 5% has been applied within the economic impact modelling.**

14. **Optimism bias**

In preparing the Appraisal we have reflected the potential for Optimism Bias by using the five-step approach that is based on the findings from Mott Macdonald's study. We have identified the project as being a "Standard build" with capital expenditure bias bound between 24 at an upper limit and 2 at the lower.

15. We have applied the methodology and have applied mitigation of contributory factors at 0.7 and 0.7 for the partial mitigation factor, due to the control that Harlow Council has over mitigation. This results in an Optimism Bias assumption of 11% applied to costs.

16. Discounting rates

Discounting future costs and benefits to present value have been applied to the project and appraisal. The *Green Book* discount rate is generated using the following equation:

$$r = \rho + \mu g$$

Where:

r is the discount rate.

ρ is pure time preference (discount future consumption over present consumption on the basis of no change in expected per capita consumption).

μ is elasticity of marginal utility of consumption

g is annual growth in per capita consumption

We have applied the ***Green Book: Appraisal and Evaluation in Central***

Government produced by HM Treasury recommendation of a discount of rate of 3.5% (HM Treasury, 2011, 26) to the project.

17. Inflation

All spend will be completed in 2021, therefore inflation has not been applied.

18. Multiplier Effects

Our sense is that the Multiplier Effect of the facility which houses high tech businesses needs to be set higher than that of a standard workspace, the mean for the latter is 1.20, with the upper range being 2.17. Therefore, we have applied a multiplier effect of 1.80. This factor has now been applied to project and modelling.

3.4. Benefits quantified from the Preferred Option:

As far as the attached BCR calculations and benefits are concerned, the total GVA to be generated by the Preferred Option will deliver the following initial benefits;

The employment benefits of the Preferred Option are set out below. At summary level this Option delivers a total of 217 jobs into Modus. This outcome would provide a significant boost to the EZ.

[illegible]

1. **Customer** **Information**

[illegible]

We have considered a range of qualitative impacts that the scheme will deliver, these include;

- HSP Modus Project Business Case
Page 27 of 65

- We are confident of demand from potential occupiers due to existing conversations with companies. We are seeing shift in their requirements due to Covid, which has rendered Option 2 unviable, particularly from an investors perspective, as a result limited work has been completed to assess this Option.

We have used national benchmarks to establish GVA impacts, this includes the use of Amion data for average job GVA generated. We have used HCA Job density data to assess the number of jobs that will be created within the Modus project. Based on our analysis delivery of the preferred Option 3 will generate £13,012,350 in additional GVA over a 10 year period as set out below:

GVA impacts																						
Economic outcomes - commercial operations	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total											
Average GVA per job	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000											
Total new jobs generated	0	24	24	24	24	24	24	24	24	24	24	217										
Direct GVA generated	1,549,800	1,267,950	1,267,950	1,267,950	1,267,950	1,267,950	1,267,950	1,267,950	1,267,950	1,267,950	1,318,950											
Indirect and induced GVA generated (supply chain, spend of employees locally)																						
Total GVA generated	1549800	1800250	1879950	1879950	1879950	1879950	1879950	1879950	1879950	1879950	18389650											
Economic outcomes - new residents	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total											
No. new residents in locality			0	0	0	0	0	0	0	0	0											
GVA generated per resident due to spend in local economy	0	0	0	0	0	0	0	0	0	0	0											
Total GVA generated																						
Economic outcomes - amenity value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total											
	1,549,800																					
Total GVA - national - additionality at 50%	774,900	633,975	633,975	633,975	633,975	633,975	633,975	633,975	633,975	633,975	659,475											
Total GVA - local - additionality at 75%	1,162,350	950,963	950,963	950,963	950,963	950,963	950,963	950,963	950,963	950,963	989,213											

Reference Case: status quo, do nothing or do minimum

If the project did not proceed, we would not be able to deliver the optimal building within the HEZ and Science Park. Investment through the Getting Britain Building fund will provide an opportunity to create high quality space within Harlow. Investment through the Preferred Option will provide new high quality mid-tech space which will attract known demand and help form a new platform to

raise the profile of the HEZ and the role the Science Park can play in attracting new investment into Harlow.

Delivering the Preferred Option will enable local partners to position Modus as high quality space which will be able to secure known investment and assist the process of establishing Modus as an attractive, welcoming and economically viable Mid-Tech Centre.

Economic appraisal results:

	DCLG Appraisal Sections	Option 1 relative to status quo (Do Something)	Option 2 relative to status quo (Do Minimum)
A	Present Value Benefits	8,956,337	8,099,440
B	Present Value Costs (£m)	4,485,385	4,485,385
C	Present Value of other quantified impacts (£m)	0	0
D	Net Present Public Value (£m) [A-B] or [A-B+C]	4,470,952	3,614,055
E	'Initial' Benefit-Cost Ratio [A/B]	2.01	1.8
F	'Adjusted' Benefit Cost Ration [(A+C)/B]	2.01	1.8
G	Significant Non-monetised Impacts	<i>None captured at this stage of delivery</i>	
H	Value for Money (VfM) Category	<i>Good Value for Money</i>	
I	Switching Values & Rationale for VfM Category	Low switching value at this stage of delivery.	
J	DCLG Financial Cost (£m)	1,960,000	1,960,000
K	Other Issues	N/A	N/A

4. COMMERCIAL CASE

4.1. Procurement options:

Given the advance nature of Harlow Science Park (HSP), procurement routes to delivery across the park have already been complete and delivery partners are in place.

Preferred procurement and contracting strategy:

The procurement strategy for HSP utilises a Development Agreement led partnership for HSP, which was finalised through an OJEU process for the on-going delivery of the site masterplan and LDO.

The partnership provides flexibility for varied options of delivery dependant on the solution required for each plot.

This flexibility allows for delivery of design, build and fit-out options for both HDC retained assets, built-to-spec leased assets and delivery of freehold solutions for sector-focused purchasers where asset ownership is deemed the most advantageous solution to both HSP and the client.

The contracted partners are:

- HDC working through the HEZ.
- VINCI UK: - VINCI is a global player in concessions and construction, working to design, build and operate infrastructure and facilities that help improve daily life and mobility for all. Focusing on all-round performance, above and beyond economic results, there is a commitment to operating in an environmentally and socially responsible manner.
- Wrenbridge UK - Wrenbridge is a leading UK property company with offices in Cambridge and London. Founded in 1993, they have been successfully developing and investing in properties across the UK for over 20 years. Geographically, their emphasis is on London, East Anglia, Home Counties and the South East.

The approach of the partnership is to utilise the contracted mechanisms in place to ensure quality and value drivers are met to ensure longevity to delivered assets and provide a 'sense of place' that delivers the ambitions of the EZ, HSP and Harlow, for the park participants and town residents for the immediate and long term future.

All projects are led through a design process and delivery costs are then established via a Quantity Surveyor led costing and quotation system with the emphasis placed of local providers to relevant contracted and sub-contracted work.

The benefit of this process is to utilise the established supply chains of the delivery partners along with the introduction of local supply where possible, to afford HSP focused quality and cost solutions.

Supply for on-going management contracts for the park including FM and landscaping are then conducted by HDC directly, utilising the procurement policy of the authority, which, like the OJEU process mentioned above, meets all legislative requirements of Public Sector funds along with social, environmental and economic drivers as set-out therein.

The Harlow District Council Procurement Strategy can be found in Appendix 9.

4.2. Procurement experience:

HDC, as the scheme promoter, has extensive experience in different procurement routes.

Full OJEU processes of both open and closed natures being deployed along with the access to a wide variety of public sector frameworks being employed where the best fit exists.

As a district authority, a rolling programme of non-construction procurement is undertaken for commissioned services including IT services, waste collection, building maintenance, landscaping and legal services to name a few.

Direct construction and development experience includes:

- **The Water Gardens Redevelopment** – HDC spearheaded the redevelopment of the southern end of the town centre by utilising land assets to create over 300,000sqft of new retail, leisure and civic floorspace and the resiting and renewal of the Grade II Listed Water Gardens.
- **Harlow Gateway Scheme** – The Council, working with a range of government partners and stakeholders brought forward large-scale regeneration and renewal across a number of sites to deliver over 600 new homes, state of the art football stadium, athletics/pitches and indoors sports hall, leisure centre and swimming pool. Scheme Value: £50m
- **Neighbourhood Renewal:**
- **Prentice Place** - Refurbishment of the neighbourhood shopping centre and 15 council homes. Scheme Value: £3m
- **Carters Mead and Vince Dunn Mews** – Delivery of over 40 new homes. Scheme Value: Approx. £6m
- **Clifton Hatch** – Redeveloped neighbourhood hatch, new retail facilities and 28 homes. Scheme Value: Approx. £4m
- **Lister House** – Land swap to deliver new and expanded Medical Centre and new homes. Scheme Value: £7.5m
- **Atelier Housing Development, Major Housing Renewal Scheme** – The Council has brought forward the renewal of an aging, 1960's council-housing estate with system build defects to deliver a total of 343 new homes, approximately 200 being affordable, in partnership with Countryside and Home Group. As well as new homes, the development includes new community facilities, green spaces and improved cycle and pedestrian routes. Scheme Value: £71m
- **Path Finder Project** - The Council embarked on a new council-building programme, the first in 30 years to transform disused and underutilised garage sites into high quality and sustainable homes available for affordable rent. The programme saw 18 new council homes built across three separate sites. Scheme Value: £3m

4.3. Competition issues:

Whilst relevant due-diligence linked to competition was complete, no competition issues were highlights as part of the Modus scheme.

4.4. Human resources issues:

Full consideration was given to relevant HR issues including TUPE as part of a defined OJEU process, but no HR issues were established for the Modus Scheme.

4.5. Risks and mitigation:

Whilst areas of delivery and prevailing risk are managed through processes detailed within the business case, the key area of commercial impact for HSP projects surround cost and delivery timelines.

The principle mechanism for the control of cost sits around the 'maximum contribution' level agreed at costing stages and defined within the HSP Development Agreement.

A fully costed scheme is agreed between the partners following the QS and quotation process to determine value and quality and this cost becomes the highest point of contribution required to complete the scheme.

Whilst any decrease in cost due to scheme amendment or delivery savings are enjoyed by the council, no further cost can be directed at the authority, with any rise in cost being the liability of the development partner.

Timeframes of delivery are managed through both the final cost agreement with the development partner, and then replicated by that party within their own supply chain agreements, through the employment of Liquidated and Ascertained Damages (LADS) linked thereto.

These LADS vary based on factors such as lost revenues and extenuated costs linked to delays, but are also tied to confirmed tenancies.

In line with the above, risk allocation for the project is as follows

Project Period	Risk Allocation
Planning Process, Design, Cost development and pre-commencement	HDC
Stakeholder Engagement - On-going	HDC
Construction & Fit-out Periods – Cost and Operational – Including Snagging Period prior to PC	VINCI UK
Defects Period post PC	VINCI UK, HDC & Specific construction under warranty
On-going Asset Management and Building Operation – where demise is controlled outside of lease agreement	HDC
Benefits Realisation	HDC

4.6. Maximising social value:

Procurement is an important tool in a Local Authority's toolkit through which to deliver its wider social, economic, and environmental aims; and not just about buying goods, works and services at lowest price.

These and other corporate priorities are the bedrock of the council's procurement strategy which support the principles laid out in the **Public Services (Social Value) Act 2012**, and are applied to all procurements.

In the example of HSP, the Economic, Social and Environmental considerations are addressed by, but not limited to the following considerations within all procurement processes:

- The design and delivery of all buildings and associated space to meet BREEAM levels of Very-good as a minimum but Excellent as a target – which considered all applicable sustainable construction approaches.
- Modal shift and sustainable transport uptake being promoted through supportive infrastructure.
- Utility and infrastructural services to ensure robust and sustainable design considering current and future needs of the locality of the park.
- Delivery of economic benefit to the immediate and wider catchment area as part of the wider interventions of HDC and partner organisations.
- Relevant and on-going consultation with stakeholders at community, supporting authority and commercial groups – both through programme & planning processes and additional specific consultation where appropriate.
- The delivery of the objectives of the EZ –with employment creation a key focus

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:

Total project value is £6,960,000.

Funding sources include;

HDC £5,000,000

Commercial income (10 year profile) - £5,079,100

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

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

A total of £1,960,000 is requested from the Getting Britain Building Fund.

5.3. Costs by type:

Cost type	Expenditure Forecast				
	20/21 £000	21/22 £000	22/23 £000	23/24 £000	Etc.
Capital [For example by stage, key cost elements for construction, and other cost elements such as contingency, overheads and uplifts]	6,960	0	0	0	0
Non-capital [For example revenue liabilities for scheme development and operation]	0	0	0	0	0
QRA	0.422	0	0	0	0
Monitoring and Evaluation	0.065	0	0	0	0
Total funding requirement	1960	0	0	0	0
Inflation (%)	1%	1%	1%	1%	

Based on current advice from our Quantity Surveyors we are expecting zero inflation in the construction market. This is due to a reduction in demand and the contractor market becoming more competitive. We are even starting to see some price reductions due to the sub-contractor market lowering rates, however we wouldn't suggest negative inflation as this isn't a proven trend yet. As such for this scheme a zero inflation rate is appropriate at this stage especially given the short lead in period.

This Figure is further supported by pricing mechanisms within the DA which shifts exposure to the development partner.

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

Funding source	Expenditure Forecast					
	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000
HDC	5000	0	0	0	0	0
GBBF	1960	0	0	0	0	0
Total funding requirement	6960	0	0	0	0	0

5.5. Funding commitment:

Cost overruns will be dealt with by HDC capital funding contingency funds. Officers will be working to avoid this eventuality taking place. If there is a cost overrun in the project, HDC guarantee that this will be managed internally, without compromising the project.

5.6. Risk and constraints:

In the event that this project experiences blockages during the delivery process, a range of potential contingency arrangements have been identified to guarantee the continued delivery of some of the services and outputs outlined in this case:

- **Covid-19:** we have amended our business model to accommodate the changes needed to address social distancing with measures that ensure distancing can be observed.
- **Post-Construction sales demand:** In the event that the struggles post construction we will undertake a thorough review of the business model and approach in consultation with MHCLG. We are aware of market demand for space in Modus. Investment is not likely to be postponed by the pandemic. With opening scheduled for early 2022 we hope that the pandemic will have passed. However our mitigation will be to continue to develop the operation of the centre in line with Government guidance and observing all appropriate social distancing rules.
- **Price escalation:** This could be driven by increased costs of materials, potentially due to high demand or price increases following the Covid-19 pandemic. The main mitigation will be to utilise the contingency built into the project costs, value engineer the works
- **Cost overruns:** This is most likely to be on materials and internal fit out construction The proposed mitigation will be to value engineer the schemes and if this is not possible seek to identify alternative funding or exclude elements of design.
- **Constructor ceases trading:** should this occur we will retender works.
- **Funding Risk & Constraints:** Should funding through this application be unsuccessful, then alternative funding would have to be sought and the significant delays of benefits realisation derived by this scheme, the park service's area and the wider HSP/HEZ would be realised. The risk to this is that it would be impossible to secure funding in relevant timeframes.

3.3 State Aid

There are no state aid issues which may constrain or limit public sector support for this bid.

HDC will be sole direct beneficiary of the funding. There is no State Aid to the applicant as the Councils are deemed to not be undertaking market activities. The Council has undertaken a State Aid self-assessment, which has indicated there is no distortion of the market through the activities of the project.

3.4 Assurance and Approvals Plan

An overall Governance Framework is established at Corporate / Programme Management level within HDC. The Framework defines an assurance role to oversee the governance and working arrangements of the project.

The Framework ensures that:

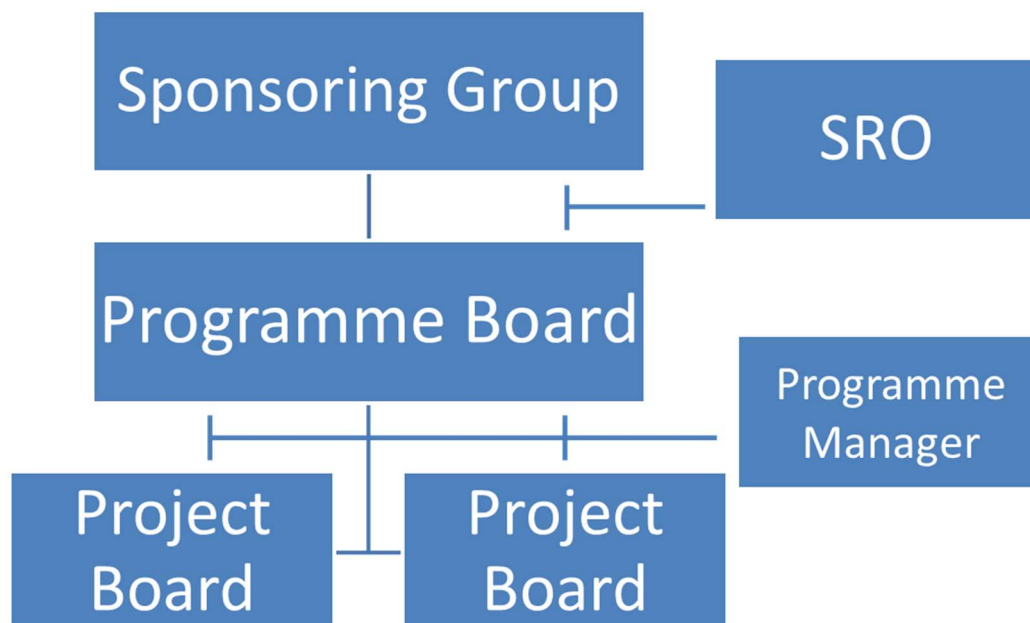
- all decisions and activities comply with legal requirements;
- the use of all funds is accounted for and reported;
- appropriate records of decisions and proceedings are published; and
- the Governance Framework is being adhered to.
- appropriate Governance and Project Boards are in place to oversee monitoring and progress

HDC staff will provide project-level assurance to provide the Project Board. Independent guidance and advice will also be sought with regard to all matters related to the status of the Scheme. The Project Board will be particularly focussed on ensuring that the strategic outcomes from the project are achieved and are in accordance with the Governance Framework and the contractual arrangements agreed with MHCLG.

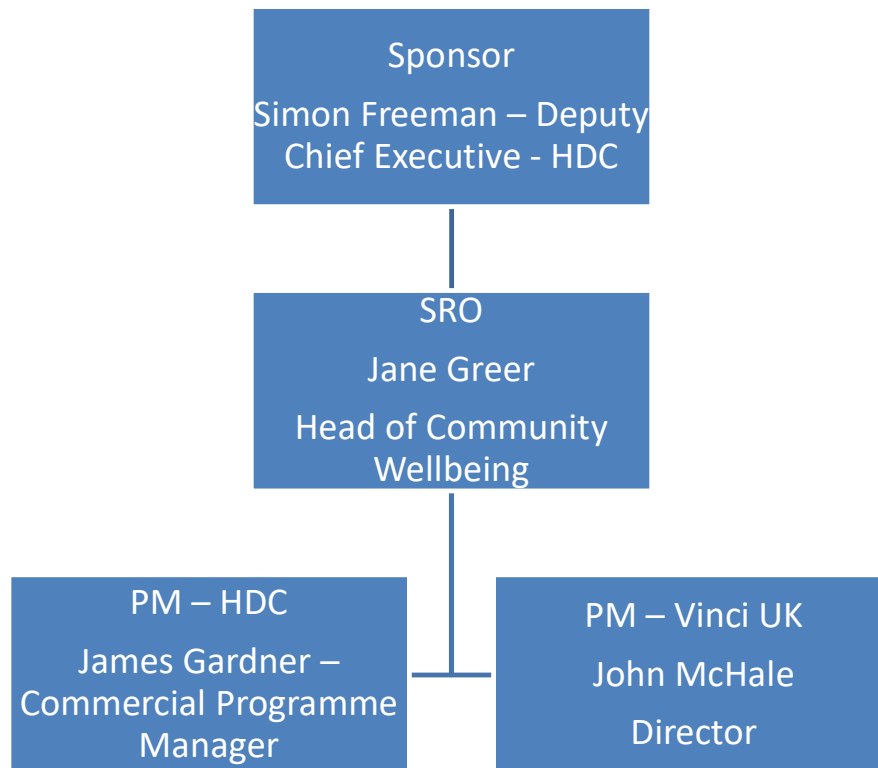
6. MANAGEMENT CASE

6.1. Governance:

The reporting lines of the programme and contained projects are shown below and a definition of the membership of the Governance bodies, along with a reporting & meetings schedule can be found in Appendix 10.



The governance of the Modus project follows a similar governance structure, with personnel defined as below which has a Project Board to which it reports and escalates decisions by exception.



Key Delivery Roles within the Project include:

Sponsor - Simon Freeman – Deputy Chief Executive, Harlow District Council

The Sponsor makes key financial decisions and provides top-level endorsement of the rationale and objectives of the programme. The sponsor provides continuing senior level commitment and support for proposed deliverables and champions their implementation.

Senior Responsible Owner – Head of Community Wellbeing, Harlow District Council:

The SRO is ultimately accountable for the programme, ensuring that it meets its objectives and realises the expected benefits. The SRO must be empowered to direct the programme, take decisions and provide leadership to the programme team and take on accountability for delivery.

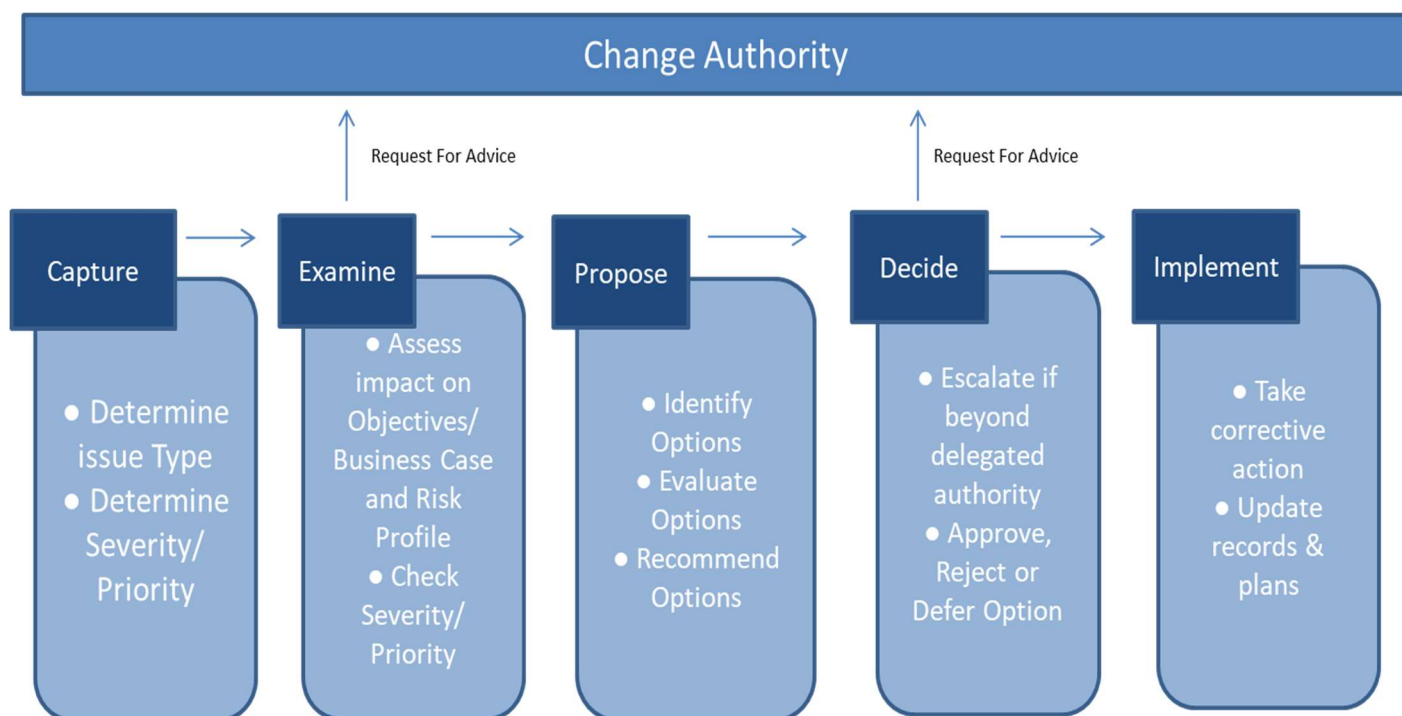
Project Managers – As detailed above:

The Project Managers are responsible for leading and managing the setting up of the project through to delivery with responsibilities as defined within the HSP Development Agreement. The Project Managers have primary responsibility for successful delivery from a day-to-day activities perspective.

6.2. Approvals and escalation procedures:

Approvals and escalation management are controlled at a programme and project level with the flow process below. Change authority will sit with the Programme Board, Sponsoring Group and Project Boards dependant on the level of request.

Given the advanced nature of the Modus Project, it is anticipated that the nature of any residual changes and issues will sit with the Project Board.



6.3. Contract management:

Utilising the MSP appended model, the HSP programme and all contained projects utilise contract lifecycle management as the basis of contractual management.



Key Performance Indicators (KPIs) are an essential part of obligation management and oversight.

Whilst the Development Agreement for HSP has set parameters for delivery performance and cost protections at a programme level, further KPIs are included within project delivery contracts.

These contracts utilise KPIs as the basis of liquidated and ascertained damages (LADS) to ensure such measures are available to address performance and delivery issues.

The KPIs selected emanate from industry standards such as those reported annually by Contracting Excellence but are tailored to meet project deliverables and SMART requirements.

The key areas for monitoring and oversight are:

- Construction schedule will be measured against deliverables and certificated completion
- Cost against budgeted cost of works and services
- Site Safety and complaints as a measure of management and
- Waste and recycling production linked to industry measures

All KPIs will utilise practical measures that allow for efficient data collection and the delivery of relevant MI reporting through Project Meetings and defined reports.

6.4. Key stakeholders:

As part of targeted stakeholder engagement, two key groups are utilised as advisory panels to support the programme governance structure and provided continued engagement for the programme and individual projects.

These groups are the Harlow Growth Board and the Harlow & Gilston Garden Town development team.

Harlow Growth Board:

The Harlow Growth Board is a Town Wide steering group that fulfils decision making and policy setting roles with diverse representation across interested groups and organisations.

The membership includes Robert Halfon MP, as well as senior representation from MHCLG, Harlow Council, Essex County Council, Harlow & Gilston Garden Town, Public Health England, Princess Alexandra Hospital Trust and the South East Local Enterprise Partnership.

There is further representation from large local employers Arrow Electronics and Raytheon, as well as a key local charitable organisation, Rainbow Services.

Harlow & Gilston Garden Town Development Team:

Harlow and Gilston were designated as a Garden Town by the MHCLG in January 2017.

The project will create exciting new communities in Harlow with many new homes being delivered. Alongside these fundamental objectives, the team are progressing infrastructural ambitions including sustainable transport and town centre improvements where specific crossovers exist.

The team is made up of representation of all partner authorities (Harlow District Council, East Herts District Council & Epping Forest District Council), Homes England & Places for People, as well as officers with responsibility across planning, programme management and delivery roles within the development.

A Further Key Stakeholder groups include the KAO park management team as both key employment land operators and bordering operators to the HSP scheme.

The groups will receive regular reporting and provide objective and informed input to decision making and delivery as defined within Appendix 10.

This approach mitigates risk of engagement failure as the project is delivered.

Prior to these on-going arrangements, extensive engagement was complete as part of the establishment of the EZ, with business and public sector participants alongside residents of Harlow and surrounding areas.

Additional stakeholder engagement was complete as part of the LDO process and additional engagement will take place ahead of new construction projects within HSP as the planning procedures are complete.

The HSP Strategic Engagement Plan can be found in Appendix 11.

6.5. Equality Impact:

An Equality Impact assessment was complete as part of a programme review in March 2020.

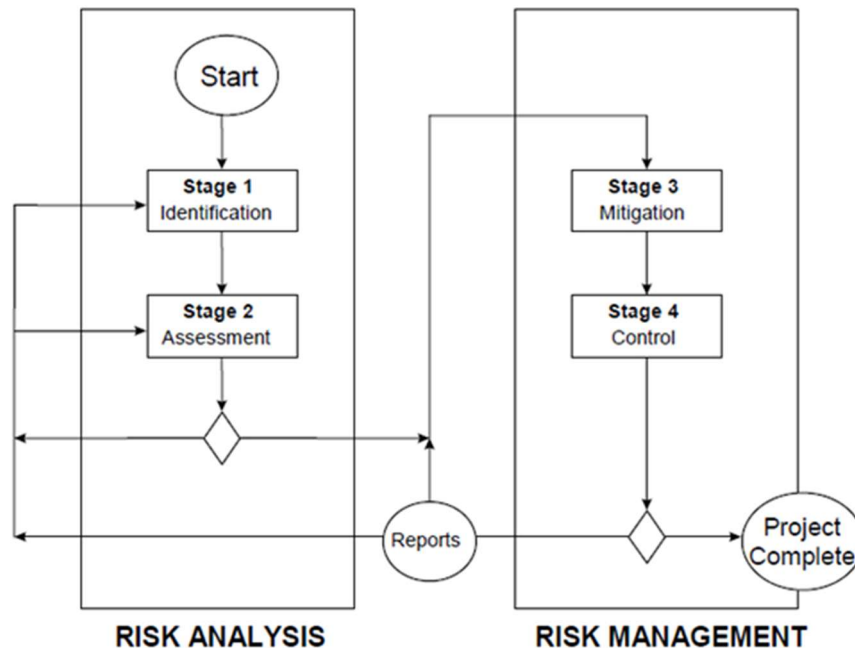
Whilst EqlAs were complete for the procurement of a Development Partner, and the Development Agreement has specific protocols surrounding Equality, the assessment highlighted the need for future estate management strategies, potential tenant assessments and a park charter to ensure that the operating park meets the needs of Equality groups, over and above the needs met by the built form & facilities and during the project stages.

These items are currently under review, with a professional consultant currently being procured to support with this endeavour.

The HSP EqlA is found in Appendix 14.

6.6. Risk management strategy:

Risk management is conducted at both a programme and project level following the analysis and management approach.



The Risk Management Strategy seeks to identify, evaluate and prioritise risks during the programme lifecycle to:

- Identify and understand the risks to which the project is exposed.
- Create an effective plan to prevent losses or reduce impact.
- Prioritise risks and take the appropriate actions
- Protect the reputation and public image of your organisation.
- Reduce legal liability and increase the stability of delivery and operation.

Risk registers are produced for all projects and will consider the risks assessed at programme level as well as items that are project specific and are continually reviewed and strengthened with alongside contractors and consultants to ensure comprehensive identification

A Risk Register for the project is show in Appendix 12.

The main risk management roles and responsibilities are:

- SRO – has overall responsibility for putting in place an effective risk management policy and process
- Project Sponsor & Project Board - has oversight responsibility for risk management processes
- Programme Managers – responsible for implementing risk management policy
- Risk owner - the person best placed to direct or take mitigating action against individual risks dependant on programme and/or project.

Continued assessment and review of risk management will be complete in line with those detailed within Appendix 10.

6.7. Work programme:

As Modus is a live project, resourcing and availability are already set as part of programme delivery.

Suitability of all contracted parties are established through procurement processes link to the Development Agreement.

Given the live nature of the programme, the delivery schedule is of a detailed nature and can be reviewed in Appendix13.

In spite of potential delays from Covid-19, pre-lims and ground works were complete with only minimal disruption to delivery timetables.

Currently, completion is anticipated inline of the schedule.

6.8. Previous project experience:

HDC is proud that the overall objectives and benefits of all projects have either been met or are being provided with the continued commitment for the realisation of future benefits for recent or live project deliveries to ensure the positive outcomes targeted.

Harlow Council has a successful track record in leading and managing the delivery of a range of different regeneration and redevelopment projects including:

- **The Water Gardens Redevelopment** – Completed in 2004, Harlow Council spearheaded the redevelopment of the southern end of the town centre by utilising land assets to create over 300,000sq ft of new retail, leisure and civic floorspace and the resiting and renewal of the Grade II Listed Water Gardens and associated sculpture, including pieces by Rodin and Henry Moore. Scheme Value: £70m (www.wilsonbowden.co.uk/water-gardens)
- **Harlow Gateway Scheme** – The Council, working with a range of government partners and stakeholders brought forward large-scale regeneration and renewal across a number of sites to deliver over 600 new homes, state of the art football stadium, athletics/pitches and indoors sports hall, leisure centre and swimming pool. Scheme Value: £50m
- **Neighbourhood Renewal:**
- **Prentice Place** - Refurbishment of the neighbourhood shopping centre and 15 council homes. Scheme Value: £3m
- **Carters Mead and Vince Dunn Mews** – Delivery of over 40 new homes. Scheme Value: Approx. £6m
- **Clifton Hatch** - Redeveloped neighbourhood hatch, new retail facilities and 28 homes. Scheme Value: Approx. £4m

- **Lister House** – Land swap to deliver new and expanded Medical Centre and new homes. Scheme Value: £7.5m
- **Atelier Housing Development, Major Housing Renewal Scheme** – The Council has brought forward the renewal of an aging, 1960's council-housing estate with system build defects to deliver a total of 343 new homes, approximately 200 being affordable, in partnership with Countryside and Home Group. As well as new homes, the development includes new community facilities, green spaces and improved cycle and pedestrian routes. Scheme Value: £71m
- **Path Finder Project** - The Council embarked on a new council-building programme, the first in 30 years to transform disused and underutilised garage sites into high quality and sustainable homes available for affordable rent. The programme saw 18 new council homes built across three separate sites. Scheme Value: £3m
- **Harlow & Gilston Garden Town** – Harlow Council is a partner in the HGGT Board and working with colleagues from East Herts District, Epping Forest District, Essex County and Hertfordshire County Council's to actively delivering the HGGT.

6.9. Monitoring and evaluation:

The objectives of the scheme are:

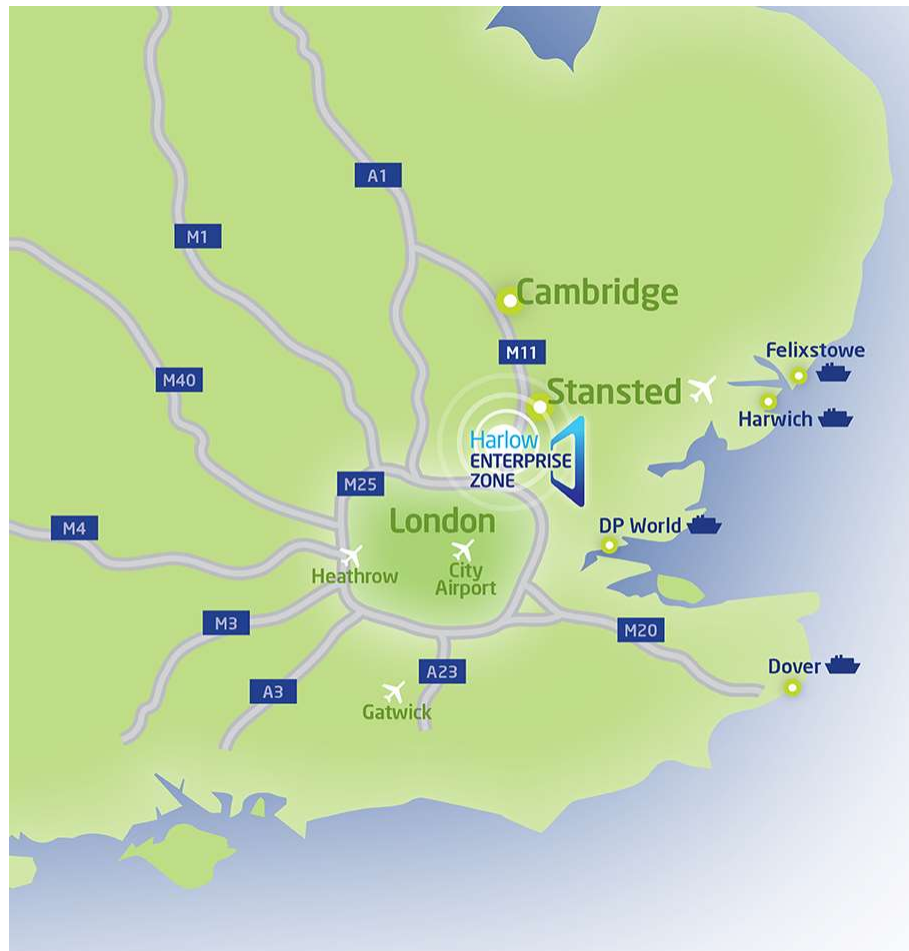
Objective 1: Deliver flexible mid-tech units to support targeted industry participants, delivering space suitable for laboratory, research or production.

Objective 2: Provide suitable employment space to realise the ambition of varied and quality employment opportunities for the local population.

Objective 3: Support the future developments of HSP through the provision of space required to begin delivery of integrated supply chain within the EZ.

Objective 4: Provide critical mass to stimulate private sector investment and involvement on other development zones of HSP under the LDO.

The geography of the scheme is shown in the maps below in a national and local context.





INPUTS.

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	[20/21]			
						Q1	Q2	Q3	Q4
IN1	Council Funding	Complete & forecast	Financial reporting through programme/project board reporting and monthly financial review.	Monthly	Planned/ Forecasted Spend Profile	892K	1.652m	2.463m	
IN2	Getting Building Fund	Planned / Forecast	Financial reporting through programme/project board reporting and Bi-weekly financial review.	Bi-weekly	Planned/ Forecasted Spend Profile				1.96m

INPUT 4: PROJECT DELIVERY AND MILESTON

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	May 2020 – GBF spending profiled in Q4 20/21
Public Consultation	LDO & Planning consultations complete at earlier stages
Detailed Design	Complete
Full Planning Permission Granted	Complete
Site Mobilisation Works Commence	January 2020
Project Completion / Site Opening	March 2021

INPUT 5: RISK MITIGATION

Given the practical completion of the building shell, the general risks surrounding delivery and processes of the fit-out are set out within the risk register defined in Appendix 12.

Over and above these more usual risks are two key areas.

1: Funding – Whilst it recognised that should this funding application be unsuccessful, it will become necessary for Harlow District Council to utilise loan capacity to complete the build programme, the risk that this would trigger is the inability to fund development of the services area. This services area is a vital piece of development which will not only create important infrastructure for park occupants, but also represents a key contribution to the acceleration of development of the HSP and the job creation derived thereby.

2: Second Wave – Covid-19 – Should a second wave of Covid-19 occur there is a risk of second 'lockdown' which would give rise to a return to socially distanced working practises.

Should this occur, a reprogrammed construction period would be detailed, with internal activities taking a rotation pattern across the five units to allow for individual applications rather than consecutive completion.

These measures would have an impact to the timeframes and these would vary depending on the installation of any such lockdown, but assuming an early intervention of this type, the



programme of works would still meet the dates defined within the delivery parameters of the Getting Building Fund.

OUTPUTS

ID	Output Description	
OP1	Completed 4645m2 of new Mid-tech buildings providing flexible infrastructure and design to provide facility to 5 commercial operators for laboratory, R&D and advanced manufacturing requirements.	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Completion of the building will be set against the finalised designs for the both the building and the fit-out scheme.
		Monitoring is against contract KPIs for time and quality drivers which will be conducted on a bi-weekly basis during construction phase.
		No additional cost is anticipated for this monitoring.
		Details: Proposed Method of Collecting Baseline Information
		Given the greenfield nature of the construction, the baseline for this output is a simple starting point being the absence of any defined building asset.

ID	Output Description	
OP2	Platinum' accredited fibre connectivity to all buildings.	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Installation of all necessary infrastructure and cabling to achieve WiredScore Platinum Accreditation for fibre broadband connectivity.
		Monitoring will be complete through connectivity review by WiredScore, with relevant amendments to scheme and installation made to meet the parameters of the award.
		The frequency of this monitoring will follow advice of WiredScore on a bi-monthly basis.
		Details: Proposed Method of Collecting Baseline Information
		Given the greenfield nature of the construction, the baseline for this output is a simple starting point being the absence of any defined building or relevant connectivity.

ID	Output Description	
OP3	Release of HDC loan capacity to commence development of the 'Community Heart' of HSP.	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		The release of HDC loan capacity would be driven by the success of this funding application, with feasibility and cost assessment already complete ahead of detailed design work and planning approvals. Commencement these works are dependent on the financing capacity being realised.
		Monitoring will be complete through programme reporting– this will be set against the project outputs of the Community Heart Development.
		The frequency of this monitoring will be on a monthly basis.
		Details: Proposed Method of Collecting Baseline Information
		Given the greenfield nature of the construction, the baseline for this output is a simple starting point being the absence of any defined buildings.

OUTCOMES

ID	Outcome Description	
OC1	190 FTE jobs delivered through Modus Development & 27 jobs created through 'Community Heart' development	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: 190 jobs are forecast for the Modus building, with 27 jobs projected for the Community Heart, split between the café and Nursery developments.
		Construction jobs for the main construction are 54.
		Source of Value: Full Business Case – Economic case section and Appendix 13.
		Future Monitoring Approach: All park occupants will be surveyed on an annualised basis as part of on-going park governance.
		Frequency of tracking: Once after opening and once a year thereafter.
		Costs Allocated to Monitoring: The monitoring of this will make up part of park governance processes at a cost of £1000.00 per year.
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: The baseline for this outcome is zero.

ID	Outcome Description	
OC2	£13,012,350 GVA generated over a 10 year period.	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: A total GVA of £13,012,350 is forecast for the 10 year projection period for the Modus project.</p> <p>Source of Value: Full Business Case – Economic Case and Appendix 13.</p> <p>Future Monitoring Approach: Audit/Review of GVA against projected figures.</p> <p>Frequency of tracking: Annual</p> <p>Costs Allocated to Monitoring: The cost of the collation, interpretation and reporting of this measure will be £12,000.00 annually, payable to an independent consultant – this work makes up part of budgeted works for the HSP programme.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: The baseline for this outcome is zero.</p>

IMPACTS

ID	Impact Description	
IM1	Significant positive contribution to the establishment of HSP as an operational science and innovation park.	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: The positive contribution complete and increasingly occupied buildings will have on HSP will include the establishment of the park in both its sense of place and the perception of residents, occupants, potential occupants and the wider business community.</p> <p>The ability to utilise loan capacity for the development of the Community Heart will provide a significant addition to the service offering and place making of the Park.</p> <p>Those services are amongst the key considerations for potential occupants and business when selecting a workplace location and as such are an invaluable addition.</p> <p>Source of Value: Full Business Case – various Points.</p> <p>Future Monitoring Approach: Directed surveys to all aforementioned groups including UKSPA members to produce relevant statistics on park perception and increasing/decreasing desirability and attractiveness to each, against relevant drivers.</p> <p>Frequency of tracking: Annually</p>

		<p>Costs Allocated to Monitoring: £1500 – cost of survey production, distribution and response collation - Costs would be allocated within the management charges for HSP.</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: Baseline will be derived from the first annual survey.</p>
		<p>Costs Allocated: Costs would be allocated within the management charges for HSP.</p>

ID	Impact Description	
IM1	Acceleration of private sector and further public sector investment in future zone developments and associated job creation	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: At current point, no agreement has been made for future employment space development outside of initial feasibility for the 'community heart' space, which whilst the services will provide employment, does not represent the wider objectives of the HSP for job creation in targeted industries.</p> <p>Acceleration of either public sector involvement (research/health etc.) or private sector investment which bring forward subsequent zones for development and delivery of employment space is anticipated to accelerate as the park becomes a viable and attractive choice.</p> <p>Source of Value: Full Business Case – Various points</p>

		<p>Future Monitoring Approach: On-going development projection and agreement tracking as part of programme management for HSP.</p> <p>Frequency of tracking: Monthly – against pipeline of opportunities, formal agreements and associated design, planning and delivery processes.</p> <p>Costs Allocated to Monitoring: £5,000.00 annually. These costs are budgeted within the HSP programme.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: The baseline for this acceleration currently sits at zero as no current agreement for any further development has been reached.</p>
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ID	Impact Description	
IM1	High quality employment generation for Harlow/catchment residents	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: A key objective of HSP and the HEZ is the creation of high quality jobs in Harlow.</p> <p>These jobs are projected to be delivered through the occupation of HSP by the relevant targeted sectors.</p> <p>Source of Value: Full Business Case – Various points.</p>

		<p>Future Monitoring Approach: All park occupants will be surveyed on an annualised basis as part of on-going park governance.</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: The monitoring of this will make up part of park governance processes at a cost of £1500.00 per year, funded through management charges.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: The current baseline for this measure is zero, however the increase in jobs of specific type will be measure against trends in Nomis labour statistics.</p> <p>Costs Allocated: The cost of this data is Zero.</p>
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BASELINE REPORT

Given the Greenfield nature of the HSP development, the baseline of measures are in the most part defined by a starting point of zero.

Further measures will be derived by year one reporting or surveys, with variation, trends and changes tracked against that baseline.

This outcome is a key objective for the project, HSP and the wider enterprise zone, and the relationship between the types of jobs generated at HSP and the types of jobs present within Harlow will be an important measure.

It will also be important to track the jobs by industry types, employment by occupation and earning levels based on weekly pay.

Data will be derived from Nomis, and the baseline taken for the current year reporting for jobs by industry, employment by education and shown below:

	Harlow (Employee Jobs)	Harlow (%)	East (%)	Great Britain (%)
Total Employee Jobs	41,000	-	-	-
Full-Time	27,000	65.9	64.7	67.6
Part-Time	14,000	34.1	35.3	32.4
Employee Jobs By Industry				
B : Mining And Quarrying	0	0.0	0.1	0.2
C : Manufacturing	3,000	7.3	7.6	8.1
D : Electricity, Gas, Steam And Air Conditioning Supply	10	0.0	0.3	0.5
E : Water Supply; Sewerage, Waste Management And Remediation Activities	300	0.7	1.0	0.7
F : Construction	1,750	4.3	5.5	4.7
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	8,000	19.5	16.7	15.2
H : Transportation And Storage	2,000	4.9	5.7	4.8
I : Accommodation And Food Service Activities	1,750	4.3	6.7	7.6

	Harlow (Employee Jobs)	Harlow (%)	East (%)	Great Britain (%)
J : Information And Communication	800	2.0	3.6	4.2
K : Financial And Insurance Activities	400	1.0	2.4	3.5
L : Real Estate Activities	400	1.0	1.6	1.7
M : Professional, Scientific And Technical Activities	4,000	9.8	9.8	8.7
N : Administrative And Support Service Activities	6,000	14.6	10.6	9.1
O : Public Administration And Defence; Compulsory Social Security	800	2.0	3.0	4.3
P : Education	3,500	8.5	9.2	8.9
Q : Human Health And Social Work Activities	7,000	17.1	12.0	13.2
R : Arts, Entertainment And Recreation	800	2.0	2.4	2.5
S : Other Service Activities	350	0.9	1.7	2.0

Employment by occupation (Apr 2019-Mar 2020)

	Harlow (Numbers)	Harlow (%)	East (%)	Great Britain (%)
Soc 2010 Major Group 1-3	15,400	39.3	47.0	48.0
1 Managers, Directors And Senior Officials	5,200	13.2	12.8	11.6
2 Professional Occupations	5,400	13.7	20.7	21.5
3 Associate Professional & Technical	4,800	12.3	13.4	14.7
Soc 2010 Major Group 4-5	7,100	18.2	21.0	19.7
4 Administrative & Secretarial	4,900	12.5	10.5	9.7
5 Skilled Trades Occupations	#	#	10.5	9.9
Soc 2010 Major Group 6-7	6,800	17.3	15.3	16.1
6 Caring, Leisure And Other Service Occupations	6,400	16.2	8.7	9.0

Employment by occupation (Apr 2019-Mar 2020)

	Harlow (Numbers)	Harlow (%)	East (%)	Great Britain (%)
7 Sales And Customer Service Occs	!	!	6.6	7.0
Soc 2010 Major Group 8-9	9,900	25.2	16.7	16.3
8 Process Plant & Machine Operatives	#	#	6.0	6.0
9 Elementary Occupations	5,700	14.5	10.6	10.2

Earnings by place of residence (2019)

	Harlow (Pounds)	East (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	520.5	610.4	587.0
Male Full-Time Workers	551.6	659.4	632.0

Earnings by place of residence (2019)

	Harlow (Pounds)	East (Pounds)	Great Britain (Pounds)
Female Full-Time Workers	481.9	537.8	528.9

Hourly Pay - Excluding Overtime

Full-Time Workers	13.15	15.33	14.88
Male Full-Time Workers	13.56	16.06	15.44
Female Full-Time Workers	12.59	14.26	13.99

Benefits Realisation Plan:

The benefits of the proposed will result from both the direct development of the Modus site and the facilitation of the development of the services area.

The table below shows the activities and timeframes for the delivery of both the works and on-going monitoring that will be adopted to ensure all benefits are realised.

Modus Project Benefit Realisation Plan

Task/Milestone	Completion Date/Timeframe	Owner/Responsible Group
Modus Construction To Practical Completion	March 20/21	VINCI UK
PC Signed and Handover	April 20/21	HDC Regeneration Team, VINCI UK & Wrenbridge
Modus -Building Estate Management	On-going	HDC Estate Management Team & HDC Finance Team
Modus - Marketing and Sales	Commenced - On-going	Wrenbridge, HDC Regeneration Team, Derrick Wade Waters, Strettons & Bidwells
Heads of Terms Development	As required	Wrenbridge & HDC Regeneration Team
Legals/Lease Development	As required	Birketts LLP, HDC Legal Team and Wrenbrige
Café Design and Planning	March 20/21	HDC Regeneration Team & CMP Architects
Café Construction & Landscaping Tender	May 21/22	HDC Regeneration Team, Wrenbrige & VINCI UK
Café Management Contract Tender	September 21/22	HDC Regeneration Team & Procurement Team
Café Construction & Landscaping to PC	February 21/22	TBC
Café Operation Commencement	April 22/23	TBC
Nursery Design and Planning	March 20/21	HDC Regeneration Team & CMP Architects
Nursery Construction & Landscaping Tender	May 21/22	HDC Regeneration Team, Wrenbrige & VINCI UK
Nursery Management Contract Tender	September 21/22	HDC Regeneration Team & Procurement Team
Nursery Construction & Landscaping to PC	November 22/23	TBC
Nursery Operation Commencement	February 22/23	TBC
Job Creation and Quality Monitoring	Annually & As required	HDC Business Development Team
HSP Operation Establishment Surveys	Annually & As required	HDC Regeneration Team
Private Sector Investment Acceleration Reporting	On-going as part of Programme	HDC Regeneration Team
HSP Career Development and Work Experience programme	On-going	HDC Business Development Team & HSP Occupiers
HSP Community Outreach Programme	On-going	HDC Business Development Team & HSP Occupiers
HEZ Impact Review and Reporting	On-going	HDC Business Development Team
Reporting to SELEP & Stakeholders	On-going & As Required	HDC Regeneration Team and Business Development Team

1. DECLARATIONS

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

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


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

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

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

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

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

<i>Signature of applicant</i>	
<i>Print full name</i>	Jane Greer
<i>Designation</i>	Head of Community Wellbeing, Harlow Council