

The Meeting Point: 27-37 High Street, Swanley

Full Business Case for Getting Building Fund

Revised following Gate 1 Review
October 2020



Contents

The template	1
The standard process	2
1. Project Overview	3
2. Strategic Case	8
3. Economic Case	26
4. Commercial Case	43
6. Management Case.....	55
7. Declarations.....	63

The template

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

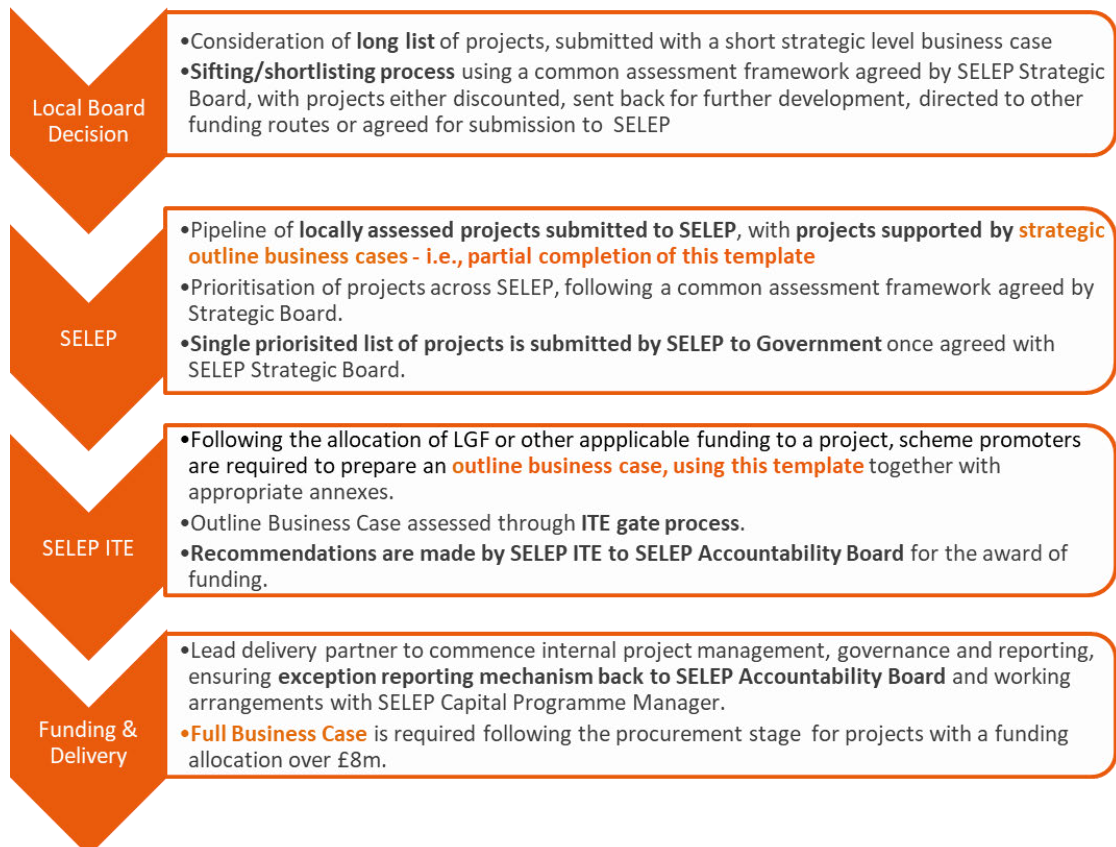
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable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

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

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

The standard process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:



Version control	
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Version	6
Author	Sevenoaks District Council
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Authorised by	Detlev Munster
Date authorised	8 October 2020

1. Project Overview

1.1 Project name:

[Specify the name of the scheme, ensuring it corresponds with the name of the scheme at programme entry (when added to the LGF prioritised list of projects or other shortlisting process).]

The Meeting Point

1.2 Project type:

[Site development, skills, innovation etc.]

Site development; housing; town centre regeneration; business support

1.3 Federated Board Area:

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

Kent and Medway

1.4 Lead County Council / Unitary Authority:

[East Sussex, Kent, Medway, Essex, Thurrock, Southend-on-Sea]

Kent County Council

1.5 Development location:

[Specify location, including postal address and postcode.]

27-37 High Street, Swanley, Kent BR8 8AE

1.6 Project Summary:

[Provide a summary of the project; max. 0.5 pages.]

Overview

This project will deliver **The Meeting Point**, a high-quality scheme in Swanley town centre providing a new and innovative 'work hub' alongside 17 new homes. This will be achieved through the redevelopment of a prominent site which is in public ownership and which has been redundant for several years.

The housing element of the scheme responds to the identified need for smaller units, especially for younger workers. The 'work hub' element will consist of 250 sq m of flexible space aimed at start-ups, home workers and people who might otherwise have had to commute for work. It will provide support for business collaboration, as well as access to facilities on a 'gym'-style membership basis.

As well providing new uses on the site itself and directly delivering new homes and business opportunities, The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer. It will

bring forward the first of a series of sites in public ownership within Swanley town centre, contributing to a coordinated regeneration strategy for the town. It will also deliver significant environmental benefits, providing employment and housing in a sustainable town centre location, within a building constructed to high environmental standards.

The case for intervention

While delivery of the scheme will offer significant economic benefits to Swanley town centre, it is commercially unviable without grant support, and there are no prospects of this changing in the medium term. Without GBF, the site will remain vacant, with a negative impact on the surrounding area and ongoing holding costs to the public sector.

Deliverability

Full planning permission is in place for the scheme, delivery of which will be through a single-stage design and build contract. Stage 4 design work has started, and construction will start on site in March 2021 for completion in March 2022.

1.7 Delivery partners:

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

The only delivery partner is Sevenoaks District Council, which is the applicant and which owns the land, will manage all contracts relating to the capital build and will own the asset on completion.

The Council has engaged Appleyard and Trew as Employer's Agents and will deliver the project through a design and build contract.

1.8 Promoting Body:

[Specify who is promoting the scheme.]

Sevenoaks District Council

1.9 Senior Responsible Owner (SRO):

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

Detlev Munster

Strategic Head of Property and Commercial

Detlev.munster@sevenoaks.gov.uk

1.10 Total project value and funding sources:

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

Table 1-1: Project capital value and funding sources

Funding source	Amount, £	Constraints, dependencies and mitigations
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Getting Building Fund	1,490,000	Subject to approval
[REDACTED]	[REDACTED]	[REDACTED]

In addition, the operation of the work hub element will require net public revenue funding (via Sevenoaks District Council) of around [REDACTED] until 2023/24.

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

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

Funding request

This project seeks £1,490,000 in Getting Building Fund.

State Aid

This project does not involve state aid. Homes will be sold on the open market and business space within the work hub will be made available at market rates. Should any additional business support products be offered to members of the work hub, they will be made available as de minimis assistance.

1.12 Exemptions:

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

Paragraph V.3.3.i.b of the 2020 version of the Assurance Framework states that there is an exemption to the value for money requirements set out in para. V.3.2 if the project has a funding request of less than £2 million. This is reflected in the guidance in this business case template, which states that a full quantified economic appraisal is not required and that the Appraisal Summary Table in the Economic Case does not have to be completed.

While we note this exemption, we have provided a proportionate analysis of economic costs and benefits, and we have set this out in the Economic Case.

1.13 Key dates:

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

Table 1-2: Key dates

Key milestone/ deliverable	Date completed
PQQ for design and build contract issued	September 2020
Demolition procurement process started	September 2020
Council approval to proceed subject to funding	November 2020
GBF funding approved	November 2020
ITT for design and build contract issued	November 2020
Demolition contract awarded	November 2020
Demolition start on site	January 2021
Demolition completion	February 2021
Design and build contract awarded	February 2021
Construction start on site	March 2021
Procurement route for work hub operator agreed	March 2021
'Virtual' launch of work hub	October 2021
New build completion	March 2022
Work hub opens	May 2022

1.14 Project development stage:

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

Table 1-3: Project development stages completed to date

Task	Description	Outputs	Timescale
Masterplan	Overall town centre masterplan	Masterplan	Complete - 2016
Work Hub feasibility	Feasibility study	Feasibility report	Complete - 2017
Consultation	Planning consultation	Informed planning consent	Complete - 2020
Planning	Full permission	Full permission	Complete – 2020
Design	Architects designs	RIBA Stage 3 design	Complete - 2020

Table 1-4: Project development stages to be completed

Task	Description	Timescale
Approval of GBF	GBF approved	November 2020
RIBA Stage 4 designs	Designs completed	October 2020
Demolition	Demolition	January – February 2021
Construction	Construction	March 2021 – March 2022

Task	Description	Timescale
Capital completion	Construction completed	March 2022
Work hub opens	Work hub opens	May 2022

1.15 Proposed completion of outputs:

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

All construction outputs will be complete by the end of March 2022. The work hub will open in May 2022; we anticipate starting to sell residential units off-plan six months before practical completion.

There are no previous or current projects funded via SELEP that are directly relevant to this proposal.

2. Strategic Case

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

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

2.1 Scope / Scheme Description:

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

Scheme summary

The Meeting Point at 27-37 High Street, Swanley will bring forward a new 'work hub' in Swanley town centre, alongside 17 new homes. This will be achieved through the redevelopment of a prominent site which is in public ownership and which has been redundant for several years.

Specifically, The Meeting Point project will deliver:

- 17 residential units (12 one-bedroom; 5 two-bedroom) over the ground, first and second floors
- a 250 sq m (2,700 sq ft) work hub on the ground floor, intended to provide shared working space to support micro businesses and start-ups, as well as people working remotely and requiring collaboration space
- communal garden space supporting both the residential units and the work hub
- car parking (including electric vehicle charging) and bike store

As well as providing new uses on the site itself and directly delivering new homes and business opportunities, the redevelopment of 27-37 High Street will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer. It will also bring forward the first of a series of sites in public ownership within Swanley town centre, contributing to a coordinated regeneration strategy for the town.

Full planning permission is in place for the scheme, delivery of which will be through a single-stage design and build contract. On completion, Sevenoaks District Council will retain the freehold of the development, with the residential units sold on the open market as 125-year leases. Management of the work hub element will be contracted to a specialist operator.

The issues that the project is addressing

The Meeting Point scheme seeks to address three issues: the need to provide **additional housing supply**; the need and opportunity associated with **changing working practices and demand for business space**; and the **wider regeneration of Swanley town centre**. The following paragraphs consider each in turn.

The need for additional housing supply

Historically, population growth in Sevenoaks District has been modest: in the 20 years to 2019, the population of the district increased by just 6.9%, substantially below the England average, and less than half the rate of growth across Kent and Medway as a whole. However, the population growth rate is forecast to double to around 14% over the next 20 years, driven by rising life expectancy and in-migration, especially from London¹. The current Strategic Housing Market Assessment (SHMA) identifies an 'objectively assessed need' for 620 homes per year in Sevenoaks District between 2013-33².

Within this context, Sevenoaks overall faces severe housing affordability pressures. At the time of the SHMA, average house prices in the District were over 40% higher than the county average, while entry level house prices were around 11 times the average earnings of younger households (compared with a national average of 6.5 times). These pressures are exacerbated by the limited number of new development opportunities, resulting from the designation of 93% of the District as Metropolitan Green Belt (and 60% of it as within an Area of Outstanding Natural Beauty) and a relative lack of brownfield development opportunities. Bringing forward additional housing supply (including in smaller developments) is a priority for the Council, although (as set out in the 'evidence of need' below), there are difficulties in doing so on constrained sites in those parts of the District that continue to face viability challenges.

Changing working practices and demand for business space: Proving the market

The business space component of The Meeting Point scheme is modest, at just 2,700 sq ft. However, while small in quantitative terms, the project aims to provide a new *qualitative* offer to the market, responding to a rising demand for flexible and independent working.

Based on evidence of a growing market in 'co-working' space, especially in London and other major cities, the District Council commissioned a report on the potential for a 'work hub' in Swanley³. This found that there was likely to be demand for a facility offering access to managed desk and collaboration space through a flexible 'gym membership' style model, rather than the more rigid desk-hire schemes offered in many managed workspaces. The study also found that while there were one or two 'work hubs' in Kent, there was no similar provision in the Swanley area (and very little managed workspace more generally). The study therefore found that a work hub in the town was likely to be viable and could provide a new offer to home-based and micro businesses in Swanley and its hinterland.

¹ Kent County Council (2020), Housing-led population forecasts

² GL Hearn, for Sevenoaks DC and Tunbridge Wells BC (2015), [Sevenoaks and Tunbridge Wells Strategic Housing Market Assessment](#), p.16

³ Work Hubs Network, for Sevenoaks DC (2017), Swanley Work Hub: Viability and Demand Study

Since then, the Covid-19 crisis has led to widespread home-working. While it is not yet clear how the market will respond once social distancing guidelines are removed, it is widely thought that changing working practices during the pandemic will accelerate the pre-existing trend towards greater flexibility driven by new technology. This could create opportunities for people to work closer to home, benefiting from access to a good quality working environment and interaction with others, while avoiding the time and expense of commuting⁴. This has been supported by [recent survey analysis](#) demonstrating that almost half of office workers anticipate dividing their time between home and office.

The extent of demand for work hub space is set out later in this Business Case. But overall, the proposition is that this is a modest intervention to meet likely rising demand, bring innovation to the market and ‘prove the case’ for future, commercially-driven, expansion.

The wider regeneration of Swanley town centre

Alongside demand for new housing and the case for a new flexible workspace offer, The Meeting Point will contribute to the regeneration of Swanley town centre. There are two aspects to this:

- First, the town centre is characterised by a poorly configured retail offer, centred around a 1970s shopping centre, and extensive surface car parking. A masterplan for the town centre (set in the context of its wider hinterland) sets out a series of opportunities for regeneration, described in greater detail in the ‘Policy Context’ section below. These include several sites in Council ownership, including a former workingmen’s club site at Bevan Place, located opposite The Meeting Point site. While ambitious plans are being advanced for the town centre, The Meeting Point will provide a first ‘brick in the wall’, providing early evidence of change and helping to build market confidence.
- Second, and more immediately, the area surrounding 27-37 High Street consists of secondary retail frontage and is outside the town’s main retail core. The site itself has also been vacant since 2014 and without development, is an impediment to the vitality and viability of the vicinity. There is a pressing need to bring forward development on the site that will bring alternative and more sustainable activity to the area and start to change the nature of the local offer.

Figure 2-1: The 27-37 High Street site and the proposed development



Given the speed of the Covid crisis, there is an absence of hard data on likely future demand from structural changes in working practices. But there is extensive commentary on the potential opportunities for work hub/ co-working space. See [WSP \(2020\)](#); [Futures of Work \(2020\)](#); [Savills \(2020\)](#);

It is worth noting that there is a stalled site elsewhere on the High Street, in commercial ownership: it is possible that the development of The Meeting Point will help to bring this and other schemes forward.

Intended benefits

In summary, and taking these issues into account, The Meeting Point will:

- **Deliver additional housing** to meet local need, through 17 new units on a sustainable town centre site, which would not otherwise be delivered commercially in current market conditions
- **Deliver a new and innovative flexible work hub offer** to the local business community, responding to changing demand and proving the market for future commercially-led provision. We estimate that this will support around 22 jobs (20 tenants and 2 FTE management jobs, as set out in the Economic Case)
- **Increase the vitality and vibrancy of the town centre**, by increasing footfall along the high street and bringing new activity to the area
- **Act as a catalyst for further investment in the town centre**, providing an initial investment as larger proposals are developed.

2.2 Logic Map

[Establish a Logic Map using information from Appendix E. This will provide a logical flow between inputs, outputs, outcomes and impacts for the scheme]

Table 2-1: The Meeting Point, Swanley: Logic map

Inputs	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> Getting Building Fund grant £1.49m Matched Contributions Spend [REDACTED] Support to revenue costs of work hub: [REDACTED] net over 10 years 	<ul style="list-style-type: none"> Homes: 17 (direct delivery) Employment floorspace: 250 sq m (2,700 sq ft) Brownfield land brought back into use: 1,434 sq m Restored active frontage on High Street 	<ul style="list-style-type: none"> Employment outcomes: <ul style="list-style-type: none"> ➤ Jobs supported by The Meeting Point work hub (gross): 22 ➤ Construction job years (gross): 39 Improved built environment Increased footfall and activity in Swanley High Street Increase to housing supply 	<ul style="list-style-type: none"> Increased business sustainability through work hub support offer Environmental benefits arising from reduced commuter/ work travel Future commercial investment in new flexible business space as market proven Increased commercial viability of residential development in the town centre as demand rises Increased expenditure in the town centre Increased offer within the town centre

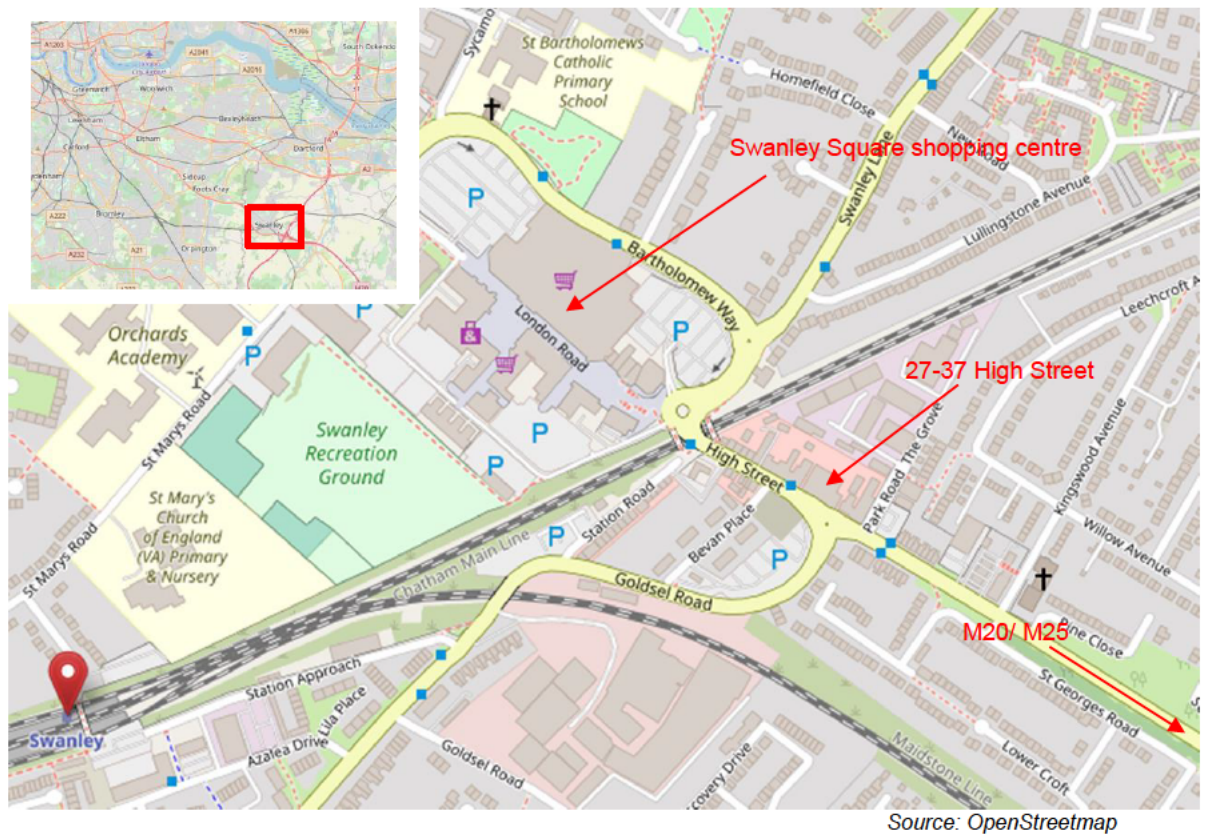
2.3 Location description:

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

General location

The project is located at 27-37 High Street, Swanley, BR8 8AE.

Figure 2-2: Location map



The site is to the southeast of Swanley town centre, on the B1273 leading from the town centre to Junction 3 of the M25 (about a three minute drive). It is less than a five minute walk to the main shopping centre, and about ten minutes from Swanley rail station (within the Oyster zone and offering frequent services to central London and Bromley).

Site history

The site is owned by Sevenoaks District Council and was previously leased rent-free to Rural Age Concern Darent Valley. Due to the extensive repair and maintenance works required on the building (which neither the Council nor the tenants were able to fund), the building was vacated in 2014, on the basis that it would be redeveloped.

[Panel](#) (2018), chaired by Sir John Timpson. Among the recommendations of the Expert Panel was the need for public support to help diversify town centres, including through increased business, residential and community uses to offset reduced retail floorspace requirements.

The Expert Panel led directly to Government intervention, in the form of the [Future High Streets Fund](#); more recently, this has been supplemented with a £3.9 billion [Towns Fund](#), cast as a key element in the Government's 'levelling up' agenda. Both the FHSF and the Towns Fund are capital programmes: two features common to both are worth noting, as they highlight important elements of the Government's approach:

- First, **there is an emphasis on investments that will lead to lasting transformation**, in preference to 'cosmetic' measures or schemes to shore up the existing offer. Within the FHSF, proposed investments have included schemes to bring forward new forms of business and innovation space (in the context of both redundant retail space and in many cases an overhang of secondary office stock) and additional residential provision within mixed-use developments.
- Second, **both Funds focus on specific investments in the context of a wider strategy for the town centre**, recognising the need for a joined-up approach as well as specific priorities for intervention.

Swanley has not benefited from either the FHSF or the Towns Fund. However, the principles behind both these initiatives ought to apply to town centre interventions funded through other central Government sources, including the Getting Building Fund. By defining a specific scheme within the context of the broader Swanley Masterplan (described in detail below), we aim to follow the Government's overall strategic approach.

Counter-recessionary policy

While the Government's focus on town centres pre-dates the Covid-19 crisis (although is likely to be amplified by it), an immediate concern of the Getting Building Fund is the need to create demand in the short term to mitigate the impacts of a likely recession. In that context, capital schemes that can deliver quickly and create direct local benefit are a priority: as set out elsewhere in this Business Case, The Meeting Point project is quickly deliverable and will help to bring forward further economic activity 'with the grain' of likely post-Covid demand.

Regional and county-wide policy context

South East LEP Economic Strategy Statement

The South East LEP published [Smarter, Faster, Together](#), its Economic Strategy Statement, in 2019. This document anticipates the preparation of a new Local Industrial Strategy, which is currently in development. Relevant to the work hub element of the scheme, the Strategy Statement sets out as a priority the need to put communities "*on the front foot in responding to new technology and changing working patterns*". It notes increased demand for flexible work and meeting space and highlights the opportunity to "*repurpose the high street to support modern business growth*"⁵.

⁵ Para. 7.5

Accelerating housing delivery is also identified as a priority within the Strategy Statement. Specifically, the Strategy Statement highlights widespread affordability challenges, noting the high house prices to earnings ratio referenced earlier in this Business Case.

Renewal and Resilience

At county level, Kent and Medway Economic Partnership launched the [Economic Renewal and Resilience Plan](#) in August 2020. This sets out a medium-term strategy to support economic recovery from the Covid-19 pandemic. The Plan notes the importance of accelerating infrastructure investment as a counter-recessionary measure, where this aligns with the Plan's key principles (Greener Futures; Productive and Open; Better Opportunities, Fairer Chances). In this context, the Plan specifically references The Meeting Point as a project that is able to deliver in the short term.

West Kent Partnership: Economic Priorities for Growth, 2019-22

The West Kent Partnership is the sub-regional economic partnership for Sevenoaks, Tonbridge and Malling, and Tunbridge Wells. The key objectives of the Partnership are to deliver a dynamic and well-connected economy; become a key location for business growth, where businesses are supported to innovate and thrive; and ensure that the local population has access to high-quality jobs and opportunities for skills development.

The Partnership's economic strategy, [Economic Priorities for Growth, 2019-22](#) aims to support local businesses to maintain and enhance productivity through the five 'foundations of productivity' set out in the national Industrial Strategy (ideas, people, infrastructure, business environment, and place). Of particular relevance to The Meeting Point, *Economic Priorities for Growth* notes the need to deliver vibrant town centres with integrated mixed use developments (specifically highlighting 27-37 High Street in that context), sustainable housing development and support for start-ups and innovation.

Local policy context

Sevenoaks Economic Development Strategy

Sevenoaks District Council's [Economic Development Strategy](#) 2018-21 cites "regeneration of our key market towns [to] enable viable and vibrant town centres" as a key focus of activity, and specifically highlights the need for regeneration investment in Swanley.

The Strategy also notes the strong orientation towards micro enterprises within Sevenoaks' business profile. In that context, it notes that "the provision of low cost employment space for business start-ups or micro-businesses, particularly in the creative and digital and tech sectors, is going to be a key element of future growth", underpinning the work that the Council has undertaken to consider the case for a work hub within The Meeting Point scheme.

Planning policy

The adopted [Core Strategy](#) (2011) notes the challenges facing Swanley town centre that have been identified above. It emphasises the need for the regeneration of the retail core, with a focus on a broader mix of uses.

Building on this, the [submission version of the draft Sevenoaks District Local Plan](#) (December 2018) identifies Swanley as a priority location for regeneration. In broad terms, the strategy for residential development is to focus new housing on the town centre⁶, while the approach to ‘place-making’ calls for “*mixed use regeneration of Swanley town centre to better meet the needs of the population it serves*” (p.22).

Two further aspects of the emerging Local Plan are relevant to The Meeting Point project:

- First, with regard to **housing**, the emerging Local Plan notes that the District overall has a relatively high volume of larger housing, and that there is a need to rebalance overall provision to increase the supply of smaller units, especially for younger people. Policy H1 states an expectation that 40-50% of dwellings through new development will be 1-2 bedroom homes to meet local need. The proposed mix within The Meeting Point is consistent with this.
- Second, regarding **town centre employment**, Policy EMP2 seeks to encourage the re-use of retail space, ensuring active frontages (including in developments with a residential component). Again, the proposals for The Meeting Point reflect this.

Full planning permission is in place for The Meeting Point scheme (19/03543/FUL).

Swanley and Hextable Masterplan

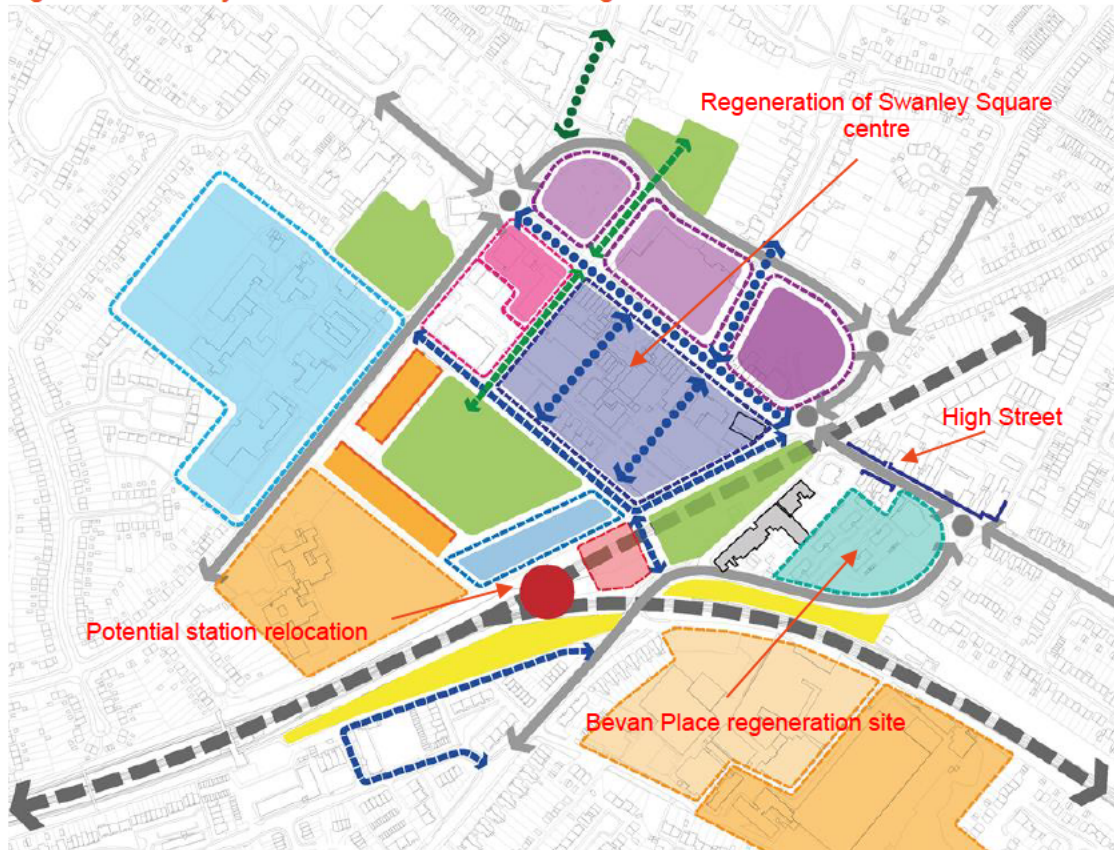
Considering Swanley town centre in the wider context, the Council commissioned a [Vision for Swanley and Hextable](#) (referred to as the ‘Swanley and Hextable Masterplan’) in 2016. This set out a series of options for the development of the town centre, taking account of the need for regeneration and pressure to accommodate housing growth. The objectives for the growth of the town set out in the Masterplan include investment to provide “greater diversity of retail, services and facilities [and] potential for town centre living”, alongside increased diversity of housing choice.

The Masterplan set out three growth scenarios for the town, and translated these into a series of indicative proposals for the town centre. The most ambitious of these (the ‘Transformational Growth’ scenario) is illustrated in Fig. 2-3 below, which envisages substantial regeneration of the Swanley Square shopping centre, the redevelopment of a series of key sites and the relocation of Swanley rail station.

Since the Masterplan was prepared, new proposals have come forward, with (for example) planning permission granted last year to U+I for the mixed-use redevelopment of the Swanley Centre. In line with the Government’s desire (as outlined earlier) for town centre regeneration investments to be set in the context of a broader strategy for the town, there is a clear ‘vision’ in place for Swanley and evidence that investment is coming forward.

⁶ In addition to a larger proposed allocation at Pedham Place

Figure 2-4: Swanley town centre: 'Transformational growth' scenario



Source: Tibbalds/BBP Regeneration/Urban Flow (2016)

Sevenoaks District Council's approach to property intervention

The final element of the policy context relevant to this project is Sevenoaks District Council's direct intervention strategy and approach. For several years, the Council has sought to take an active role in property development, both to secure economic benefits and to provide a return to the Council. The Council adopted a Property Investment Strategy in 2014 with agreed funding of £53 million. Subsequently, it has made several strategic acquisitions which have brought forward residential, commercial and hotel developments across the District⁷. These have involved joint ventures with the private sector and eventual market sale, as well as direct delivery of housing and commercial property by the Council.

In Swanley, several sites are being brought forward in accordance with this strategy. Across the town, the Council expects to directly deliver 150 residential units on five sites, including The Meeting Point and the 0.52 hectare Bevan Place site opposite⁸. Through this series of investments, the Council aims to contribute to Swanley's housing need, drive regeneration and private investment, and secure a return that can be reinvested in public services. Investment in The Meeting Point should be seen in the context of this broader intervention strategy *and* the regeneration strategy for the town.

⁷ Sevenoaks District Council (2019), [Property Investment Strategy Update](#).

⁸ The other schemes are the redevelopment of the White Oak Leisure Centre (including residential development), and land at Alder Way and Russett Way.

2.5 Need for intervention:

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

Section 2.1 sets out the overall rationale for investment in Swanley town centre to support regeneration, accommodate housing growth and provide a more diverse business offer. Building on this, there are two aspects to the 'need for intervention' on The Meeting Point site: first, the case for public sector action in general terms; and second, the specific need for financial intervention. The following paragraphs consider each in turn.

The need for public sector action

Supporting a quality scheme to achieve regeneration outcomes

As described earlier, 27-37 High Street has been in public ownership for many years. By 2014, it was no longer viable to maintain the existing building, and it was vacated at that point, on the basis that it would subsequently be redeveloped.

There was therefore an accepted need that the public sector needed to act to provide alternative economic use for the site, given that it was a public asset in the first place. Intervention would also need to contribute to the wider strategy for Swanley town centre, by providing additional housing supply, supporting a greater diversity of commercial uses and contributing to greater footfall and activity on the High Street. Given the other regeneration sites in the area (such as Bevan Place), development at The Meeting Point should help to promote market demand for future schemes – and any solution would obviously need to be policy-compliant, especially in maintaining the active frontage of the building. While the Council could have disposed of the site and allowed a private sector proposal to come forward, it is highly unlikely that any policy-compliant solution would have been proposed without some form of subsidy. This is explained further in the options assessment in the Economic Case.

Supporting innovation in the business workspace offer

There is also a need for intervention to deliver the new model of business workspace that would be created through the work hub element. While the business plan for the work hub shows a small surplus after Year 3, this is insufficient to make the scheme viable without some form of initial public revenue subsidy (and this would be the case were the work hub to be provided in an alternative location in Swanley). However, some form of active frontage is required to make any scheme at 27-37 policy compliant, and the prospects for alternative commercial uses in that location are weak.

The proposition is therefore that an innovative work hub offer could deliver economic benefits and provide a new product in the market: while there is evidence that there is likely to be demand, this is unproven and commercially unviable. At the same time, such a facility would make an important contribution to the strategy for the town and the quality of the site and its surroundings.

The need for capital grant

The specific need for intervention in the form of capital grant is based on the viability of the development.

A viability report commissioned by the Council in 2019 and prepared by Savills demonstrated that the proposed scheme (17 residential units and 250 sq m workspace) was viable, provided that all residential units were for open market sale.

However, actual quoted construction costs are substantially in excess of the BCIS benchmark costs quoted in the Savills report. At the same time, the original viability report assumed that the business space would attract a sales value of £540,000: this will clearly not be achieved in the case of the work hub (as demonstrated in the cashflow in the Financial Case), and is unlikely to be realistic on the High Street for any alternative use in current circumstances.

Table 2-2 illustrates the difference in costs between the current cost plan and the estimates in the Savills viability report:

Table 2-2: The Meeting Point: Summary illustration of viability

	Savills viability report	Current estimate
Revenue		
Flats (market sale)	4,100,000	4,100,000
Business space	540,000	
Total	4,640,00	4,100,000
██████		
██████████	██████████	██████████
██████	██████████	██████████
██████	██████████	██████████

Source: Savills; Sevenoaks District Council

It should be noted that no profit is included within the current estimate, further illustrating the non-viability of the scheme (which remains unviable even if revenue were to be assumed in relation to the business space).

2.6 Sources of funding:

[Promoters should provide supporting evidence to show that all reasonable private sector funding options have been exhausted; and no other public funding streams are available for or fit the type of scheme that is being proposed

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

Proposed sources of funding

The capital cost of the project is ██████████ (including £15k evaluation costs).

These costs will be funded by:

- Getting Building Fund (£1.49 million)
- Sevenoaks District Council [REDACTED]

In addition, there are revenue costs of [REDACTED] incurred in Years 1-3 of the operation of the work hub, to be funded by Sevenoaks District Council.

Alternative sources of funding

The analysis in Section 2.6 demonstrates that the scheme is not commercially viable, and would only come forward through direct development by the public sector or through some form of grant assistance to a private developer (the options are set out in the Economic Case).

Alternative sources of funding that have been explored include:

- Funding from Sevenoaks District Council's Property Investment Strategy. The Council is already contributing the majority of funding. However, it is important to note that the Property Investment Strategy seeks to make a return to the Council, and needs to do so to ensure its sustainability and wider objectives. The Council is unable to proceed at the identified level of loss.
- Loan finance. The Growing Places Fund was explored earlier this year. However, this does not address the viability gap.
- Alternative sources of grant. There are no obvious alternatives that are currently available in Swanley. Local Growth Fund is an avenue that could be explored in principle, but there is no open call for schemes at present.

2.7 Impact of non-intervention (do nothing):

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

In the absence of intervention, the Reference Case assumes that 27-37 High Street remains vacant and un-usable for the foreseeable future. It is unlikely that there will be sufficient market change to alter the viability gap in the medium term, and it is clear that a 100% residential scheme would not be policy-compliant and would not meet the Council's social and economic objectives.

Non-intervention would therefore lead to the following impacts:

- There will be a holding cost to the Council in respect of the existing building, which will be non-recoverable (this is set out in the Economic Case). There will also be further costs in future years, at such point at which an alternative scheme is brought forward.

- There will be no benefit to the High Street. The persistence of a large derelict site in the middle of an (already struggling) retail parade will further weaken the vitality and viability of the area, and is likely to make it more difficult to bring forward the Bevan Place site opposite.
- This will lead to negative impacts on the town generally (especially given the High Street's function as a 'gateway' to the town centre).
- While it is possible that the work hub concept could be brought forward at a different location, this would (all things being equal) still require revenue grant. But the opportunity to locate this in a modern, purpose-built facility that could act as a demonstrator to the market would be lost, at least in the medium-term.

2.8 Objectives of intervention:

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

Project Objectives (add as required)

- *Objective 1:*
- *Objective 2:*

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

- *Problem / Opportunity 1:*
- *Problem / Opportunity 2:*

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

Table 2-3: Mapping objectives and issues

	Objective 1: Deliver additional housing to meet demand	Objective 2: Create new opportunities for business growth	Objective 3: Catalyse the future regeneration of Swanley town centre
Rising demand for housing, high prices: earnings ratios and limited supply	✓✓✓		✓
Falling town centre footfall and lack of diversity of uses...	✓✓✓	✓✓✓	✓✓✓
... leading to deteriorating built environment	✓		✓✓✓
Changing demand for business space...		✓✓✓	✓✓

	Objective 1: Deliver additional housing to meet demand	Objective 2: Create new opportunities for business growth	Objective 3: Catalyse the future regeneration of Swanley town centre
... but market slow to respond to need for greater flexibility		✓✓✓	✓
Ambitious plans for regeneration in Swanley...	✓	✓	✓✓✓
... but need to bring forward some 'early wins'	✓	✓	✓✓✓
Active and innovative local authority keen to invest and take risks	✓✓✓	✓✓✓	✓✓✓
Changing working practices post-Covid		✓✓✓	✓✓
Lack of commercial viability of proposed scheme	✓✓✓	✓✓✓	✓✓✓

2.9 Constraints:

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

There are no significant constraints. Full planning permission is in place and the Council has an accelerated timetable to bring forward delivery (see Commercial and Management Cases).

2.10 Scheme dependencies:

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

The project does not depend on the completion of any other schemes for its benefits to be realised and there are no highways or other infrastructure works required to enable project delivery.

However, successful delivery will depend on:

- Ensuring that the Getting Building Fund grant is committed by November, to ensure that work can be completed to the required timetable
- Successful procurement of the operator of the work hub. The intention is to secure the operator six months in advance of the work hub opening. The process for procurement is set out in the Commercial Case.

2.11 Expected benefits:

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

Building on the earlier analysis in this Strategic Case, the key benefits of the scheme are:

- Related to the residential element:
 - Additional housing to meet demand, especially among younger workers
 - Increased town centre living, contributing to the vitality of the area and reducing the need for private transport use
- Related to the work hub element:
 - Additional jobs and business activity generated by the work hub
 - Increased business and worker productivity (est.£3.331m additional GVA)
 - Stronger local SME networks and collaboration
 - Demonstration of innovation to the market, potentially driving further demand and commercial responses
- Related to the scheme as a whole:
 - Increased footfall and economic activity on the High Street – leading to further diversification and investment
 - 'Catalytic' contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes (e.g. at Bevan Place)

2.12 Key risks:

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

Key risks are set out below and are described in greater detail in Annex C and in the relevant chapters:

Table 2-4: Key risks

Ref	Risk	Mitigation
1	GBF grant does not receive final approval	Early engagement with SELEP and Independent Technical Advisor.
2	Capital receipts from the sale of the residential units are not achieved.	Residential units appropriately designed for the target market. Early marketing. In unlikely event that sales are not achieved, Council will consider rental options

Ref	Risk	Mitigation
3	Change in interest rates resulting in a higher cost of capital	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in.
4	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place. External advice in place
5	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 as the situation develops.
6	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	Single stage design and build procurement route Works tendered on RIBA stage 4 information Realistic client contingencies in place Robust change control process Contract includes administration by Employers Agent.
7	Delays in scheme approval lead to increased costs due to construction inflation.	Robust information submitted to allow SDC to make timely decisions. Project Contract sum based on programme.
8	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	Detailed ground investigation survey undertaken prior to RIBA Stage 4 Realistic contractor and client contingencies in place for unforeseens.
9	An operator cannot be procured	Open tender prior to the scheme achieving practical completion. Soft market testing. Potential for direct management
10	Take-up of the business hub falls below expectation.	Service will also be on flexible terms and virtual services will also be provided. Meeting space at the venue hired out to supplement income.

Stakeholder awareness

There are no risks associated with stakeholder awareness. The Sevenoaks Business Forum, West Kent Partnership and local business support organisations are aware of the project and are supportive of it and we have engaged with business partners in identifying potential sources of demand.

Consultation has also taken place on the planning application for the project. The response was positive, with some minor issues relating to parking and local traffic, which have been addressed.

3. Economic Case

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

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

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

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

3.1 Options assessment:

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

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

Long list of options considered:

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

Options assessment:

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

Short list of options:

The 'Options Assessment' section is an opportunity to demonstrate how learning from other projects and experience has been used to optimise the proposal, and the Preferred Option is expected to emerge logically from this process; max. 2 pages.

Smaller schemes (less than £2 million) are required to complete an Options assessment which is proportionate to the size of the scheme; max. 1 page.]

Options assessment process

As the Strategic Case outlines, the key objectives of the project are to:

- Deliver additional housing to meet demand
- Create new opportunities for business growth
- Catalyse the future regeneration of Swanley town centre

These objectives were central to the consideration of options for the future of 27-37 High Street, which have been informed by the preparation of the Swanley and Hextable Masterplan, the Economic Development Strategy and associated public and other stakeholder consultations.

The feasibility of a business hub on the ground floor of 27-37 High Street has been developed as part of the Council's efforts to support businesses in the District, bring a new model of business workspace to the town and drive additional footfall and activity. Other considerations included:

- The need for any option at 27-37 High Street to be policy compliant, in terms of delivering active frontage
- The need to meet housing requirements, which as evidenced in the Strategic Case is especially focused on smaller units to meet demand from younger workers
- The need for any option to be deliverable, in terms of time and resources. More recently, with reference to Getting Building Fund, any proposal needs to deliver outputs and spend by the end of March 2022.

The long-list assessment of options has been carried out by Council officers over several years: the long-list summary below reflects the outcome of these considerations. In the light of work carried out to date and the current funding situation, the shortlist of options summarises the practical options that are realistically available now.

Options long-list

The following options were considered at long-listing stage:

Table 3-1: Options long-list: Summary

Option	Headline description	Shortlisted?
Do minimum	The existing building is in a dilapidated condition and its redevelopment is financially unviable, therefore in the absence of an intervention it is likely to remain unused – the asset would remain unproductive requiring continued management.	Yes. This option would not meet any of our objectives and would present continued costs and, security and health and safety risks associated with maintaining vacant premises in a prominent public location. But it is the 'default' option if no funds are available, and is essentially the status quo.
Refurbishment of existing structure	Refurbishment of current building to enable alternative occupation for residential or commercial uses	No. The building that occupies the site is in poor condition and would require significant capital expenditure to meet current building and letting standards. Refurbishment would be

Option	Headline description	Shortlisted?
		expensive and the returns generated through rentals would not support the investment requirements.
Alternative locations	No additional expenditure at 27-37 High Street, but instead the development of a work hub and/ or additional residential at an alternative site that would meet our objectives. Note that this option would still incur the costs at 27-37 High Street associated with the 'do minimum' option.	No. 27/37 High Street is considered the preferred location for a workspace hub and residential project; the site is well located and accessible to the station and the town centre. It is located in part of the High Street which is in decline and struggling to attract viable investment – new housing and business activity will help reverse this decline. The site is owned by SDC and is capable of delivery
Sale of the site with planning permission	Sale with planning permission for commercial development.	No. This option has been ruled out as the planning permission, or other uses which are likely to be permissible, are only likely to be implementable with a substantial grant.
Council redevelopment of the site as a mixed workspace and private residential scheme	This is the preferred option, set out in this Business Case.	Yes. This option would meet all our objectives. With a grant this is financially viable and allows the Council's to direct development in the area in a manner that would promote the town centre's regeneration.
Council redevelopment of the site as a mixed workspace/ affordable residential scheme	Redevelopment of the site, including affordable housing.	Yes. This option has been investigated, and is described below, although would require increased grant.
Council redevelopment of the site with 100% residential uses	This would involve no work hub provision.	No. improved viability, but does not meet planning objectives of creating an active street frontage (or our wider business growth objectives).
Council redevelopment of the site with increase floor space allocated to business uses	Lower residential volume and increased business space	No. Rental values would not support the level of investment needed, not financially viable.

Shortlist of options

From this long-list, only three options have the potential to be delivered (subject to funding) in the current circumstances. These are:

- **'Do minimum'**: the property remains in its existing dilapidated condition with continuing liabilities/risks for the Council.
- **'Preferred option'**: Council redevelopment of the site as a mixed workspace and private residential scheme.
- **'Do more option'**: Council redevelopment of the site as a mixed workspace and policy compliant residential scheme including affordable housing.

The table below considers this shortlist in more detail against four shortlisting criteria, identifying where each option has a strong, moderate or weak alignment to:

- Strategic fit: how far does the option meet our objectives?
- Achievability: how far can the option be practically delivered, bearing in mind physical constraints and delivery timescales?
- Acceptability: how far is the option compatible with planning policy and local community interest?
- Affordability: how far is there a funding gap, and can it be bridged?

Table 3-2: Options shortlist

Criteria	Description of alignment
Option 1: Do minimum	
Strategic fit	Weak. Does not meet any of our strategic objectives.
Achievability	Moderate. This is the 'status quo' option, so can obviously be 'delivered' in the short term. But as the existing structure deteriorates, the need to take longer term action will grow: at some point, the site will need investment. There is no evidence that there is a commercially viable option that is likely to come forward in the medium term – so the need for public sector intervention will remain, albeit that the costs of this will be put back to a later date.
Acceptability	Weak. The existing building is of no architectural merit, detracts from the High Street and is a poor quality gateway to the town centre. There is no policy or community interest in preserving the status quo.
Affordability	Moderate. The do minimum option is not cost-free: there is a holding cost to the Council, while at the same time, there is no opportunity for any return. Over time, there may also be further costs incurred in security and, potentially, demolition.
Option 2: Preferred option	
Strategic fit	Strong. This option meets all of our objectives, in delivering housing, creating economic opportunity and providing improvement to the town centre. The option has been discussed for several years, and is a long-standing Council priority as part of a coordinated approach to the use of property assets to support regeneration.
Achievability	Strong. Full planning permission is in place and the Council has invested in the development of a high-quality scheme. Subject to funding, demolition can start on site in January 2021, and construction can start on site in March 2021.
Acceptability	Strong. Planning permission is granted; there are no objections to the scheme; and there is strong support from the District Council and local stakeholders.
Affordability	Moderate. The scheme is not commercially viable, and this has been demonstrated by the Council (and set out in this Business Case). But Getting Building Fund would provide sufficient grant to bridge the gap.
Option 3: Do more	
Strategic fit	Strong. As with Option 2, this would meet all our objectives. There is a somewhat stronger strategic fit than Option 2, given that the planning policy preference would be for the inclusion of affordable housing if this is viable.

Criteria	Description of alignment
Achievability	Moderate. This option would be policy compliant. However, it does not 'exist' at present in the same way as Option 2, so further work would be needed to engage with housing providers, etc. This would jeopardise the timescales required for Getting Building Fund.
Acceptability	Strong, for the same reasons as Option 2.
Affordability	Weak. A viability appraisal for the Council concluded that a 40% affordable scheme returns a significant negative land value and would not be viable. Delivery of this option would only be possible with additional grant (Savills estimate in excess of £500k) – but there are no obvious additional source of grant funding at present.

3.2 Preferred option

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

The preferred option is described above and in the Strategic Case. It is our preferred option because:

- It meets all our strategic objectives and performs well against all of our success criteria
- While Option 3 is also desirable, Option 2 is more affordable, and is more deliverable given the requirements of Getting Building Fund

It should be noted that within the preferred option, there are several 'supplementary' options related to the operation of the work hub element. These are considered in the Management Case.

Consultation

Consultation on the preferred option has taken place on three levels:

- In relation to the overall vision for the town centre (to which the project contributes) consultation took place in 2016 on the Swanley and Hextable Masterplan. As well as being available for comment via the Council website, consultation on the Masterplan also involved a questionnaire survey of local businesses and residents, as well as specific engagement with young people at Orchards Academy
- Consultation on the specific proposal for 27-27 High Street took place as part of the planning application. In general, there was widespread support for the scheme, with a small number of objections focused mainly on parking provision (which are mitigated by the extensive volumes of public parking in the vicinity). Comments on the planning application are covered in the [Officer's Report](#) prepared earlier this year.
- To identify potential demand for the work hub element, a series of interviews took place with prospective work hub users in 2017. This involved 14 interviews, which supplemented the data-driven demand analysis within the work hub feasibility report. Since then, we have maintained dialogue with local agents, business

support providers and Locate in Kent, all of whom have provided anecdotal evidence of demand for a work hub-type facility. Our local business forum is also supportive of establishing a network of hubs.

3.3 Assessment approach

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

The guidance for projects with a GBF grant request of less than £2 million states that there is no requirement for a quantified appraisal of the scheme (and therefore no requirement to complete Section 3.4 or the Appraisal Summary Table).

However, some of the benefits of the project can be quantified, and it is helpful in the Economic Case to set these out. We have therefore taken a proportionate approach to assessment, which has involved identifying those benefits which can reasonably be quantified and monetised, and those which should be considered as 'narrative only'. Those in the former category fall into three groups:

- Benefits arising from the residential element: We provide an indication of the quantifiable benefits of the residential element of the scheme using MHCLG's 2019 Land Value Estimates for Policy Appraisal, which we subsequently cross-reference with the 'ready reckoner' used for MHCLG's Land Release Fund. While it should not be considered a full assessment of land value uplift (which would be a more complex exercise, including some additional research into the local residential market), it provides a broad indication of the potential impact.
- Benefits arising from the proposed work hub, which we have considered in terms of employment and therefore GVA.
- Benefits arising from the construction phase

Based on the shortlist of options that we identified, we have only quantified the costs and benefits of the preferred option. This is because it is obvious that in Option 1, there are no benefits and the only costs are holding costs⁹; while Option 3 will clearly generate a lower BCR since the economic benefits are essentially the same as in the preferred option, but the public costs are higher, given the need for affordable housing subsidy.

Our approach to all of these is considered in more detail in Section 3.6 below.

3.4 Economic appraisal assumptions

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

⁹ Although as set out above, 'do nothing' might in practice incur additional costs in the future (e.g. demolition).

Smaller schemes (less than £2 million) are not required to complete this section].

We note that we are not required to complete this section. However, in line with the approach set out in Section 2.3 in order to provide a 'broad indication' of value for money, key assumptions and parameters shaping the analysis of costs and benefits are as follows:

- An **appraisal period** of 10 years is used for employment benefits, starting in 2020/21. While the building at 27-37 High Street will have an economic life of many decades (at least 60 years), we consider this shorter period to be appropriate, given the dynamic nature of the market for business space (especially in the context of Covid-19) and the innovative nature of the work hub proposition. Given this, it would seem unreasonable to forecast work hub-derived benefits beyond the next decade, although (as set out in the Strategic Case) the evidence suggests that there is likely to be rising demand for these types of facility.
- Benefits derived from residential land value uplift are assumed to be realised in the year 2022/23 and the employment **benefits** begin in 2022/23
- Residential land value estimates are taken from the Land Value Estimates for Policy Appraisal 2019, MHCLG. Existing use value is assumed to be nil.
- All costs and benefits are stated in **2020 prices**
- Costs are presented as **exclusive of VAT**
- **Discount rates** are applied, following HM Treasury's standard guidance, at 3.5% per annum on all costs and benefits
- A proportionate approach is taken to adjusting benefits to account for deadweight, displacement and leakage. This is explained further in Section 3.6
- We assume that the **impact area** is primarily local (i.e. Swanley and its hinterland), although there could be benefits to businesses and residents in neighbouring areas, where they make location decisions based on the availability of new homes and work space in Swanley.

3.5 Costs

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

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

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

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

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

Capital costs

[REDACTED]

No sunk costs are included in the economic appraisal.

Gross residential sales are expected to be £4.1 million. This is based on anticipated residential sales of £410 psf, estimated in Savills' Viability Report (December 2019), following a review of comparable schemes in Swanley in the context of the characteristics of the proposed development. It should be noted that we have assumed no capital receipt for the work hub element¹⁰.

Taking this into account, net costs to the public sector are £1.539 million (i.e. the Getting Building Fund grant request of £1.49 and residual costs to the Council). This equates to a net present value of £1.638 million, assuming sales are achieved in 2022/23.

Inflation

Tender price inflation is included within the contractor works estimate to the third quarter of 2021. As the scheme is close to delivery, we have retained inflation within the cost estimate as the best reflection of actual costs incurred. The tender price inflation estimate is £44k.

Optimism bias

For the purposes of the Economic Case, optimism bias should be considered on costs and benefits. The 27-37 High Street scheme is well advanced, and the capital costs include a 5% contingency. At this stage, we consider that a modest allowance should be made for optimism bias: for the purposes of this appraisal, we assume 5%.

At Gate 1, the allowance for optimism bias was queried, and we acknowledge that it is low for a construction project. However, the scheme is now very close to delivery, and scheme costs have been prepared by a quantity surveyor based on comparable data (and our estimates have increased since the previous viability assessment undertaken by Savills). Appropriate contingencies have also been included. At this stage, we therefore believe that the 5% optimism bias allowance is appropriate. However, we have tested the impact of different optimism bias assumptions on value for money, and this is set out in Section 3.8.

[REDACTED]

¹⁰ Savills Viability Report originally assumed a potential value of £540k for the business space, based on rent of £15 psf and a market yield of 7.5%. However, this is based on a conventional rental model, which would be hard to achieve in current circumstances in this location, and which is conceptually different from the work hub proposition.

- *Public sector loan repayments if not captured in land value*

'Adjusted' Benefits

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

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

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

Initial quantified benefits

As identified in Section 2.3, initial quantified benefits include:

- Increased land value, resulting from the residential element of the development; and
- Employment and GVA impacts, resulting from the construction and operation of the work hub

As set out above, we have based our analysis on a series of broad assumptions, reflecting a proportionate approach to estimating the economic impact.

Increased land value, resulting from the residential element of the development

From an appraisal perspective, the approach to monetising the private consumption benefit from changes in land value (known in short as "Land Value Uplift") is central to current business case methodology. Valuation Office Agency (VOA) data on land values can be used to inform preliminary Benefit Cost Ratio estimates although for larger business cases ideally residual valuation techniques should be used which appropriately reflect the characteristics of the site in question, including the level of on-site infrastructure required and the level of affordable housing.

For the purposes of this 'indicative' assessment of the benefits we have referred to the MHCLG Land Value Estimates for Policy Appraisal 2019, this provides for residential land values of £8,300,000 per hectare in Sevenoaks District, based on an assumed density of 35 dwellings per hectare, equivalent to £237,143 per dwelling. We have assumed the existing use value is effectively nil, therefore this amount represents the amount of land value uplift per dwelling.

We assume high levels (75%) of additionality given the identified need for new homes in Swanley and we make an adjustment for optimism bias on the realisation of benefits (10%).

Bringing all of the above together results in net GVA from residential-derived benefits (less optimism bias) of approx. £2.7 million over the appraisal period (or net present value of approx. £2.5 million).

Employment and GVA benefits, resulting from the work hub

The work hub ought to have a positive impact on business starts and growth, leading to increased employment. The 'route to impact' is likely to work in four ways:

- First, **through the physical facility itself**, as start-ups that would otherwise have been based at home are able to use better facilities and have the physical space to employ additional staff who can operate some of the time from the work hub.
- Second, **through the opportunities for collaboration** that the work hub enables, as SMEs are better able to network with like-minded firms, share ideas, work together on projects, and so on.
- Third, **through access to business support**, both informally on a 'peer-to-peer' basis, and through the support offer that is embedded within the work hub model in the early years, and which could be made available via support organisations such as Kent Invicta Chamber of Commerce as the scheme becomes established.
- Fourth, **through the opportunities that the work hub presents for people to work remotely**. Not all the benefits of this will be captured in additional employment and GVA¹¹, but some will (for example, where the need to commute may have prevented people from taking employment in other circumstances, due to caring responsibilities, etc.).

To identify the benefits that could result from the work hub project, we have worked through the following steps:

- **Step 1:** The 2017 Work Hub Report noted that the 'Workbox' scheme in Penzance (used as a model for The Meeting Point) 'created' 53 jobs (gross) in four years, exceeding the output target set by the Regional Growth Fund at the start of the project. For Swanley, the report anticipated:

- 2 FTE 'direct jobs' (manager, receptionist, support staff) in Years 1 and 2, and 1.5 FTE thereafter
- 20 new jobs created by members and work hub users over time.

It should be noted that these jobs are not derived from an employment density calculation, since the proposition is that total user numbers will greatly exceed the capacity of the facility at any given time. However, we have run an employment density calculation for comparative purposes, and the job outputs roughly align¹².

- **Step 2:** The job numbers quoted in the Work Hub Report are gross. Obviously, some jobs may have been created 'anyway', or the work hub itself may have been a marginal factor. Without reviewing the Work Hub Network's underlying data (or

¹¹ For example, commuter time savings are mostly a private benefit to the individual or to the existing employer. These are set out under non-quantified impacts below.

¹² 250 sq m at 12.5 sq m per job (the mid-point density for incubation space in the HCA Employment Densities Guide) yields an estimate of 20 jobs.

the basis for the job outputs reported on the quoted comparator site in Penzance), we do not have a firm basis for adjusting the outputs for deadweight, displacement, leakage and substitution – and in any case, the numbers are quite small.

Instead, to provide a rough estimate of additionality, we have applied the composite additionality measure used within Oxford Innovation's Jobs Modelling tool, which has been used to estimate jobs and GVA on several innovation centre schemes, including the LGF-funded Basildon Innovation Warehouse and the ERDF-funded Kent Medical Campus centre at Maidstone). This assumes estimated additionality of 60%, equating to 13 net jobs in steady state¹³.

- **Step 3:** We assume that job creation ramps up with occupancy (i.e. 40% of steady state in Year 1, 65% in Year 2 and 100% from Year 3), as per the estimates in the Work Hub report.
- **Step 4:** To estimate GVA, we apply GVA per filled job at the Kent and Medway average (£52,340). We note that the average for Sevenoaks District is substantially higher (at £66k), but the lower Kent estimate is likely to be more relevant given Swanley's economic profile.
- **Step 5:** We apply 25% optimism bias to the GVA estimates, reflecting the inherent uncertainty associated with a new proposition and the limited hard, local evidence of job outcomes.

Bringing all of the above together results in **net GVA from employment-derived benefits (less optimism bias) of approx. £4.1 million over the appraisal period (or net present value of approx. £3.3 million)**.

Adjusted benefits

Construction

In addition to the benefits above, the construction phase will result in additional employment and supply chain benefits. Frequently, these are excluded from the calculation of overall economic benefits, since it can usually be reasonably assumed that the construction industry is buoyant, and that construction jobs could be absorbed somewhere else. However, Getting Building Fund is specifically aimed at 'kick-starting' construction activity to compensate for the general downturn. We have therefore considered the benefits arising from this.

The Homes and Communities Agency identified a 'labour coefficient' for construction in 2011. This estimated that 10.7 job years were created for every £1 million of construction spend. Adjusting this to 2020 prices gives a labour coefficient of 8.4.

Applied to total construction spend on 27-37 High Street, this suggests 39 FTE job years, generating gross GVA of approx. £2 million.

This GVA benefit should be substantially discounted, given the likelihood of leakage (given the national construction market) and displacement. Applying 50% leakage, 50%

¹³ We have not applied a multiplier to this, as we assume that this is already included in the Oxford Innovation additionality estimate.

displacement and a composite regional multiplier of 1.5 yields benefits of c.£750k (or net present value of c.£650k).

Bringing it together

The table below brings the range of quantified benefits together:

Table 3-5: Quantified benefits

Benefit	£, 2020 prices, over appraisal period (£m)	
	Net local effects	NPV of net local effects
Land value derived from residential	2.7	2.5
Jobs created at work hub	4.1	3.3
Construction jobs	0.8	0.7
Total	7.6	6.5

Non-quantified impacts

In addition to these quantified benefits, there are several other impacts which it is not possible to monetise at this stage, but which are nevertheless significant.

Benefits associated with the residential element

The benefit of additional housing is reflected in the net additional supply (17 new units) and the land value calculation. More broadly, benefits that are not captured in the numbers include:

- Better access to housing for those identified as having the greatest requirement. Specifically, The Meeting Point will deliver new smaller units reflecting demand from younger workers, identified within the Strategic Housing Market Assessment as a group that is insufficiently catered for at present.
- Contribution to the vibrancy of the town centre, as more residents in the town centre increase demand for local goods and services. Greater town centre living should reduce the need for travel, reducing CO2 and generating environmental benefits (described further below). There are also likely to be health benefits associated with town centre living, linked with the '10 minute walk' settlement model.

Benefits related to the work hub

As well as employment benefit, there will be benefits in terms of new business start-ups and expansion rates (which will obviously help to drive the jobs outputs). Other benefits include:

- Increased worker and business productivity, as firms make better use of equipment and IT than they would have had they been home-based, and collaboration between businesses increases. A survey of members at the Cornwall Workbox facility quoted in the Work Hubs Report found that 22% of respondents' total turnover was "a direct result of" Workbox membership.

- Environmental benefits, as commuters choose to use the work hub for part of the time, reducing the need to travel.
- Individual private benefits as commuting time saved is converted into leisure time and the disbenefits of home working are addressed.
- Benefits associated with 'proving the market' for a new type of business support offer. The work hub will present an innovative new product to businesses in Swanley – as it demonstrates success, we might expect interest from the private sector in setting up grow-on space or offering complementary initiatives. There are also other towns in the District (such as Sevenoaks) that could benefit from this type of offer – indeed, the Council is receiving requests for similar forms of start-up space.

Benefits related to the scheme as a whole

Across both elements, the scheme will lead to increased footfall and economic activity on the High Street, driving further diversification and investment. It should also have a 'catalytic' contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes (e.g. at Bevan Place).

The scheme as a whole will also deliver environmental benefits, through measures integral to the design. Specifically:

- The scheme is designed to high environmental standards. All the homes exceed national targets. They require little energy to run and use green technologies including air source heat pumps and mechanical ventilation heat recovery.
- Sustainability is central to the scheme, which is located close to the town centre and within walking distance of the train station and buses. Policy compliant car parking and cycle parking is provided to the rear for all residents and business hub users. This includes some electric vehicle charging points. A possible car share scheme is envisaged giving residents access to bookable electric vehicles when they need them.

3.7 Local impact

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

Given the scale and nature of the scheme, most of the benefits are local and relate to Swanley itself (although there are likely to be users of the work hub from surrounding villages). In addition, there are some specific local impacts, relating to environmental improvements in the area around the High Street, following the removal of an unattractive derelict building in a prominent location. This will improve the 'look and feel' of the High Street, improving local trading conditions for neighbouring businesses and helping to bring forward important nearby sites, as set out above.

The only local disbenefit associated with the scheme is temporary disruption during the construction phase. However, this should be modest compared with the positive impacts of the scheme.

3.8 Economic appraisal results:

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

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

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

We note that there is no requirement to complete the Appraisal Summary table below, given the scale of the grant request. However, we have done so below to capture the costs and benefits identified earlier in the Economic Case:

Table 3-6: Appraisal Summary Table

MHCLG appraisal sections	Preferred Option (£m)
A. Present value benefits	5.8
B. Present value costs	2.0
C. Present value other quantified impacts	0.7
D. Net present public value [A-B+C]	2.9
E. Initial Benefit: Cost Ratio [A/B]	2.94
F. Adjusted Benefit: Cost Ratio [(A+C)/B]	3.31
G. Significant non-monetised impacts	<ul style="list-style-type: none"> • Increased residential supply to meet housing need • Catalytic contribution to town centre regeneration • Contribution to vitality and viability of town centre • Improved business productivity and collaboration • Environmental benefits through reduced commuting/ travel time • Social and health benefits associated with reduced travel time and town centre living, enhancing quality of life/ promoting walking • Proves the market for future private investment in business space
H. Value for money category	High
I. Switching values and rationale for vfm category	Six sensitivity scenarios run, yielding adjusted BCRs of between 1.90 and 3.18
J. Net financial cost, inc. optimism bias	Capital: £1.6m
K. Risks	<ul style="list-style-type: none"> • Delay in funding approval impacting on ability to meet capital spend deadline • Lack of demand for work hub leading to reduced income/ viability

MHCLG appraisal sections	Preferred Option (£m)
L. Other issues	-

Sensitivity analysis

Sensitivity analysis has been run against six scenarios. The outcome of this exercise is set out below. On all scenarios, the initial BCR is greater than 2, with the exception of Scenario 6 (a 'worst case' composite of Scenarios 1-5) where the initial BCR falls to 1.55:

Table 3-7: Results of sensitivity analysis

Scenario	Initial BCR	Adjusted BCR
1. Optimism bias on capital costs increased to 10%	2.83	3.18
2. Optimism bias on residential-derived benefits increased to 20%	2.80	3.17
3. Reduced job creation (maximum capacity 15)	2.56	2.93
4. Slower work hub benefits realisation	2.60	2.96
5. Reduced additionality (50% on all benefits)	2.24	2.61
6. Composite of Scenarios 1-5 (i.e. 'worst case')	1.55	1.90

4. Commercial Case

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

4.1 Procurement options:

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

Sevenoaks District Council has an adopted [Procurement Strategy](#). This is reviewed annually and is accompanied by a series of guidance notes for officers to assist implementation.

In relation to The Meeting Point, advice to the Council on procurement options for the construction phase was provided by Appleyard and Trew LLP in March 2020. This was subsequently updated in July to take account of the indicative GBF award and its associated timescales.

The procurement report considered the following options:

- **Option 1: Design and build:** Within this approach, a main contractor would be appointed directly by the Council. The main contractor would assume responsibility for design work undertaken in the pre-contract phase, together with ongoing design, development and coordination in the post-contract phase. The contractor would provide a fixed price and programme to design and build the project.

The advantage of design and build is that it provides cost certainty, provided that a detailed set of Employer's Requirements is prepared. It is the most widely used procurement route for projects of this type.

One disadvantage of design and build is perceived loss of control over the quality of the works. Appleyard and Trew recommended that for the Council to maintain quality, the building should be fully designed to RIBA Stage 4 before entering into contract.

- **Option 2: Construction management:** Within this approach, the physical works would be delivered by a number of different trade contractors under the supervision of a construction manager. The Council would place direct contracts with each of the trade contractors and would use the expertise of the construction manager who would act as a consultant to coordinate the contracts.

A disadvantage of this approach is that the Council may not have a fixed price or programme at the point of commencing works on site – so the Council would be largely responsible for the financial implications of any cost and programme overruns and would carry additional risks throughout the construction period (e.g. any cost and programme impact arising from insolvency of a trade contractor). Usually, this approach is most suited to large and complex projects.

- **Option 3: Traditional procurement with contractor design portion:** Within this approach, a fully detailed design is prepared by the design team and then priced competitively by a number of contractors. The client retains responsibility for the design, so if there are any inadequacies or further work is required, this could lead to an increase in price and programming.
- **Option 4: Negotiation:** Within this approach, a contractor is selected and joins the design team at Stage 3. The contractor would then be part of the Stage 4 process: how the contractor demonstrates cost is agreed with the Employer, often through working within a fixed ceiling.

Following this review of options, a design and build approach was recommended, on the basis that it gives greater cost and programme certainty to the Council and reduces risk. By slightly modifying the process with a pre-qualification questionnaire, the Council is also able to gauge market interest and respond accordingly.

4.2 Preferred procurement and contracting strategy

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

Preferred strategy

Within the preferred approach outlined above, a single-stage design and build strategy is proposed. Based on the recommendations of the Council's consultants, this will involve:

- Appointment of a consulting team to complete RIBA Stage 4 technical design work and prepare tender documents. This took place in August (with funds committed by Sevenoaks District Council) and this work is underway.
- Separate tendering for the demolition works. Procurement will start in September for contract award in November, start on site in January 2021 and completion in February.
- Single stage design and build for the construction works, based on the RIBA Stage 4 design. A pre-qualification questionnaire will be issued in September, with the ITT issued in November for award in February. The PQQ also requests bidders to advise on their Covid-19 measures so that these are factored in at the start of the process and we can assess the contractor's mitigation measures.

This approach has been taken because:

- The design and build approach provides greater cost and programming certainty to the Council, as outlined above.
- Separate tendering for the demolition works will bring forward demolition, enabling the GBF timetable to be maintained.
- A review of tendering approaches for the Council recommended that design and build works are tendered on the basis of RIBA Stage 4 designs, to reduce

uncertainty and maintain a greater degree of control over quality. Our approach follows this recommendation.

OJEU

The estimated value of construction works falls below the OJEU threshold [REDACTED]. Procurement will therefore be undertaken via Sevenoaks District Council's standing orders.

Form of contract

For design and build, the Council will use the latest JCT Design and Build 2016 contract, with contract amendments, plus a suite of further protection measures such as performance bonds, parent company guarantees, warranties and novation agreements prepared by the Council's lawyers.

Management and procurement options in the operational phase of the work hub

Sections 3.1 and 3.2 focus on procurement in the capital build phase. However, some of the benefits of the project will also depend on the ongoing operation of the work hub which, as set out in the Financial Case, will continue to require public sector revenue funding.

Options for the management of the work hub are set out in the 2017 Work Hub Report. All of these involve the Council retaining the freehold, and include:

- **Option 1: Management by a Community Interest Company:** Within this option, the Council would support the establishment of an arm's length body, with a remit to support the growth of start-up and micro businesses as well as manage the facility. Any surplus would be reinvested in services.

This option is used by several work hub facilities considered as comparators (e.g. Penzance Workbox and the [Neptune](#) workspace in Herne Bay). The advantage of this approach is that it could build capacity within the local business community and would offer a fresh, 'self-managed' approach to business space, recognising the qualitative difference between a work hub and 'conventional' managed workspace. The disadvantage is that this option is likely to require time investment in partnership development to build, and perhaps some consultancy support.

- **Option 2: Space leased to a workspace provider via a tender:** Within this option, the Council's objectives would be written into a specification and an external provider chosen.

This option is conceptually simple. However, while there are some established chains of work hubs, these are mostly regionally-based (e.g. [Club Workspace](#) in London and [IndyCube](#) in South Wales) and there may be few interested suppliers, especially given the small surplus that the work hub is expected to make in steady state. In a variant of this option, the space could also be managed by a business support partner organisation.

- **Option 3: Direct management by the Council:** This would involve the Council appointing a work hub manager and delivering the work hub in house. An option along these lines is currently delivered by Cherwell District Council through its [Perch](#) work hub centres. This would provide an incentive to the Council to maximise income, could help to build up relationships between the Council and business and would be organisationally straightforward (with no need for procurement). However, it would be important to manage the facility in a flexible way appealing to the market.

Our preference at this stage is for Options 1 or 3 (and the costings in the Work Hub Report that are used as the basis for this Business Case are based on Option 1). However, the options will be considered in greater detail over the next six months, in advance of promoting the new facility and service in advance of opening.

4.3 Procurement experience

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

Sevenoaks District Council has experience of procurement through a variety of routes, including direct procurement and the use of frameworks such as Scape and the UK Leisure Framework.

As outlined in the Strategic Case, the Council adopted a Property Investment Strategy in 2014, to provide sustainable income to the Council as well as support economic development. This has led to an active approach to the identification and direct delivery of several schemes, which include:

- Bradbourne multi-decked car park (£5.3m)
- Sevenoaks Premier Inn, through which the Council has built the hotel on former Council car park land and leased it to Premier Inn (£7.3m)
- Sevenoaks Town multi-decked car park and remodelling to the environmental park (£12m)
- Burlington Mews townhouses (£7.3 m)
- White Oak Leisure Centre, Swanley (£20 m, currently at RIBA stage 5)

The Council directly employs a Construction Project Manager with responsibility for overseeing the Council's direct investment and for managing the construction process.

The Council's advisor on procurement is Appleyard and Trew LLP. Appleyard and Trew is a national firm of quantity surveyors, offering project management, Employer's Agent and other services, with extensive professional experience in managing procurement processes and contracts.

4.4 Competition issues

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

To deliver the design and build contract, the Council will approach Kent and East/Southeast London-based medium-sized firms with residential and timber frame experience. This market is competitive, with a large number of contractors and sub-contractors, and we do not envisage any competition issues significantly impacting on delivery.

4.5 Human resource issues

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

Human resource issues relevant to the delivery of the project following completion are set out in the Management Case. With regard to the capital build phase, the Council has an experienced Construction Project Manager, and established relationships with Appleyard and Trew as Employer's Agents.

It should be noted that there is substantial construction and development work underway in London and Kent, and pressures on labour supply in the construction workforce are frequently cited. These are not however anticipated to have a major impact on project delivery, and are anyway likely to be mitigated by the post-Covid economic downturn.

It will be important to take account of Covid-19 health restrictions to ensure project delivery. Contractors' Covid measures are being evaluated as part of the PQQ stage.

4.6 Risks and mitigation

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

The main risks identified in the project Risk Register that will have a bearing on the commercial viability of the project are summarised in the table below:

Table 4-1: Key commercial risks

Ref	Risk	Mitigation
4	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place. External advice has been sought and is being put in place
5	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 as the situation develops.
6	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	Given the accelerated procurement programme, a single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality. Works tendered on RIBA stage 4 information gives tenderers confidence the design is thorough and

Ref	Risk	Mitigation
		coordinated. Realistic client contingencies in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.
9	Work hub operator cannot be procured	An open tender will be held prior to the scheme achieving practical completion. Soft market testing has revealed interest in the provision of business hub services. However, if this interest does not materialise, the Council will consider using the existing business support network in Kent, and failing this, the Council may consider operating this directly through its Economic Development Team.
10	Take-up of the work hub falls below expectation.	Market research undertaken and the impacts associated with Covid-19 suggest that the business case for a business hub is robust. The service will also be on flexible terms and virtual services will also be provided. Meeting space at the venue will also be hired out to supplement income.

Risk allocation

In summary, risks are allocated as follows:

Table 4-2: Risk allocation

Phase/ activity	Allocation
Pre-procurement/ design to RIBA Stage 4	Sevenoaks District Council
Construction	The procurement route is a fixed-price single-stage design and build contract procured on the basis of RIBA Stage 4 designs. This transfers the majority of design and delivery risk to the Contractor. As noted above, the Council will use the latest JCT Design and Build 2016 contract with further protection measures set out by the Council's lawyers.
Residential sales	Sevenoaks District Council. Risks are low, given evidence of demand and general market conditions
Work hub operations	The contract with the work hub operator will contain income and business development targets. However, the Council will remain ultimately liable for any income shortfall.

4.7 Social value

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

Construction

Achieving social value through the procurement process is an objective of the Council's Procurement Strategy, in line with the Social Value Act. In line with this, the ITT for the

design and build contract will seek proposals from prospective main contractors to deliver social value over and above the benefits of the scheme itself. This might include opportunities to recruit local labour, especially among disadvantaged and under-represented groups. In addition, the Council's Procurement Strategy aims to support opportunities for local SMEs, provided these are compatible with the legal framework. We would expect potential contractors to consider opportunities for SMEs within their supply chains.

Work hub operation

Beyond the completion of the physical build, there ought to be opportunities to deliver social value through the operation of the work hub. As well as the potential for the work hub to be delivered by a locally-based social enterprise, as described above, this could include efforts to promote entrepreneurship within the community and opportunities to make work hub memberships available to organisations in the community and not-for-profit sectors.

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 values¹⁴.

The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

5.1 Total project value and funding sources:

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

Capital

The total capital value of the project is ██████████ gross ██████████ net of residential sales), to be funded by Getting Building Fund (subject to approval) and by Sevenoaks District Council. The funding profile is set out in Section 5.5.

Revenue

Getting Building Fund is sought for the capital element of the project only. However, the work hub element of the project will incur revenue costs. These amount to ██████████ (net of income) over the appraisal period, and will be borne by Sevenoaks District Council.

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

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

The project requests Getting Building Fund grant of £1.49 million.

5.3 Costs by type:

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

¹⁴ Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

space element). Inflated to 2020 prices (assuming 2.5% inflation per year), we assume costs will be around ██████ per year in steady state.

Set against these costs, the work hub will receive income from business users, based on a range of membership options (discussed further in the Management Case). As numbers ramp up over time, it is anticipated that the work hub will make a substantial loss in the first two years of operation, before making a small annual surplus from Year 3. However, over the appraisal period, there will still be a net revenue cost to the public sector of around ██████, which will be borne by Sevenoaks District Council.

Note that there may be other income sources (such as meeting room hire) which have not been taken into account in the profit and loss projection).

5.4 Quantitative Risk Assessment

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

Unit costs

Capital unit costs are based on the Stage 3 cost plan, set out in the supporting workbook.

Revenue unit costs are based on the 2017 Work Hub Report, as set out above.

Quantitative Risk Assessment

Risks on the capital phase are considered low at this stage. Reflecting this, we have adjusted total construction costs by 5% to ██████ ██████), consistent with optimism bias in the Economic Case.

5.5 Funding profile (capital and non-capital):

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

The capital funding profile is set out below:

████████████████████				
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Given the need to ensure full Getting Building Fund spend by March 2022, there is no flexibility in this overall funding profile (which is set out quarterly in the supporting workbook and in the Monitoring and Evaluation Plan). However, GBF funds could be allocated differently across the project: the profile above indicatively assumes one-third in 2020/21 and two-thirds in 2021/22.

In addition, there is a requirement for [REDACTED] contribution to revenue costs in the operation of the work hub over the first three years.

5.6 Funding commitment

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

A funding commitment statement is attached in Annex B.

This project has been discussed with the Section 151 officer at Kent County Council at the expression of interest stage. Confirmation of assurance from the s151 will follow prior to decision by the SELEP Accountability Board.

5.7 Risks and constraints

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

The main risks identified in the Risk Register that will have a bearing on the Financial Case are summarised in the table below:

Table 5-0-4: Summary of financial risks

Ref	Risk	Mitigation
1	GBF grant does not receive final approval	Early engagement with SELEP and Independent Technical Advisor taking place to ensure full business case meets the required standard.
2	Capital receipts from the sale of the residential units are not achieved.	Residential units are appropriately designed and to be finished for the target market. Intention is to also commence marketing of units as soon as possible to receive achieve off-plan sales. This will allow us to gauge and track market interest. In unlikely event that sales are not achieved, Council will consider issuing AST (place on market for rent) through an appropriate vehicle and delay capital receipts
3	Change in interest rates resulting in a higher cost of capital	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in.
4	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place. External advice has been sought and is being put in place

Ref	Risk	Mitigation
5	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	<p>Include Covid19 question in PQQ.</p> <p>Provide detailed tender information to assist on risk assessment and mitigation.</p> <p>Close monitoring of Covid-19 as the situation develops.</p>
6	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	<p>Given the accelerated procurement programme, a single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality.</p> <p>Works tendered on RIBA stage 4 information gives tenderers confidence the design is thorough and coordinated.</p> <p>Realistic client contingencies in place for unforeseen.</p> <p>Robust change control process in place.</p> <p>Contract includes administration by Employers Agent.</p> <p>Two contractors have already expressed interest in tendering for the scheme.</p>
7	Delays in scheme approval lead to increased costs due to construction inflation.	<p>Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions.</p> <p>Project Contract sum based on programme.</p>
8	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	<p>Detailed ground investigation survey undertaken prior to RIBA Stage 4 to inform foundation and drainage design and provide more detailed tender information.</p> <p>Realistic contractor and client contingencies in place for unforeseens.</p> <p>Contractor allowed £10k for asbestos removal in addition to contingency sum.</p>
9	An operator cannot be procured	<p>An open tender will be held prior to the scheme achieving practical completion. Soft market testing has revealed interest in the provision of business hub services.</p> <p>However, if this interest does not materialise, the Council will consider using the existing business support network in Kent, and failing this, the Council may consider operating this directly through its Economic Development Team.</p>
10	Take-up of the business hub falls below expectation.	<p>Market research undertaken and the impacts associated with Covid-19 suggest that the business case for a business hub is robust. The service will also be on flexible terms and virtual services will also be provided. Meeting space at the venue will also be hired out to supplement income.</p>

6. Management Case

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

6.1 Governance:

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

Capital delivery

Key roles

The Project Sponsor for this project is Pav Ramewal, Chief Executive, Sevenoaks District Council.

The Senior Responsible Officer is Detlev Munster, Strategic Head of Property and Commercial.

The Project Manager is Geoff Golledge, Construction Project Manager.

As set out in the Commercial Case, the Council has appointed Appleyard and Trew LLP to act as Employer's Agents.

Project governance

A project team has been established within the Council, working with the appointed Employer's Agent. Key personnel are trained in PRINCE 2 methodologies and have experience of managing capital schemes delivered as part of the Property Investment Strategy. The project team will meet weekly throughout the design and construction phase.

The Project Team reports to Sevenoaks District Council's **Corporate Programme Board** (CPB), which will have oversight of the project. Monitoring reports (including highlight reports/exception reports, budget monitors and the risk register) will be submitted monthly to the CPB. The CPB consists of senior officers within the Council and is chaired by the Chief Executive.

Subject to a recommendation to the SELEP Accountability Board to approve this application to GBF, approval will be sought from Sevenoaks District Council's **Cabinet** on 15 October to proceed with the project, and to delegate authority to the Senior Responsible Officer to enter into contracts for delivery. Regular reports on the progress of the project will be made to Cabinet, which meets monthly.

Ongoing management

Once complete, residential units will be sold on a 125 year leasehold basis on the open market. The work hub will remain in Council ownership: options for management are set out in the Commercial Case.

6.2 Approvals and escalation procedures

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

Approvals and escalation procedures reflect the governance structure outlined above. Operational management of the project will be the responsibility of the Strategic Head of Property and Commercial, with oversight through the Corporate Programme Board.

6.3 Contract management

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

The project management and governance processes set out in section 6.1 above will be used to ensure that project outputs are delivered to scope, timescale and quality.

An Employer's Agent has been appointed, as set out above.

6.4 Key stakeholders

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

Key stakeholders

In addition to the Council and its contractors, key stakeholders include:

- Businesses in the High Street, which will be impacted by improvements to 27-37 High Street (and by disruption during the construction phase)
- Local resident and amenity groups, which will have an interest in the redevelopment of the site and its impact on the attractiveness of the town
- Swanley Town Council, which will have an interest in improvements to the environment and the impact of the scheme on the local economy and on the mitigation of any disbenefits (e.g. in relation to parking)
- Start-up and micro businesses in Swanley and the surrounding area that could become members of the work hub
- Potential entrepreneurs, who could become members of the work hub, and who could benefit from increased promotion/ awareness of opportunities
- Current commuters and 'home-based' employees, who could have an interest in the work hub as a part-time base
- Business support organisations, which may have an interest in a 'point of presence' at the work hub

- Commercial developers and operators of business space, which will have an interest in the extent to which the project demonstrates demand for additional facilities, including grow-on space
- Potential residents

Engagement

Consultation on the proposal for 27-27 High Street took place as part of the planning application. In general, there was widespread support for the scheme, with a small number of objections focused mainly on parking provision (which are mitigated by the extensive volumes of public parking in the vicinity). Comments on the planning application are covered in the [Officer's Report](#) prepared earlier this year.

To identify potential demand for the work hub element, a series of interviews took place with prospective work hub users in 2017. This involved 14 interviews, which supplemented the data-driven demand analysis within the work hub feasibility report. Ongoing engagement with the business community (including prospective work hub users) is maintained by the Council's Economic Development team. The Council has also set up a Sevenoaks Business Forum, which consists of key (and representative) businesses in the District to advise on the business strategy and economic development support that the Council should offer, and to discuss issues that affect local businesses. The Business Forum is key to our engagement strategy with local businesses.

A Stakeholder Management and Engagement Plan is attached at Annex H.

6.5 Equality Impact:

[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered as part of the project's development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the accountability board; max. 0.5 pages.]

The Council's approach to equalities and diversity is set out in *Closing the Gap*, the Council's Equality Policy Statement and Objectives for 2016-20. This is adopted by Cabinet and provides a framework for compliance with the Equalities Act 2010.

An Equalities Impact Assessment has been carried out, and is included in Annex I. The scheme is unlikely to have any negative impacts in relation to any defined Protected Characteristics, and is likely to have positive impacts overall. It should be noted that there is scope within the operation of the work hub to include promotion of entrepreneurship to under-represented or disadvantaged groups and this will be included within the work hub operating contract or terms of reference.

6.6 Risk management strategy:

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

The risk register for the scheme is attached in Appendix C. This risk register is kept 'live' and is regularly updated by the Project Manager, and is used the basis for weekly discussion with the main contractor.

A summary of key risks is considered by the Project Team and the Corporate Programme Board, in line with the management and escalation procedures set out above.

6.7 Work programme:

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

The high-level work programme for the scheme is set out in the table and Gantt chart in Appendix D.

In summary the key milestones are:

Table 6-1: Key milestones

Key milestone/ deliverable	Date completed
Planning consent	May 2020 (achieved)
Consulting team appointed to complete RIBA Stage 4 technical design and prepare tender documents	August 2020 (achieved)
PQQ for design and build contract issued	September 2020
Demolition procurement process started	September 2020
Council approval to proceed subject to funding	November 2020
GBF funding approved	November 2020
ITT for design and build contract issued	November 2020
Demolition contract awarded	November 2020
Demolition start on site	January 2021
Demolition completion	February 2021
Design and build contract awarded	February 2021
Construction start on site	March 2021
Procurement route for work hub operator agreed	March 2021
'Virtual' launch of work hub	October 2021
New build completion	March 2022
Work hub opens	May 2022

Resource issues

We are not anticipating any human resource issues that will significantly impact this project. Project management resources are in place, and the scheme is well advanced. The majority of resources to deliver the scheme will be externally procured, and the design and build approach substantially mitigates resource availability issues for the Council.

6.8 Previous project experience:

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

As set out earlier in this Business Case, the Council has a strong record in bringing forward major capital projects, in the context of its Property Investment Strategy. These are relevant to this proposal, since many involve the direct development of assets to secure a financial return, as well as an economic benefit (i.e. the Council's record of property-related activity is not restricted to the public service estate).

Relevant projects that the Council has delivered, or is in the process of delivering, include:

Table 6-2: Relevant capital projects delivered by Sevenoaks District Council

Project	Description
Sevenoaks Premier Inn	Project capital cost: £7.3 million Development of new hotel on former Council-owned car park land and subsequently leased to Premier Inn
Bradbourne multi-storey car park	Project capital cost: £5.3 million New car park within a residential area in Sevenoaks. Delivered by Willmott Dixon via Scape framework contract
Burlington Mews	Project capital cost: £7.3 million Development of town houses on edge of Knowle Park, Sevenoaks
White Oak Leisure Centre	Project capital cost: £20 million Rebuilding of Swanley leisure centre (currently at RIBA Stage 5)

Key personnel

The SRO and Project Manager have substantial project management and delivery experience:

- Detlev Munster (SRO) is a qualified town planner and project management specialist, with over 25 years' experience in delivering large and complex capital schemes and setting up enterprise hubs.
- Geoff Golledge (Project Manager) is a qualified architect and project manager with over 25 years' experience in construction delivery.

6.9 Monitoring and evaluation:

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

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

The logic map is completed below along with the M&E Plan template and Baseline Report template.

As well as monitoring the delivery of the outputs of the capital project, we have budgeted for evaluation following completion. This will seek to understand the extent to which outcomes and impacts have been realised, especially focused on the work hub element of the scheme.

The evaluation will be independently commissioned and will be funded by the Council. In view of the relatively small GBF allocation to this scheme, we have taken a proportionate approach to evaluation, allocating £15k to a ‘one year after’ review to take account of lessons learned in the capital phase and evidence of anticipated and emerging outcomes.

Benefits realisation

The table below sets out each output, outcome and impact of the project (as per the Monitoring and Evaluation Plan attached) and states who is responsible for the delivery of each, and how and when they will be brought forward:

Table 6-3: Benefits realisation

Output/ outcome	Delivery responsibility	Delivery process	Delivery timescale
OP1: Additional homes	Contractor Managed by: Construction Project Manager, SDC Overseen by: Strategic Head of Property & Commercial, SDC	Completion of construction	April 2022
OP2: Employment floorspace	Contractor Managed by: Construction Project Manager, SDC Overseen by: Strategic Head of Property & Commercial, SDC	Completion of construction	April 2022
OP3: Brownfield land brought back into use	Contractor Managed by: Construction Project Manager, SDC Overseen by: Strategic Head of Property & Commercial, SDC	Completion of construction	April 2022
OP4: Restored active frontage on High Street	Contractor Managed by: Construction Project Manager, SDC Overseen by: Strategic Head of Property & Commercial, SDC	Completion of construction	April 2022

Output/ outcome	Delivery responsibility	Delivery process	Delivery timescale
OC1: Employment	Indirect. Monitored by Work Hub operator and overseen by SDC	Jobs created as a result of businesses supported at the work hub	May 2022 onwards
OC2: Businesses supported	Work hub operator Managed by: Economic Development Officer, SDC Overseen by: Strategic Head of Property & Commercial, SDC	Businesses supported through the work hub	May 2022 onwards
OC3: Improved built environment	Indirect. Monitored by SDC	New build at the Meeting Point leads to further improvements in neighbouring buildings	From start of construction
OC4: Increased footfall and activity in High Street	Indirect. Monitored by SDC	New activity at the Meeting Point leads to more vibrant High Street	April 2022 onwards
IM: Social and economic impacts	Monitored by SDC. Measured through evaluation	Benefits arising from new jobs, businesses, homes and improved public space	April 2022 onwards

6.10 Logic map

Table 6-4: The Meeting Point, Swanley: Logic map

Inputs	Outputs	Outcomes	Impacts (not formally required for a grant request of less than £2 million)
<ul style="list-style-type: none"> • Getting Building Fund grant £1.49m • Matched Contributions Spend ██████████ 	<ul style="list-style-type: none"> • Homes: 17 (direct delivery) • Employment floorspace: 250 sq m (2,700 sq ft) • Brownfield land brought back into use: 4,134 sq m • Restored active frontage on High Street 	<ul style="list-style-type: none"> • Employment outcomes: <ul style="list-style-type: none"> ➢ Jobs supported by The Meeting Point work hub (gross): 20 ➢ Construction job years (gross): 39 • Businesses supported: • Improved built environment • Increased footfall and activity in Swanley High Street • Increase in housing supply 	<ul style="list-style-type: none"> • Increased business sustainability through work hub support offer • Environmental benefits arising from reduced commuter/ work travel • Future commercial investment in new flexible business space as market proven • Increased commercial viability of residential development in the town centre as demand rises • Increased expenditure in the town centre • Increased offer within the town centre

7. Declarations

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

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

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

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

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

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

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

<i>Signature of applicant</i>	
<i>Print full name</i>	
<i>Designation</i>	

Annex A: Economic appraisal assumptions

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

Appraisal Assumptions	Details
QRA and Risk allowance	5% for construction costs; 25% for operational costs
Real Growth	All prices quoted at 2020 values
Discounting	3.5%
Sensitivity Tests	N/A. As there is no requirement for full economic appraisal (as less than £2m grant request), sensitivity testing has not been carried out)
Additionality	Adjustments made for additionality in calculation of benefit of work hub element
Administrative costs of regulation	N/A
Appraisal period	10 years from 2022/23
Distributional weights	N/A
Employment	Explained in Economic Case
External impacts of development	Explained in Economic Case
GDP	Explained in Economic Case
House price index	N/A. Sales values assumed from Savills Viability Assessment
Indirect taxation correction factor	N/A
Inflation	Applied at rate calculated within cost plan.
Land value uplift	£8,300,000 per hectare
Learning rates	N/A
Optimism bias	5% on capital; 25% on revenue (for hub operation), 10% on residential benefits
Planning applications	N/A – Full planning consent granted
Present value year	2020/21
Private sector cost of capital	N/A
Rebound effects	N/A
Regulatory transition costs	N/A

Annex B: Funding commitment

Draft S151 Officer Letter to support Business Case submission

Dear Colleague,

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

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

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

Yours Sincerely,

SRO (Director Level)

S151 Officer

Annex C: Risk management strategy

- C.1 A comprehensive risk register has been prepared for the capital build phase of the project.
- C.2 The risk register is set out in Excel form as a separate attachment. Key risks are highlighted below:

Table C-1: Risk register

Ref	Risk	Inherent risk			Mitigation	Residual risk			Case relevance
		L	I	L*I		L	I	L*I	
1	GBF grant does not receive final approval	2	3	6	Early engagement with SELEP and Independent Technical Advisor taking place to ensure full business case meets the required standard.	1	3	3	S, E, F
2	Capital receipts from the sale of the residential units are not achieved.	2	2	4	Residential units are appropriately designed and to be finished for the target market. Intention is to also commence marketing of units as soon as possible to receive achieve off-plan sales. This will allow us to gauge and track market interest. In unlikely event that sales are not achieved, Council will consider issuing AST (place on market for rent) through an appropriate vehicle and delay capital receipts	1	2	2	F, E
3	Change in interest rates resulting in a higher cost of capital	1	2	2	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in.	1	2	2	F
4	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	2	2	4	Ensure adequate resourcing, programming, contingencies and robust project management in place. External advice has been sought and is being put in place	1	2	4	F, C, M
5	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions),	3	2	6	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation.	2	2	4	F

Ref	Risk	Inherent risk			Mitigation	Residual risk			Case relevance
	causes additional cost and/or delay to the programme.				Close monitoring of Covid-19 as the situation develops.				
6	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	2	3	6	Given the accelerated procurement programme, a single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality. Works tendered on RIBA stage 4 information gives tenderers confidence the design is thorough and coordinated. Realistic client contingencies in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.	1	2	2	F
7	Delays in scheme approval lead to increased costs due to construction inflation.	3	2	6	Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions. Project Contract sum based on programme.	2	2	6	F
8	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	2	2	4	Detailed ground investigation survey undertaken prior to RIBA Stage 4 to inform foundation and drainage design and provide more detailed tender information. Realistic contractor and client contingencies in place for unforeseens. Contractor allowed £10k for asbestos removal in addition to contingency sum.	1	2	2	F, M
9	An operator cannot be procured	2	3	6	An open tender will be held prior to the scheme achieving practical completion. Soft market testing has revealed interest in the provision of business hub services. However, if this interest does not materialise, the Council will consider using the existing business support network in Kent, and failing this, the Council may consider operating this directly through its Economic Development Team.	2	2	4	F, C, M

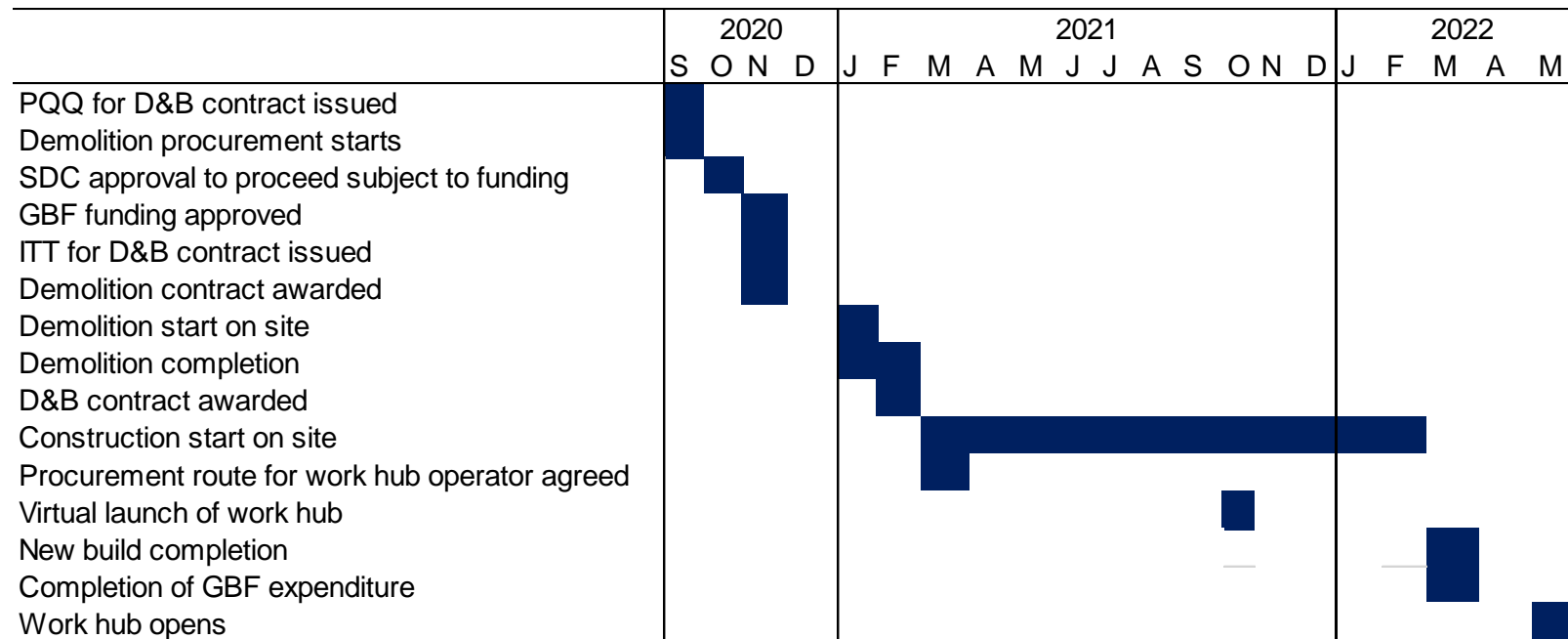
Ref	Risk	Inherent risk			Mitigation	Residual risk			Case relevance
10	Take-up of the business hub falls below expectation.	1	3	3	Market research undertaken and the impacts associated with Covid-19 suggest that the business case for a business hub is robust. The service will also be on flexible terms and virtual services will also be provided. Meeting space at the venue will also be hired out to supplement income.	1	2	2	S, E, C, F, M

Source:

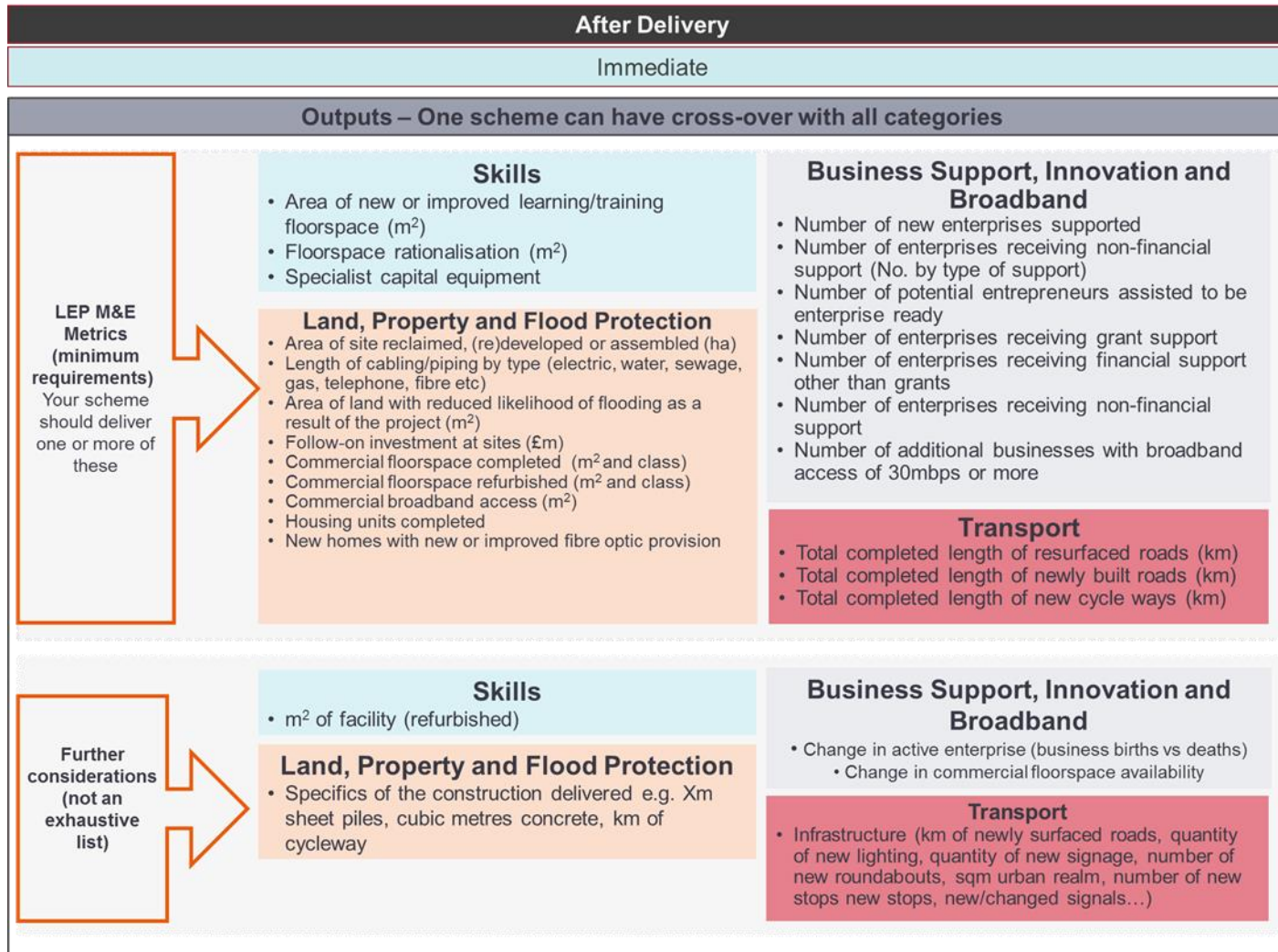
Annex D: Gantt chart

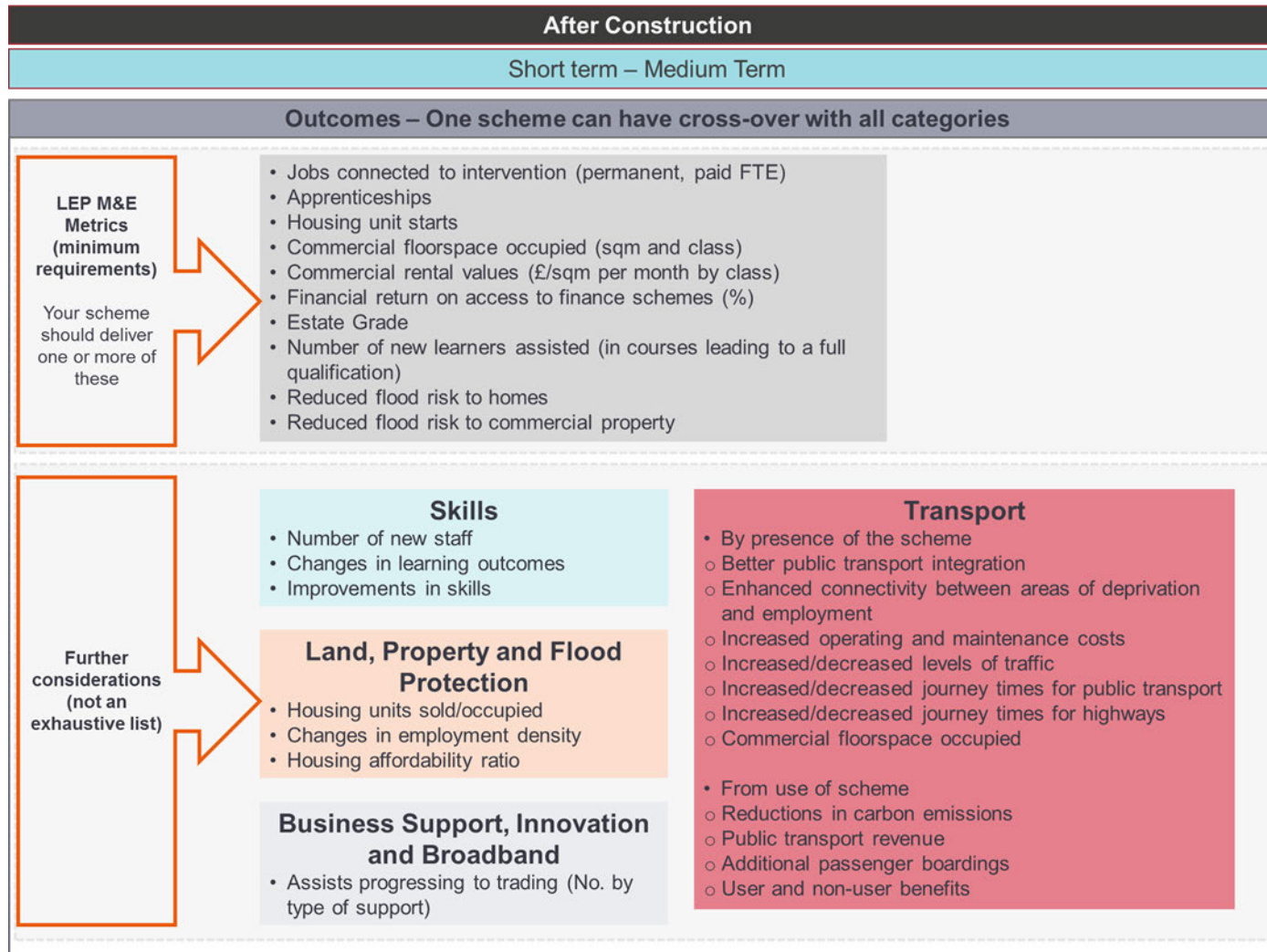
D.1 A summary Gantt chart is set out below:

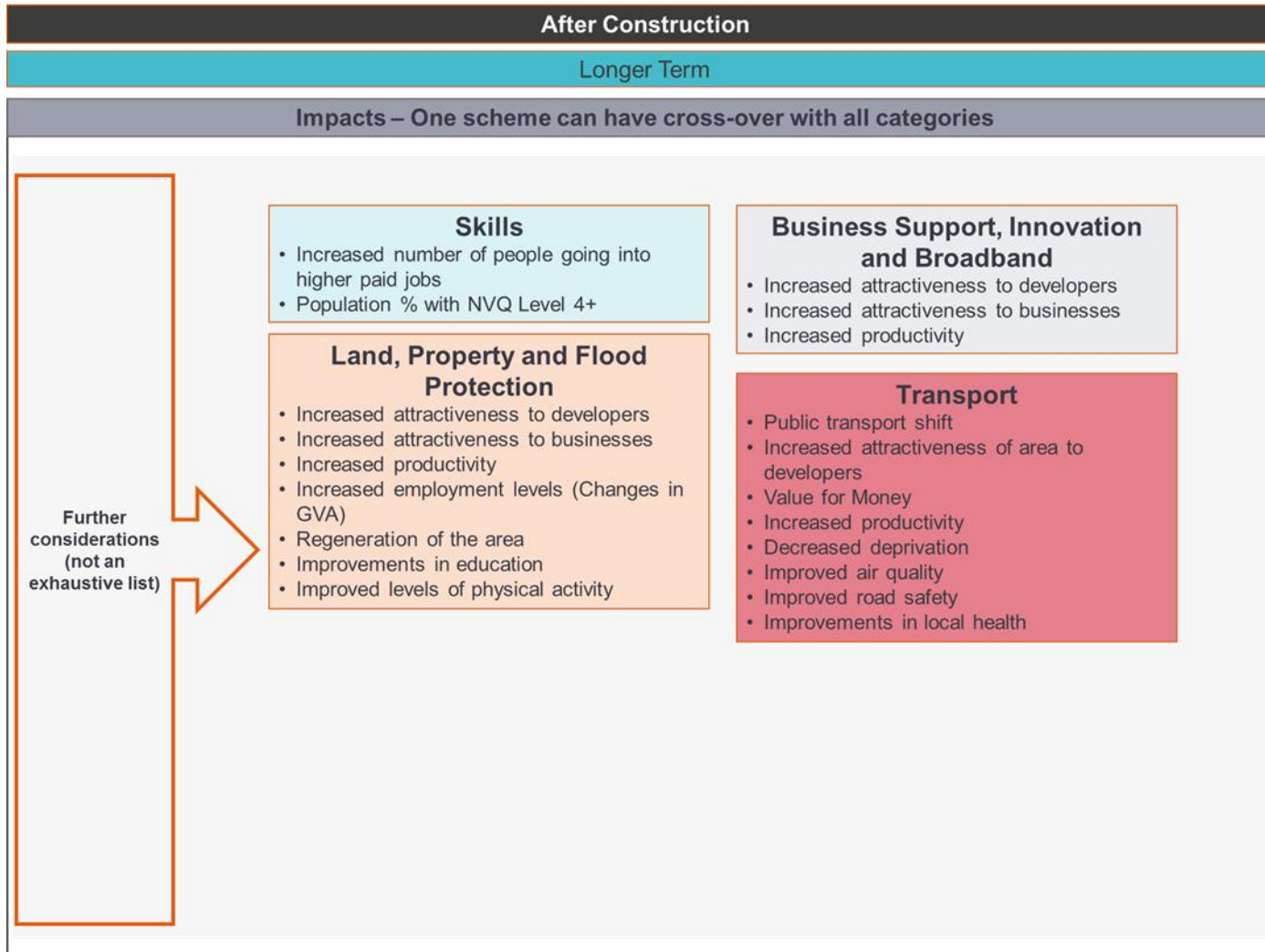
Table D-1: Gantt chart



Annex E: Monitoring and evaluation metrics for logic map







Annex F: Monitoring and Evaluation Plan and Baseline Report templates

Monitoring and Evaluation Plan

Purpose

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

A note on costs

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

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

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

An overview of the monitoring and evaluation process

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



Proportionate approach to completing the report

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

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

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

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

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

The Meeting Point, 27-37 High Street, Swanley

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Performing and Production Digital Arts Facility project how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

Project description

This project will deliver **The Meeting Point**, a high-quality scheme in Swanley town centre providing a new and innovative 'work hub' alongside 17 new homes. This will be achieved through the redevelopment of a prominent site which is in public ownership and which has been redundant for several years.

The housing element of the scheme responds to the identified need for smaller units, especially for younger workers. The 'work hub' element will consist of 250 sq m of flexible space aimed at start-ups, home workers and people who might otherwise have had to commute for work. It will provide support for business collaboration, as well as access to facilities on a 'gym'-style membership basis.

As well providing new uses on the site itself and directly delivering new homes and business opportunities, The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer. It will also bring forward the first of a series of sites in public ownership within Swanley town centre, contributing to a coordinated regeneration strategy for the town.

Project objectives

The project objectives are to:

- Objective 1: To deliver additional housing to meet demand
- Objective 2: To create new opportunities for business growth
- Objective 3: To catalyse the future regeneration of Swanley town centre

Project location

The project is located at 27-37 High Street, Swanley, Kent BR8 8AE.

Inputs

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

Update the table to include actual Financial Years for the period of delivery and approaches to monitor/track these values

Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2020/21				2021/22				2022/23			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Getting Building Fund grant	Planned, based on total scheme capital costs	Defrayal of spend on construction of The Meeting Place	Monthly, update to LEP quarterly	Actual spend	Q3: Q4: Total:				Q1: £372,500 Q2: £372,500 Q3: £372,500 Q4: £372,500 Total: £1,490,000							
IN2	Matched capital contributions spend	Planned, based on total scheme capital costs	Defrayal of spend on construction of The Meeting Place	Monthly, update to LEP quarterly	Actual spend												
IN3	Work hub opex contribution	Estimated, based on feasibility study	These will be incurred beyond completion of the capital phase, so not proposed that spend is reported to SELEP. However, monitored internally by SDC	Monthly, within SDC	Actual spend												

Project delivery and milestones

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
PQQ for design and build contract issued	September 2020
Demolition procurement process started	September 2020
Council approval to proceed subject to funding	October 2020
GBF funding approved	November 2020
ITT for design and build contract issued	November 2020
Demolition contract awarded	November 2020
Demolition start on site	January 2021
Demolition completion	February 2021
Design and build contract awarded	February 2021
Construction start on site	March 2021
Procurement route for work hub operator agreed	March 2021
'Virtual' launch of work hub	October 2021
New build completion	March 2022
Work hub opens	May 2022

Risk mitigation

- See Risk Register (this will be replicated/ summarised in the M&E Plan, but not pasted here to avoid repetition within the business case pack).

Outputs

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

ID	Output Description	
OP1	Additional homes	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: 17 new homes</p> <p>Source of Value: Full Business Case, Project Overview/ Strategic Case/ Economic Case</p> <p>Future Monitoring Approach: Through confirmation of completion of capital build</p> <p>Frequency of tracking: On completion, but with progress reported quarterly</p> <p>Costs Allocated to Monitoring: Incorporated in Sevenoaks District Council management costs</p>
		Details: Proposed Method of Collecting Baseline Information
		<p>Approach for Collection: N/A</p> <p>Costs Allocated: N/A</p>

ID	Output Description	
OP2	Employment floorspace	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: 250 sq m additional employment floorspace, within work hub facility</p> <p>Source of Value: Full Business Case, Strategic Case, Economic Case</p> <p>Future Monitoring Approach: Through confirmation of completion of capital build</p> <p>Frequency of tracking: On completion, but with progress reported quarterly</p> <p>Costs Allocated to Monitoring: Incorporated in Sevenoaks District Council management costs</p>
		Details: Proposed Method of Collecting Baseline Information
		<p>Approach for Collection: N/A</p> <p>Costs Allocated: N/A</p>

ID	Output Description	
OP3	Brownfield land brought back into use	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: xx sq m brownfield land re-used</p> <p>Source of Value: Full Business Case, Strategic Case</p> <p>Future Monitoring Approach: Through confirmation of completion of capital build</p> <p>Frequency of tracking: On completion, but with progress reported quarterly</p> <p>Costs Allocated to Monitoring: Incorporated in Sevenoaks District Council management costs</p>
		Details: Proposed Method of Collecting Baseline Information

		<p>Approach for Collection: N/A</p> <p>Costs Allocated: N/A.</p>
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ID	Output Description	
OP4	Restored active frontage on high street	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: xx metres of active frontage</p>
		<p>Source of Value: Full Business Case, Strategic Case</p>
		<p>Future Monitoring Approach: Through confirmation of completion of capital build</p>
<p>Frequency of tracking: On completion, but with progress reported quarterly</p>		
<p>Costs Allocated to Monitoring: Incorporated in Sevenoaks District Council management costs</p>		
<p>Details: Proposed Method of Collecting Baseline Information</p>		
<p>Approach for Collection: N/A</p>		
<p>Costs Allocated: N/A.</p>		

Outcomes

- Please provide information about:
 - The planned/anticipated value for each outcome with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the outcome will be monitored and evaluated for the One Year After Opening Report and for some outcomes, the Five/Three Years After Opening Report as well – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the outcome

- The anticipated cost of undertaking the monitoring and evaluation of the outcome for reports after opening
- The approach used to obtain baseline information for each outcome
 - Costs associated with this

ID	Output Description	
OC1	Employment	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Jobs supported by The Meeting Point work hub (20), plus construction job years
		Source of Value: Full Business Case, Strategic Case, Economic Case
		Future Monitoring Approach: Estimated construction job years calculated from final construction costs. Meeting Point work hub jobs monitored through monitoring of beneficiary firms by work hub manager and through evaluation
		Frequency of tracking: Quarterly for management purposes; once at One Year Out stage for evaluation and then tracked in 3/5 year reporting to SELEP
Costs Allocated to Monitoring: Included within £15k evaluation budget.		
Details: Proposed Method of Collecting Baseline Information		
Approach for Collection: Employment within beneficiary firms at work hub recorded at start of membership		
Costs Allocated: Included within work hub running costs and evaluation budget		

ID	Output Description	
OC2	Businesses supported	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Number of businesses supported by the work hub
		Source of Value: Full Business Case, Strategic Case/ Economic Case
		Future Monitoring Approach: Monitoring of through memberships
Frequency of tracking: Monthly for management purposes, reported quarterly to LEP.		

		<p>Costs Allocated to Monitoring: Included within work hub running costs and £15k evaluation budget.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Previous history of member businesses tracked at start of membership (e.g. date of establishment, number of employees, turnover, etc).</p> <p>Costs Allocated: Included within work hub running costs and evaluation budget</p>
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ID	Output Description	
OC3	Improved built environment	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Improved built environment in the area around the High Street
		Source of Value: Full Business Case, Strategic Case
		Future Monitoring Approach: Subjective analysis. Local business/ stakeholder interviews as part of evaluation
		Frequency of tracking: At one/ three/ five year reporting stages
		Costs Allocated to Monitoring: Included within £15k evaluation budget.
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: Use of planning materials and statements
		Costs Allocated: N/A – already reviewed

ID	Output Description	
OC4	Increased footfall and activity in Swanley High Street	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Increased footfall and activity as a result of investment at 27-37 High Street
		Source of Value: Full Business Case, Strategic Case, Economic Case

		<p>Future Monitoring Approach: Through evaluation</p> <p>Frequency of tracking: Once at One Year and at Three Year stage.</p> <p>Costs Allocated to Monitoring: Included within £15k evaluation budget at One Year stage.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Existing town centre health check information (or additional survey work undertaken for town centre as a whole</p> <p>Costs Allocated: To be agreed, depending on the need for survey work elsewhere in the town centre, which would increase economy of scale.</p>
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Impacts

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

ID	Output Description	
IM1	Social and educational impacts	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: There are a range of commercial, environmental and strategic impacts set out in the Full Business Case. These include:</p> <ul style="list-style-type: none"> • Increased business sustainability through work hub support offer • Environmental benefits arising from reduced commuter/ work travel • Future commercial investment in new flexible business space as market proven • Increased commercial viability of residential development in the town centre as demand rises • Increased expenditure in the town centre • Increased offer within the town centre
		Source of Value: Full Business Case, Strategic Case
		Future Monitoring Approach: Via evaluation.
		Frequency of tracking: To be determined within evaluation plan
Costs Allocated to Monitoring: Within evaluation budget		
Details: Proposed Method of Collecting Baseline Information		
Approach for Collection: See above		
Costs Allocated: See above		

Baseline Report

Purpose

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

An Overview of the monitoring and evaluation process

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



Proportionate approach to completing the report

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

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

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

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

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

The Meeting Point, 27-37 High Street, Swanley

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Performing and Production Digital Arts Facility project how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

Project description

This project will deliver **The Meeting Point**, a high-quality scheme in Swanley town centre providing a new and innovative 'work hub' alongside 17 new homes. This will be achieved through the redevelopment of a prominent site which is in public ownership and which has been redundant for several years.

The housing element of the scheme responds to the identified need for smaller units, especially for younger workers. The 'work hub' element will consist of 250 sq m of flexible space aimed at start-ups, home workers and people who might otherwise have had to commute for work. It will provide support for business collaboration, as well as access to facilities on a 'gym'-style membership basis.

As well providing new uses on the site itself and directly delivering new homes and business opportunities, The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer. It will also bring forward the first of a series of sites in public ownership within Swanley town centre, contributing to a coordinated regeneration strategy for the town.

Project objectives

The project objectives are to:

- Objective 1: To deliver additional housing to meet demand
- Objective 2: To create new opportunities for business growth
- Objective 3: To catalyse the future regeneration of Swanley town centre

Project location

The project is located at 27-37 High Street, Swanley, Kent BR8 8AE

Inputs

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

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

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2020/21				2021/22				2022/23			
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'Virtual' launch of work hub	October 2021
New build completion	March 2022
Work hub opens	May 2022

Risk mitigation

See Risk Register (this will be replicated/ summarised in the M&E Plan, but not pasted here to avoid repetition within the business case pack).

Outputs

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

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Homes	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	17	Through delivery of capital build	Once on completion	Full Business Case – Strategic Case	March 2022
Details: Method of Collecting Baseline Information							
There is no baseline information to collect as the building is new on a vacant site and all homes will be net additional							

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2	Employment floorspace	Baseline	Zero	n/a	n/a	n/a	n/a

		Planned/ Anticipated	250 sq m	Through delivery of capital build	Once on completion and at One Year Report stage	Full Business Case – Strategic Case	March 2020
Details: Method of Collecting Baseline Information							
There is no baseline information to collect as the building is new on a vacant site and all employment floorspace will be net additional							

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP3	Brownfield land brought back into use	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	XX	Through delivery of capital build	Once on completion and at One Year Report stage	Full Business Case – Strategic Case	March 2020
Details: Method of Collecting Baseline Information							
There is no baseline information to collect as the brownfield land area is the extent of the vacant site							

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP4	Restored active frontage on the High Street	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	Xx m	Through delivery of capital build	Once on completion and at One Year Report stage	Full Business Case – Strategic Case	March 2020
Details: Method of Collecting Baseline Information							
There is no baseline information to collect as the output value is the frontage of the new building (there is currently no active frontage as the site is currently vacant).							

Outcomes and impacts

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

The project seeks to deliver the following outcomes:

- Employment outcomes (jobs supported by The Meeting Point, plus construction job years)
- Businesses supported
- Improved built environment
- Increased footfall and activity in Swanley High Street

The project also seeks to achieve the following impacts:

- Increased business sustainability through work hub support offer
- Environmental benefits arising from reduced commuter/ work travel
- Future commercial investment in new flexible business space as market proven
- Increased commercial viability of residential development in the town centre as demand rises
- Increased expenditure in the town centre
- Increased offer within the town centre

Employment and business support outcomes will be quantitatively measurable, although the baseline will need to be set according to the business status and the number of employees in each member business at the start of the operation of the work hub. At this stage, we cannot add to the information set out in the Evaluation Plan, although as set out in the Full Business Case, we intend to commission an evaluation of the project, looking at wider outcomes and impacts.

Annex G: Categories of exempt information

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

The law recognises this and allows us to place information in a confidential appendix if:

- (a) it falls within any of paragraphs 1 to 7 below; and*
- (b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

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

Annex H: Stakeholder Engagement Plan

Stakeholder Group	Stakeholder interests	Proposed engagement approach
Businesses in the High Street	Will benefit from improvements to 27-37 and may gain from increased footfall and improved environment/ changed perceptions May be impacted by disruption in construction phase (e.g. parking, access)	Information (printed and electronic) about timetable and scope of delivery Advance notification of works, and opportunity to raise concerns
Local resident and amenity groups	Interest in the redevelopment of the site and its impact on attractiveness of town	Publicity via website/ social media/ print media, with information about timetable/ duration and benefits
Swanley Town Council	Interest in improvements to the environment, impact of the scheme on the local economy and any disbenefits	Briefing to Town Council on scheme, timetable and benefits and regular updates on progress
Start-up and micro businesses in Swanley	Could benefit as potential members of the work hub	Publicity via social media, business networks and representative organisations
Potential entrepreneurs	Could benefit as potential members of the work hub, as well as from increased promotion/ awareness of opportunities more broadly	Publicity via social media, business networks and representative organisations
Current commuters and home-based businesses	Could benefit from working from the work hub part-time	Publicity via social media, business networks and representative organisations
Business support organisations	May have an interest in a 'point of presence' at the work hub, and could be potential operators	Briefing on work hub offer and ongoing discussion on progress and how partners can engage
Potential work hub operators	Potential CIC members or commercial operators that could manage the work hub	Proactive engagement (potentially with some consultancy support)
Commercial developers and operators of business space	Interest in providing additional/ grow-on space as work hub demonstrates the market	Ongoing liaison with key local operators/ potential operators
Potential residents	Interest in acquiring residential units	Marketing activity, in conjunction with agents
Media	Interest in opportunities for the town (and any issues in delivery); wider route to awareness	Media briefing; provide regular information on progress.

Annex I: Equalities impact assessment

Table I-1: Summary Equalities Impact Assessment

Characteristic	Relevant data	How will the proposal impact on people?	What action will be taken reduce/mitigate any negative impacts?
Disability	17.8% of Swanley residents said their day-to-day activities were limited due to health/ disability in 2018 – slightly higher than the Kent and District averages	Potentially positive impact, as locates homes and jobs closer to other services, in accessible town centre location	No negative impacts
Race	In 2011 census Swanley urban area was 94% white and 6% BME	No potential impacts	No negative impacts
Sex	Population of Swanley urban area was 52% female, 48% male in 2018 (mid-year estimates)	No potential impacts	No negative impacts
Age	Swanley has a slightly younger age profile than Sevenoaks District (average age 41.4, compared with 42.1 in Sevenoaks (2018, MYPE)). Ageing population, although housing market evidence indicates affordability pressures impacting disproportionately on younger people	Likely to a be a positive impact on younger people, given the demand in younger age groups for smaller town centre housing units along the lines proposed	No negative impacts
Religion/ belief	Swanley was 64% Christian in 2011 census	No potential impacts	No negative impacts
Pregnancy/ maternity	254 births in Swanley, 2013 (21% of District total)	No potential impacts	No negative impacts
Marital or civil partnership status	60% of Swanley population living as a couple (married/ cohabiting/ civil partnership) in 2011	No potential impacts	No negative impacts
Sexual orientation	No available data	No potential impacts	No negative impacts

Characteristic	Relevant data	How will the proposal impact on people?	What action will be taken reduce/mitigate any negative impacts?
Gender reassignment	No available data	No potential impact	No negative impacts
Armed forces community	No available data	No potential impacts	No negative impacts
Carers	2,400 people in Swanley providing unpaid care in 2011 census	No potential impacts	No negative impacts
Summary of outcome	There are no negative equalities impacts identified as part of this scheme. However, there may be positive impacts, in terms of providing increased housing to meet identified local need/ demand and in providing more services in an accessible town centre location.		
Review	This EqIA should be reviewed once the preferred route for the work hub operator has been identified and the operating specification drawn up.		