SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

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-governent

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.

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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

Local Board Decision

- Consideration of **long list** of projects, submitted with a short strategic level business case
- **Sifting/shortlisting process** using a common assessment framework agreed by SELEP Strategic Board, with projects either discounted, sent back for further development, directed to other funding routes or agreed for submission to SELEP

SELEP

- Pipeline of **locally assessed projects submitted to SELEP**, with **projects supported by strategic outline business cases - i.e., partial completion of this template**
- Prioritisation of projects across SELEP, following a common assessment framework agreed by Strategic Board.
- **Single priorisited list of projects is submitted by SELEP to Government** once agreed with SELEP Strategic Board.

SELEP ITE

- Following the allocation of LGF or other appplicable funding to a project, scheme promoters are required to prepare an **outline business case, using this template** together with appropriate annexes.
- Outline Business Case assessed through **ITE gate process**.
- **Recommendations are made by SELEP ITE to SELEP Accountability Board** for the award of funding.

Funding & Delivery

- Lead delivery partner to commence internal project management, governance and reporting, ensuring **exception reporting mechanism back to SELEP Accountability Board** and working arrangements with SELEP Capital Programme Manager.
- **Full Business Case** is required following the procurement stage for projects with a funding allocation over £8m.

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	
Document ID	
Version	
Author	
Document status	
Authorised by	
Date authorised	

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1. PROJECT OVERVIEW

1.1. Project name:
Thurrock Logistics Centre

1.2. Project type:
Skills & Innovation

1.3. Federated Board Area:
Thames Gateway & South Essex

1.4. Lead County Council / Unitary Authority:
Thurrock

1.5. Development location:
South Essex College
East Building, High Street, Grays, Essex. RM17 6TF

1.6. Project Summary:
[Provide a summary of the project; max. 0.5 pages.]

Thurrock is the logistics capital of the country with 2 large ports and a significant and growing logistics park, which are the gateway to providing goods into the South East, London and beyond including the Midlands. This project creates a dedicated Logistics Training Facility in the ground floor of the Thurrock campus in Grays Town centre, circa 400m2 (GIA). The new centre will provide a range of programmes focussed on training for the logistics industry. It will enable delivery encompassing wide areas of this high demand sector including software logistics management, supply chain management, logistics technologies including robotics, warehouse planning and management alongside to picking systems / equipment. In addition it will train those who are recently unemployed due to the pandemic by providing short upskilling programmes including warehousing, LGV/HGV driving and fork lift truck driving, all of which are in demand in the region. Thurrock is quickly becoming the largest centre for logistics and distribution in the UK and there is a significant demand for skilled labour at all levels from basic picking and packing through to higher level supply chain and automation skills. We have built strong relationships with organisations such as Dubai Port, Southend Airport, Port of Tilbury, Amazon, Tesco, Stobarts and the new food logistics port being developed to the East of Dubai Port, making the College uniquely placed to meet this demand. Creation of the Logistics Training Centre is the first step in the College's proposed opening of a new Careers College in Logistics for this vital local and regional skill demand.

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

Partner	**Nature of involvement (financial, operational etc.)**
South Essex College (Lead Applicant)	£400k match funding and delivering the project objectives

1.8. Promoting Body:
South Essex College

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.]

Anthony McGarel, Deputy Principal & CEO, anthony.mcgarel@southessex.ac.uk, South Essex College, Luker Road, Southend on sea, Essex, SS1 1ND, 01702 220412

1.10. Total project value and funding sources:

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

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
South Essex College	£399,840.00	College disposal of Nethermayne campus to Redrow Homes. Funds already received as sale became unconditional in 2019.
SELEP LGF Grant	*£600,000.00*	*Dependent on successful bid*
Total project value	*£999,840.00*	

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.]*

The College is seeking £600,000.00 LGF grant towards the overall project cost.

The State Aid rules only apply in relation to funding of activities which amount to "economic activity" and as a general rule both the European Commission and the Court of Justice of the European Union have indicated that the provision of public education, where funded primarily by the State, in a non-economic activity and thus falls outside of the ambit of the State Aid rules. This means that public support of such activities at any level (even 100%) is potentially permissible under the State Aid rules.

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]

The College is not subject to any exemptions under the SELEP Assurance Framework.

1.13. Key dates:

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

- Commencement of expenditure - July 2020
- Construction start date – July 2021
- Scheme completion / opening – September 2021

1.14. Project development stage:

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

Project development stages completed to date			
Task	**Description**	**Outputs achieved**	**Timescale**
Business Case	Business Case		Mar 2020
Client Brief / Business Case	Spatial / functional brief for IoT facility		Mar 2020
Option Analysis	Option shortlisting and appraisal		Apr 2020
RIBA Stage 2	Stage 2 design		Jul 2020
Stage 2 Cost Plans	Facility / equipment cost plans		Jul 2020
SELEP Bid	Complete SELEP bid submission		Sep 2020
Project development stages to be completed			
Task	**Description**		**Timescale**
SELEP Bid Determination	Decision on success of bid		Oct 2020
JCT Stage 1	Stage 1 design and build contract		Oct 2020
RIBA Stage 3 / 4	RIBA Stage 3 and 4 design		Nov 20 – Mar 21
JCT Stage 2	Confirmation of CSA & contract execution		Mar 21 – May 21
Mobilisation & Clear	Contractor mobilisation & clearance of existing space		Jun 21
Construction	Fit out of IoT space and equipment installation		Jul 21 – Aug 21
Opening	Opening of new Facility		Sep 21

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.]

The outputs for this project are linked only to this project. They involve no previous phases, nor are they dependent on future stages or phases. The project does, however, facilitate the proposed creation of a new Careers College and potential IoT. None of the costs, benefits or outputs of any such future phases are included in outputs or appraisals should such future phases occur.

The new centre as proposed will be operational by September 2021. At this point the 600m^2 (GIA) of new floorspace will have been delivered and the additional learner and employment outputs will commence with a gradual build up on benefits over the early years of operation to the point where the facility is operating at full capacity within 3 years of reaching practical completion (2023/24). These outputs will then continue in perpetuity for the lifetime of the new asset, estimated to be 50 years.

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.]

Transport and Logistics is an identified priority sector nationally and regionally employing 2.2m people, one in twelve UK workers, but performance lags behind many European economies. SELEP is home to the nation's largest concentrations of ports and as a consequence, Transport and Logistics firms. Major growth in the region includes the rapid expansion of DP World London Gateway, Tilbury port and the expanded logistics park (Tilbury 2), Thames Enterprise Park, Southend Airport , the proposed Lower Thames Crossing and the development of a Freeport along the Thames Estuary. These developments will result in a significant rise in logistics-based employment opportunities, alongside the increased demand that has been created as a result of the COVID pandemic which has resulted in increased demand for online shopping and home delivery.

The sector experiences significant skills shortages which is only set to widen in the face of further technological advancements and the COVID Pandemic and underperforms with regard to education and training. The majority of employees only hold a Level 2 qualification or below. Although the vast majority of employers consider their workforce to be proficient, 67,339 logistics employees are regarded as not proficient in their job-roles [1]. This is a concern as today's globalised economy requires well educated workers who are able to adapt rapidly to their changing environments. Research completed by Oxford Economics and PWC expects the Transport and Logistics sector to experience significant growth between now and 2025. This will require an additional 1.2m workers by 2022. Yet the sector struggles to recruit, 45% of workers are 45-or-over and only a very small minority are 25-or-under. Only 25% are female.

A 'Skills for Logistics' report[2] found insufficient quantity and quality of technical training is contributing to the skills gap. Only 61% of employers provided training in 2015; compared to an average 66% across all sectors. And only 55% of employees received relevant training in 2015, mainly due to lack of direction in skills development .The Chartered Institute of Logistics and Transport (CILT) provides development at level 5, there has been much less at lower levels and current provision focuses on management, without practical, applied-skills training.

In response SEC has worked with the national Career colleges network to establish a career college for young people at its Thurrock campus. This is being developed in partnership with the Career College Network with the Department for Education and the Edge Foundation. We have developed new qualifications backed by industry in Transport and Logistics at levels 2 and 3, which will be delivered in this new facility from September 2021. This will be the first delivery of these new programmes in the country. This will help address the difficulties the sector

[1] Page3, Essex Employment and Skills Board, Sector Profile 2017

[2] Skills Shortage 2016 – Skills for Logistics

experiences in recruiting younger people and women (25%of workforce) due to the poor perception of the sector and lack of awareness of the opportunities it presents.

In light of a wide range of labour market information (section 2.4 and 2.5) and our ongoing discussions with a wide range of logistics companies in the area, it is clear that at present there is little funded logistics training available to the industry at any level. In response we wish to develop a logistics facility in the heart of Thurrock at our Grays campus in the town centre.

The main objectives of the project are to:

- create a transport and logistics facility in Grays town centre
- raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country
- provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry.
- raise the profile of the Logistics sector as a good career route for both young people and adults
- provide upskilling and reskilling for adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic.

We will repurpose current facilities on the ground floor of the Thurrock campus to develop a bespoke centre for Transport and Logistics training. The centre will be planned and delivered in partnership with a wide range of logistics companies we have already developed good working relationships with. We will develop and grow our employer relationships as we raise the profile of the career opportunities available in this growing and developing sector. The centre will become a focus for logistics training along the Thames Estuary. The 16-19 curriculum offered from September 2021 will include:

- Supply chain management
- Understanding the logistics industry
- Introduction to logistics technologies
- Planning supply chains and warehouse transformation

The Career College network will work with us to market these qualifications to young people across South Essex. The longer term plan is to work with the government to convert these into T Level qualifications. The centre will also offer a number of apprenticeship programmes for both young people and adults including:

- Supply chain management (Level 3)
- HGV driving (Level 2)

The College already has an excellent track record of delivering HGV driving apprenticeships nationally for TESCO so will build on this to provide a local offer to local companies. We will implement further apprenticeships as they become available.

One of the main target groups for the new facility will be adults who have become unemployed due to the pandemic, particularly those in retail and hospitality. We will provide short training programmes to provide the skills for them to quickly re-enter employment. The programmes developed in partnership with DWP will focus on:

- Warehousing
- Picking and packing

- Fork lift truck driving
- HGV driving
- LGV driving

As explained in the LMI the logistics sector is gradually becoming much more automated. The increased use of robotics, driverless cars, drones, sophisticated 3D printers and the internet of things are a range of these technologies. This facility will invest in some of these new technologies to train young people and adults with these skills when entering the workforce, but also to provide training and upskilling for those already in employment.

The College has excellent ongoing relationships with local stakeholders who are also regional, national and international organisations including Tesco, Dubai Port, Stobbarts, Southend Airport, Tilbury port and others. Regular and ongoing dialogue with these partners, as well as DWP and others, informed the skills, job and offering need for the proposed scheme. Indeed the College has been working with these partners since before the original IoT initiative to shape skills and offering need. Once the need was established the proposed location and facilities were self-identifying as outlined in the options appraisal section of this bid.

This facility will provide significant opportunities to undertake training and upskilling in the Transport and Logistics sector, which is lacking at the present time, both locally and nationally.

The SELEP skills strategy clearly identifies transport and logistics as a key growth sector for the whole region. This project meets the first key priority set out in the strategy which is

- Increase apprenticeships and industry relevant qualifications for all ages, particularly in priority sectors and at higher and degree level.

Transport and logistics is one of the key priority sectors identified by SELEP and directly quotes HGV/LGV drivers, warehousing, fork lift truck driving, supply chain managers, warehouse managers and depot managers as skills shortage areas. This project will provide training, upskilling and apprenticeships for all of these skill vacancies. Further detail of how this project supports the SELEP skills strategy is clearly outlined in section 2.5 of the bid.

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]

Objectives	Inputs	Outputs	Outcomes
To create a transport and logistics facility in Grays town centre	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	NPV of project is £8.7m Provide a total of 10 new jobs at the facility
Raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Increased number of transport and logistics companies based in Thurrock
Provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	At end of year 5 the facility will be delivering 80, 16 to 19 year old study programme learners, 144 adults and 50 apprentices annually
Raise the profile of the Logistics sector as a good career route for both young people and adults	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Recruitment numbers are achieved
Provide upskilling and reskilling for adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Of the 144 adults trained annually – 90% progression to sustained employment in the sector

The objectives set for the project directly align with the identified skills needs both nationally and regionally. A number of national reports (referenced in section 2.5) identify the skills needs within this sector, which have been exacerbated by the pandemic. The objectives set are focussed on the required skills needs identified by SELEP, alongside the future needs which will arise from the impact of Brexit and the potential freeport.

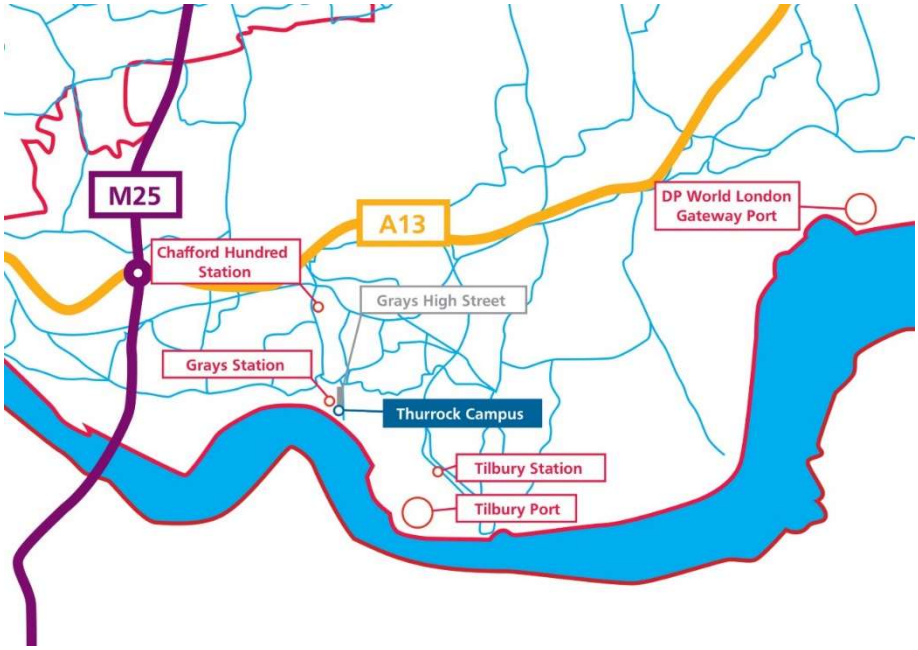
The first objective is linked to the importance of Thurrock in the provision of logistics with a significant number of logistics parks, linked to the 2 ports, based in the town. The potential freeport bid plus the expansion of the logistics parks along the estuary will require a skilled local workforce serviced by a training facility based locally. Providing that trained workforce will encourage new companies and investment from the logistics sector in the Thurrock area.

2.3. Location description:

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

The Logistics Centre is to be located at ground floor level in the East Building of the College's 2014 Thurrock Campus on New Road in Thurrock in the heart of Grays town centre. Strategically located opposite the Council offices and adjacent to Grays railway station plus the adjacent bus terminal, it has excellent public transport links as well as on site car parking.

Perfectly located for logistics it is within 15 minutes of Tilbury Port, Port of Dubai, the new port proposed adjacent to Port of Dubai and the A13 / M25 interchange. It is only 35 minutes by train from central London and also linked by the same line to the College's other hubs in Basildon and Southend. A map showing a location of the site locally and Essex wide is provided below.



2.4. Policy context:

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

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

The Transport and Logistics sector is a major contributor to the national economy and employs approximately 8% of the population. Although it is the backbone of the economy delivering goods across the country and the world it is often not represented effectively at a political level. However, the COVID pandemic has shifted this view as logistics and supply chains become absolutely vital, resulting in increased attention. This has been demonstrated by the potential roll out of Freeports and BREXIT. BREXIT will have a significant impact on the logistics industry which will have to become much more productive in line with European competitors if they are to survive. This high level Policy Context will play out over the next few months.

Strategically, the Transport/Logistics concentration in the SELEP is significant. SELEP is the largest LEP in the country and by volume of goods distributed, the sea ports and road and rail networks that serve its ports provide the UK's most important gateway to the rest of the world, making it the logistics capital of the UK.

Each year 14M passengers and 85M tonnes of freight go via the ports, a quarter of England's sea freight [3]. Transport by road and rail is vital for commuting, local movement of freight for retail and other commercial purposes, and for freight in transit to-and-from elsewhere in the UK. Plus, air transport caters for short-to-medium-haul business travel and tourism, as well as high-value air freight.

It is therefore logical that improving the productivity of the sector in SELEP through skills development will have a positive economic impact on a national scale, making it a key priority.

The Transport and Logistics sector is one of the main priority areas in the SELEP Skills Plan and Opportunity South Essex Productivity Plan.

Skills, just as in any other sector, will be a key to improved productivity and economic growth. At present there is little funded skills provision in the sector, but this facility will enable SELEP to become the lead in developing funded skills provision to meet the growing demands from the sector.

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.]

Transport and Logistics is an identified priority sector nationally and regionally employing 2.2m people, one in twelve UK workers. However performance in the sector lags behind many European economies.
The sector is vital to the UK economy, contributing £90 billion and employing 8% of the working age population[1]. It is also seen to be a critical enabler in improving the competitiveness of the nation and local economies: the ability to connect to local and global markets is a key aspect of a country's capacity to compete, grow, attract investment and create jobs [2].
Research completed by Oxford Economics and PWC expects the Transport and Logistics sector to experience significant growth between now and 2025. This will require an additional 1.2m workers by 2022.

Regional Growth

Strategically, the Transport/Logistics concentration in the SELEP is significant. SELEP is the largest LEP in the country outside of London. It has the largest volume of goods distributed and the sea ports and road and rail networks that serve its ports provide the UK's most important gateway to the rest of the world, making it the logistics capital of the UK.

[3] SLMI Logistics Evidence Report

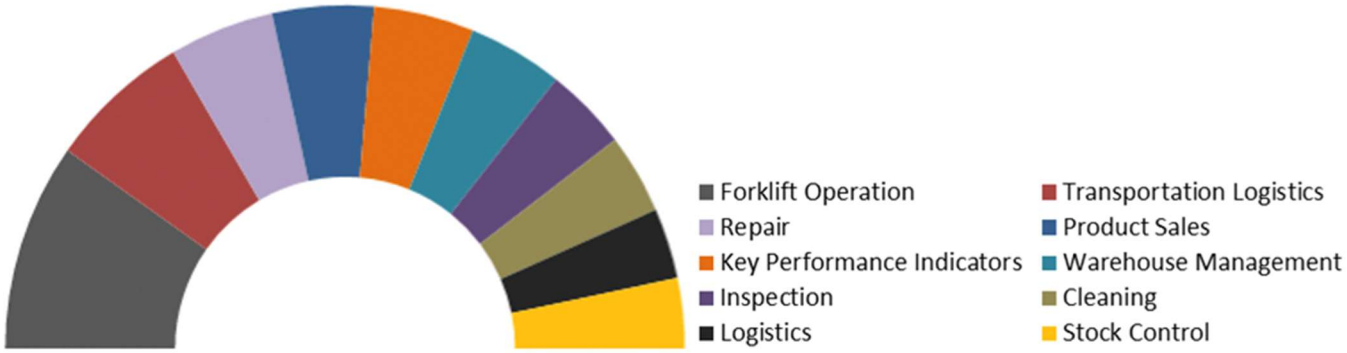
[1] UKCES Logistics Evidence Report, 2014

[2] Page4, Essex ESB, Evidence-base Sector Profile, Logistics, 2017

Regional demand for skilled workers in Transport and /Logistics is acute in the South East, which has the highest number of establishments (nearly 11,600) [4]. In particular, SELEP is home to the nation's largest concentrations of ports, transport and logistics firms, employing 93,000 people across 6,270 enterprises [5].

Employers in SELEP have directly mentioned labour shortages (8,209 vacancies were advertised in 2016 [6]) and skills gaps in their current workforce to meet current objectives (23%) and future business objectives (28%)[6]. Technical, practical or job-specific skills are most lacking; 29% of recruiting businesses have experienced hard-to-fill vacancies and 18% of these were in skilled trades [7].

Skills in Greatest Demand – Top 10 Specialised Skills



Further compounding the sector's skills gaps/shortages in the region are substantial planned investments/developments including:

- Lower Thames Crossing
- London Gateway: one of Europe's largest logistical parks and rapidly expanding
- Port of Tilbury: projected 5,500 jobs created at London Distribution Park and Tilbury
- Thames Enterprise Park: three key zones (food park, logistical innovation hub and energy park). Potential 5,000 new jobs [8].

Jobs and specialist skills in demand will include warehouse planning and design configuration (many new warehouses being built); Warehouse Managers skilled in the use of robotics (all new warehouses will be semi-automated); and Freight Forwarding operatives/managers (to move all the goods from warehouse to market), import and Export managers, alongside lower level skills including truck driving, Picker and packers. Warehousing and fork lift truck driving.

Freeports

The government wants to establish freeports, which have different customs rules than the rest of the country and are innovative hubs which boost global trade, attract inward investment and increase productivity.

[4] Page3, Essex Employment and Skills Board, Sector Profile 2017

[5] Page3, Essex Employment and Skills Board, Sector Profile 2017

[6] Page3, Essex Employment and Skills Board, Sector Profile 2017

[7] Page3, Essex Employment and Skills Board, Sector Profile 2017

[8] GREATER ESSEX AREA REVIEW 2017

The government has the following objectives for UK freeports:

- establish freeports as national hubs for global trade and investment across the UK
- promote regeneration and job creation
- create hotbeds for innovation. In doing so they will generate employment opportunities to the benefit of some of our most deprived communities around the UK.

The government has drawn on evidence from successful freeports around the world to develop a UK freeport model. The proposed model includes tariff flexibility, customs facilitations and tax measures. The ports along the estuary have submitted an expression of interest in establishing a Freeport and have named the college as one of their skills delivery partners which this new facility will support.

Impact of COVID 19 Pandemic

The World Trade Organisation has predicted that trade will shrink overall by 13% backed up by the office for budget responsibility. The South East has seen some areas of the economy severely affected resulting in large numbers of redundancies, including Stansted and Southend airports, hospitality and tourism, administration and support services, retail, arts, entertainment and recreation. There is a 75% increase in the number of benefit claimants in our area (160,000 in August), with 500,553 people who are still furloughed [9], many of whom may never return to work. The LEP states that although there has been a reduction in export and container traffic during the pandemic this is now increasing again as the Chinese economy recovers.

The longer term prospect for the sector is that it will support economic recovery, job creation and opportunities. At the same time the SELEP data shows that there are vacancies still being advertised at the present time with driving (Van and HGV) and warehousing both in the top 10 job postings in the region (1,955) in the last month [10] .

This proposal will provide the facilities to enable the College to provide upskilling and reskilling to get many of those unemployed people back into the workplace quickly.

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.]

South Essex College has exhausted all other potential sources of funding and there is a genuine need for intervention in order to deliver this proposed project. SEC is highly geared due to having four loans outstanding to deliver previous capital projects. This gearing ratio is now a concern for ESFA and DFE using the financial health calculator, it is also a concern for Barclays under new FE metrics.

[9] COVID 19 Economic impact Assessment August 2020

[10] COVID 19 Economic impact Assessment August 2020

In 2010/11 SEC disposed of the campus in Woodview, Thurrock via a joint venture agreement with Persimmon Homes and Skanska in order to deliver 365 new houses and a new campus in Grays High Street. At the time the LSC (predecessor funding agency to ESFA) used a funding model whereby colleges had to maximise income from disposal of assets and maximise borrowing up to 40% of income before capital grant could be bid for to support a new campus project. SEC disposed of the site and borrowed the maximum possible to help fund the £45m town centre project.

Since 2010/11 income in the further education sector and for SEC has decreased year on year. The borrowing to income ratio has therefore increased year on year and this is a key financial health indicator to ESFA. The borrowing rate is now above the recommended maximum level advised by the FE Commissioner.

The borrowing is with Barclays Bank and their own financial health monitoring has changed from the percentage of income to cash available for debt servicing measures as well as an operational leverage ratio. Barclays considers SEC to be too highly geared and would not entertain lending any additional money for projects. The additional lending requirement was tested in 2019 when SEC merged with PROCAT and renegotiated the borrowing facility. At the time DFE were involved in the negotiation as there were historic financial issues at PROCAT that had to be resolved. Barclays were unwilling to lend any further money and DFE agreed to enter into an arrangement with SEC to cover the financial shortfall but agreed a repayable grant. The monies become repayable once Barclays leverage is reduced to 3 times cover and SEC's EBITDA is in excess of £5m annually. There is a deed of priority between SEC, DFE and Barclays to this effect.

The other two loans (apart from Barclays and DFE) relate to the development of sites replacing the Nethermayne Campus at Basildon. One is a £2m loan from SELEP and the other a £1.5m loan from Southend Borough Council. In total the College is above the recommended borrowing limit due to reduced annual turnover and increased operating deficit.

The College is currently "Requires Improvement" for financial health under ESFA methodology and this has been confirmed by them to our Board. The deficit for 2019/20 has been impacted by COVID 19 and had this not been the case we remain at Requires Improvement. The impact of COVID 19 has been significant but the college has maintained good cash reserves and remains solvent and able to provide a 40% match for this project and have reserves to mitigate delivery risk.

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.]

South Essex College in conjunction with the unitary authority of Thurrock and the local employers has established the demand for an educational training facility that will deliver a range of curricula to serve the transport and logistics sector. A "do nothing" option will not address any of the skills gaps previously identified due to the lack of investment in a suitable facility and equipment to deliver the programmes identified.

A “do nothing” option would not enable some residents to access the labour market and employment opportunities offered locally in this sector. This would prevent further economic growth due to the existing skills gaps.

2.7. 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: Raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country

Objective 2: Provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry

Objective 3: Raise the profile of the Logistics sector as a good career route for both young people and adults

Objective 4: Provide upskilling and reskilling for adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic with 90% progressing into or retaining employment

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

Problem / Opportunity 1: To support the establishment of a free port
Problem / Opportunity 2: Attract further investment into the area
Problem / Opportunity 3: Increase productivity in the transport and logistics sectors
Problem / Opportunity 4: Meet skills gaps in the sector

[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.]

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

2.8. Constraints:

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

The only constraint on the project is the success of this capital funding bid. The works do not require planning consent or landlord’s consent (the College has a 125 year ground lease and owns the buildings). Building control approval in principle has already been secured and the

College's funding from Redrow regarding the sale of the Nethermayne Campus has already been received into the Project Development Account.

2.9. 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.]

Subject to the success of this capital bid the scheme is not dependent on any other events, actions or risks.

2.10. Expected benefits:

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

- The scheme would upskill residents to support job retention and providing news skills will enable residents to access new employment opportunities. This would reduce strain on universal credit applications and claims.
- Skilled employees will maximise the economic potential and competitiveness of the local area and attract inward investment.
- Increased local employment would reduce the strain on other local services such as health and housing.
- Providing the first College logistics training facility in the country will raise the profile of the logistics industry as a career which will significantly benefit the sector.
- Attracting more staff and students to the facility based in Grays town centre would further aid the regeneration of the local area.

2.11. 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.]

Subject to the success of this capital bid the scheme is not dependent on any other events, actions or risks. The only key risk for the project is this capital bid process.

The project will be procured through a two-stage design and build contract (this is fit out work only), with preliminaries, overheads and profits secured through a partnership agreement. Design, construction and even COVID19 or related issues is transferred to the contractor under this agreement.

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.

In developing the College's preferred scheme, the College explored a range of options before determining the need to locate the IoT within the Thurrock Building East Campus. The range of options and high-level assessment of these options was based on Treasury Green Book guidelines. In assessing options, the following criteria were used:

These are summarised in bullet point form below:

- Location relevant to catchment area, existing facilities and travel distances;
- Educational integration relevant to the wider College;
- Scheme capital cost and value for money;
- Appropriateness of facilities to deliver the range of functions required within the IoT both functionally and physically;
- Long term operational costs of any option;
- Flexibility for amendment to facilities should requirements within the IoT change. To be considered from both a physical, cost and consent / legal constraint perspectives.

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.*

The following options were considered and selected or discarded based on the summary reasoning for each option:

- Do nothing / minimum – at present the transport and logistics team occupy one small workshop on the second floor of the East Building originally identified for a sustainability workshop. This area provides neither the space nor the specialist equipment to develop the

IoT or student numbers. Failure to change the status quo would see the IoT at best stagnate in numbers whilst there is a very real risk failure to invest could see the IoT fail to reach critical mass and begin to shrink.

- Refurbishment of existing facilities – discounted as in wrong location and of poor functional suitability even if refurbished. Nature of historic development also precluded this in any event as insufficient surplus land to dispose of for residential development to fund refurbishment.
- Redevelopment on existing site – discounted as insufficient space and higher costs than necessary. In addition, the lack of surplus land available for disposal would preclude this option as financially unviable.
- Purchase of accommodation in town centre or further afield – there were no facilities available for purchase in the town centre appropriate for College use without demolition and redevelopment. This would then not only fragment delivery but also represent a considerable higher scheme cost. Similarly, the College bid for a new build IoT previously on land owned by Dubai Port. This bid was unsuccessful with reasons stating travel distances and high development costs. This solution mitigates both points.
- Leasing of accommodation in town centre – there were no appropriate facilities for lease. Had facilities been available leasing of accommodation is not financially viable for colleges in town centre locations as they do not generate sufficient operational surpluses to pay commercial rents.
- Site acquisition and development – the same arguments apply as they would for redevelopment on the existing site or purchased accommodation. Such solutions would fragment education delivery and involve considerably higher, and unnecessary, scheme costs.

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

Noted in the schedule of options above.

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.]

The College considered a number of locations within the Thurrock Estate for location of the IoT at this stage. These options are summarised below together with the reasoning behind deselection:

- **Thurrock Learning Campus** – the College owns a 2,400m^2 (GIA) building to the South of the West Building. The refurbishment necessary to make this building appropriate would cost multiple millions of pounds and would also come with a number of inherent risks given the ground lease is only for five years from 2019 and does not benefit from being a protected business lease under Landlord & Tenant Act 1954. Furthermore the planning consent for the building is also temporary, expiring in 2023 and the Council has confirmed complete refurbishment inside and out would be necessary to achieve a permanent consent. Given the considerably higher cost and potential risks to delivery this option was discounted.
- **Second Floor East Building** – expansion around the existing location of the Transport & Logistics Team was considered. However, surrounding uses included electronic and electrical engineering, media makeup and other highly successful course areas occupying

specialist space which would involve significant cost and operational disruption to relocate. In addition, the second floor does not provide a shop window to the IoT and is sector leading equipment processes whereas the ground floor does provide just such this benefit to the main High Street. Finally, wider IoT bids require a space with a distinct entrance and branding. The second floor of the building cannot provide this whereas the Ground floor is capable of being amended through any such bid to accommodate this.

- **First Floor West Building** – there is a suite of interconnected seminar rooms on the first floor of the West Building that represent a similar square meterage area. These were discounted as the floor to ceiling heights, structural loadings and access does not make aggregation of these spaces functionally or physically capable of appropriate refurbishment. As with the previous option, the issue of distinct entrance and branding for future expansion of the IoT would also not be possible.

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 will provide a ground floor facility of 600m^2 (GIA) of floorspace in the East building of the existing South Essex College Thurrock town centre campus. There are no drawbacks to this option as it minimises spend on conversion of space and therefore releases money to purchase appropriate equipment and is deliverable within the timescale. The scheme is delivered within our own existing buildings, does not require planning and therefore minimises risk and time delay.

The key positives include:

- addresses the shortfall in the delivery of training in the transport and logistics industry
- is supported by a large number of local transport and logistics employers
- upskills the local residents to meet the skills gaps identified by the employers in the transport and logistics industry
- raises the profile of Thurrock as the UK capital of the transport and logistics sector

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.].

Whilst there has been a recent shift in national appraisal (Green Book) guidance towards a focus on land value uplift as a key economic output/VFM metric (along with wider external benefits), it has been agreed with the LEP and its appraisers that this is not an appropriate mechanism against which to measure the benefits of this scheme as a skills capital project. This has been accepted by a number of other LEPs and Local Authorities nationally as well. In practice, this scheme and many other skills capital schemes are unlikely to generate any significant direct land value uplift. It is an already cleared site in the town centre and the development of this type of facility on the site will not impact significantly on the existing land value and this is not uncommon for this type of development which is not commercially attractive (from a property investment perspective).

This is a skills capital scheme and as agreed with the LEP and its appraisers, the core economic case and value for money conclusions have been based on the scheme's ability to support net additional learner numbers and their funding or fees payable as per the Education and Skills

Funding Agency (ESFA) approach to assessing the economic benefits and resulting value for money of skills capital projects, particularly within the FE sector. This enables an estimation of the Net Present Value (NPV) of the preferred option against a base case 'do nothing' option, based on the discounted total capital and revenue costs versus discounted total capital receipts and incomes. The ESFA's MS Excel based Investment Appraisal template has been used and is appended to this business case (one for the preferred option and one for the 'do nothing' base case). All income and expenditure assumptions per student together with staff costs, ratios and property costs are taken from the College's financial forecasts and funding agreements with the ESFA.

As agreed with the LEP, this is the principal quantitative measure of economic benefit and value for money that that is presented for this scheme, to support the economic case for LGF investment.

The do-nothing base case option assumes that the new facility is not created and that the current provision of logistics based courses at Thurrock continues, albeit hampered by the lack of facilities and, equally importantly, leading industry standard specialist equipment and systems. The preferred option assumes the creation of the new 600m^2 (GIA) centre in the town centre as proposed. The preferred option benefits, however, only include benefits flowing directly from the improved fit out and industry equipment enabled through the SELEP grant. The NPV (£8.7m) and BCR (2.68) therefore relate to the benefits of the grant against a counter factual of "no grant" rather than a do nothing.

An assessment of the potential net additional GVA benefits associated with the new net additional College employees in the new facility has also been undertaken separately.

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.

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

In terms of the ESFA based approach of assessing the NPVs of the preferred option income and expenditure assumptions per student together with staff costs, ratios and property costs used within the NPV appraisals are taken from the College's financial forecasts and funding agreements with the ESFA.

The income assumptions applied within the NPV appraisals have been limited only to student income at 2018/19 rates per student with no uplift in income per student over the period. It is considered highly unlikely that current learner income rates per FTE learner will increase over the period given current Government funding policies and whilst we cannot be definitive on this over the model period, no uplift has been assumed on the current position.

Premises savings on existing facilities rationalised under the preferred option are at existing premises running costs per square metre for Nethermayne. No additional benefits have been modelled as these would be tenuous (for example there is little if any land value uplift where the proposed use is Education).

Total learner and teaching/support staff numbers within the new facility in the NPV appraisals include only new net additional learners and College employees associated with the new facility based on receiving the SELEP grant and associated improvements in fit out and equipment standards. There are a number of safeguarded benefits that are reported based on the closure of the Basildon Campus but these have not been taken as benefits in the NPV appraisals.

For a scheme of this size, further monetisation of the economic benefits associated with net additional learners gaining qualifications and thus being more employable and having a greater propensity to contribute higher GVA levels to the local economy has not been undertaken. This would also include estimations of the likely change in tax revenues (increase in income tax, national insurance contributions and VAT payments) associated with qualification attainment).

3.5. Costs:

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

Capital Costs

The Capital costs associated with the scheme are summarised in tabular form below, with all non-capital costs essential to project delivery also included under the non-capital cost heading.

The physical scope of refurbishment is relatively small and being undertaken in a building only constructed in 2014, by a team with complete knowledge of the building. As a result the risk of cost over-run or unforeseen problems is considered extremely low. Nevertheless a contingency of £25,000 (circa 15% of construction costs) has been included. Similarly, preliminary quotations for specialist equipment have been obtained to inform the bid but a contifency has also been included in the specialist equipment spreadsheet to account for any minimal inflationary or price fluctuation changes.

Land acquisition/opportunity cost	
Construction/refurbishment	£170,000
External Works	
Preliminaries	£17,000
Contingencies	£25,000
Equipment	£600,000
Professional Fees	£21,200
VAT	£166,640
Sub-total	**£999,840**

Non-Capital Costs

The non-capital costs are all critical and eligible scheme costs these include loose furniture items of under £1,000 per item (as per the College's policy they are not capitalised) and the associated VAT. The College is not able to reclaim VAT and so this remains an eligible project cost.

With regard to potential optimism bias the College has taken all reasonable steps to mitigate risk and unforeseen costs, including but not limited to:

- Guaranteed Maximum Price procurement mechanism subject to client variations protecting College from market fluctuations.

- Design and build procurement form placing design completion and coordination risk with contractor.
- Client contingency within cost plan developed and maintained through appropriate QRA processes and assessments.

It is nevertheless recognised that an element of optimism bias may still be present. The College has therefore undertaken sensitivity analysis based on a 10% increase in costs. This has no material benefit on the NPV or associated BCR performance of the project.

Revenue Costs

Once completed, the scheme will have ongoing revenue costs associated with the operation of the new centre. As per the appended cashflows, the incomes generated through the completed scheme will more than offset these revenue costs generating a modest annual surplus cashflow position. The completed project will therefore be commercially sustainable and no further LEP funding beyond that required to deliver the capital scheme is required. Staff costs are based on 2018/19 new provision ratios and average staff costs for academic and support costs, including on costs to allowance for pension and other benefits. Annual inflationary rises at 1% have been included in the models.

No additional premises running costs or maintenance costs have been applied as the College already operates this space. There is no realistic opportunity cost as the ground lease for the campus from Thurrock Council only allows for educational use.

In addition to revenue cost inflation of 1%, a similar figure has been applied to revenue income. Whilst the College and other public sector organisations would welcome a 3, 5 or 10 year income rate projection from central government this has never been available. Therefore a prudent figure of 1% per annum has been applied which is considered reasonable / conservative given recent in year 16-19 rate increases for the 2020/21 year.

Premises costs for the new campus are based on current expenditure per square metre costs for newer College facilities such as Thurrock or Forum II. Allowances have been made for periodic redecoration and major plant replacement.

3.6. Benefits:

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

See Section 3.8 below for a summary of the key economic appraisal outcomes and scheme benefits. Initial and adjusted BCR benefits are not considered to be applicable here as explained below.

3.7. Local impact:

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

The majority of the impacts linked to this project will be local. Our main focus is to train/retrain both young people and adults to enable them to take up local jobs with local employers. All of these local outputs are set out in our bid outputs and are shown in the logic map

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.

	DCLG Appraisal Sections	Option 1 relative to status quo (Do Something)	Option 2 relative to status quo (Do Minimum)
A	Present Value Benefits [based on Green Book principles and Green Book Supplementary and Departmental Guidance (£m)]		
B	Present Value Costs (£m)		
C	Present Value of other quantified impacts (£m)		
D	Net Present Public Value (£m) [A-B] or [A-B+C]		
E	'Initial' Benefit-Cost Ratio [A/B]		
F	'Adjusted' Benefit Cost Ration [(A+C)/B]		
G	Significant Non-monetised Impacts	*[Please provide details of the non-monetised impacts of the scheme. Please note that, where monetisation is not possible, a qualitative assessment of the potential impacts should be carried out and presented in the Business Case submission. The DCLG Appraisal Guidance provides additional details regarding the use of multi-criteria analysis (MCA) on page 25 or switching values to capture the significance of such impacts on page 26]*	
H	Value for Money (VfM) Category	*[A VfM category should be produced for each spending option. The VfM should be based on the overall assessment of both monetised and non-monetised impacts. The VfM category will ultimately represent a judgment based on the size of the monetised benefits relative to the monetised costs (the BCR) and the potential significance of non-monetised impacts. Additional guidance can be found on page 28 of the DCLG Appraisal Guidance]*	
I	Switching Values & Rationale for VfM Category	*[Sensitivity analysis can be used to identify a 'switching value' particularly with respect to additionality]*	
J	DCLG Financial Cost (£m)		
K	Risks		
L	Other Issues		

Completion of the Appraisal Summary Table is not considered relevant based on the ESFA NPV approach that has been applied as this does not result in a BCR as such.

The outcomes of the NPV analysis are presented below by option and the detailed analysis is presented as an appendix to this business case:

- Do nothing base case option – NPV @ 3.5% per annum over 20 years = NEGATIVE £1.57m
- Preferred option – NPV @ 3.5% Test Discount Rate per annum over 20 years = £8.7m

This clearly points to the preferred option demonstrating the potential to have a high positive NPV over 20 years and one which is significantly higher than the negative NPV reported under the base case. This therefore identifies that the preferred option represents high value for money over the base option. Further sensitivity analysis has been undertaken within the NPV appraisal, the sensitivity analysis shows how robust the project is in terms of generating a significant positive NPV under any of the sensitivity test scenarios resulting in the following results:

Sensitivity Analysis	Resultant NPV
Preferred Option	£8,706,503
Capital Cost Increase 10%*	£8,662,228
Revenue Expenditure Increases 10%	£8,257,739
Revenue Income Decreases 10%	£7,338,597

An analysis of the PV of the total project benefits divided by the PV of the total project costs over the 20 year NPV cashflow appraisal period in accordance with the ESFA approach results in a BCR of **2.68**. However, this is based on the ESFA financial based approach and is not reflective of the latest MHCLG private and net external benefits based approach, as this is not considered appropriate.

Furthermore, based on the delivery of 10 gross FTE jobs once fully operational, applying the above assumed factors of additionality, this results in 9 net additional FTE jobs. Applying the above GVA per FTE of £33,350, this results in an annual GVA contribution of £300,150. Assuming a 10 year persistence of benefits period (in accordance with recognised best practice) and a 3.5% per annum discount rate, this equates to a cumulative total PV GVA impact of £2.149m. Applying this to the PV of the LGF request based on the proposed profile, this equates to a BCR of **3.58** which represents high value for money on this basis alone (typically the LEP would account for anything over 2 as high).

Critically, the new facility will accommodate net additional learners (the incomes associated with which are accounted for the in the NPV appraisals above). Once the new facility is fully operational it will involve a significant number of employers ranging from DWP workplace, through apprenticeships and 16-18 courses. This will significantly enhance all students employability and lifetime earnings prospects with the potential for significant net additional GVA impacts over time the SELEP economy as a result.

Research was undertaken by BIS to measure the impacts of FE in terms of the increasing likelihood of gaining employment linked to various attainment levels. The table below clearly identifies the links based on a number of case studies. This clearly identifies the increasing employment prospects associated with skill attainments and given the focus of the project on

higher level skills attainment, this suggests that it will significantly enhance the employability of the local working age population.

	Below L2 to L2	L2 to L3	L1 to L3
Percentage point increase in the probability of employment	4.8	2	6.8
Baseline rate of employment[1]	88.9	93.7	88.9
Percentage increase in probability of employment	5.4	2.1	7.7

Source: BIS, 2011 – Measuring the Impact of FE

Overall, the project has the potential to deliver a high value for money outcome from a SELEP investment perspective.

4. COMMERCIAL CASE

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

4.1. Procurement options:

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

The College considered a range of construction procurement options. The College determined to use design and build relative to other discounted forms for the reasons summarised below. It should be noted the scope of building work is small and very simple in relative terms, involving only internal fit out of existing spaces. For this reason the number of procurement options available remains relatively limited.

- ***Construction Management***: design and programme risk remain with the client, which represents a risk the College cannot afford to take. Budgets are constrained and budget is the primary objective in comparison with finite design quality. The same is true for management contracting.
- ***Traditional***: The College has developed a clearly defined brief which has then been developed by the College's appointed design team through to RIBA stage 3 which assures the College of design quality to the finite level required by an FE College. Ongoing design risk and the corollary risk of programme and cost overrun are not considered risks worth taking to retain design control beyond the levels designed under RIBA stage 3.

Having determined to adopt a design and build procurement route, the College has refined this general procurement strategy in order to maximise the benefit to the College whilst transferring design finalisation and construction risks to the contractor through:

- Taking client led design through to RIBA Stage 3 rather than Stage 2 to ensure the client's design aspirations and functional objectives are clearly detailed and protected.
- Two stage design and build rather than single stage to benefit from early contractor engagement, supply chain knowledge, market knowledge and construction experience.
- Guaranteed Maximum Price (GMP) clauses which limit the maximum cost to the client against the brief whilst sharing any savings achieved through the second stage tender process. In this way where the aggregated second stage costs exceed the GMP figure the costs are met by the contractor (subject to client variations or scope change). Should the aggregated costs be less than the GMP figure the savings are shared at pre-agreed ratios thereby incentivising the contractor to achieve savings whilst keeping quality and design intent. The College will commit to pass on to the LEP its share of any cost savings, over and above those required to be returned the contractor, through the form of a partial repayment of the grant if savings are achieved. This could offer the LEP the potential to recoup a proportion of its investment if scheme cost savings are achieved through the second stage tender process.

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.]

Having determined to adopt a design and build procurement route, the College has refined this general procurement strategy in order to maximise the benefit to the College whilst transferring design finalisation and construction risks to the contractor through:

- Taking client led design through to RIBA Stage 3 rather than Stage 2 to ensure the client's design aspirations and functional objectives are clearly detailed and protected.
- Two stage design and build rather than single stage to benefit from early contractor engagement, supply chain knowledge, market knowledge and construction experience.
- Guaranteed Maximum Price (GMP) clauses which limit the maximum cost to the client against the brief whilst sharing any savings achieved through the second stage tender process. In this way where the aggregated second stage costs exceed the GMP figure the costs are met by the contractor (subject to client variations or scope change). Should the aggregated costs be less than the GMP figure the savings are shared at pre-agreed ratios thereby incentivising the contractor to achieve savings whilst keeping quality and design intent. The College will commit to pass on to the LEP its share of any cost savings, over and above those required to be returned the contractor, through the form of a partial repayment of the grant if savings are achieved. This could offer the LEP the potential to recoup a proportion of its investment if scheme cost savings are achieved through the second stage tender process.

The College's procurement team have created an innovative partnership agreement with a fit-out contractor the College previously worked with. Under this the above strategy further benefits from discounted and fixed preliminaries, overheads and profit rates – which is exceptional given the projected increases in costs caused by Brexit and COVID19. The contractor also agrees to provide design input prior to formal appointment at no cost meaning the College benefits from early contractor involvement to de-risk and cost benefit maximise the scheme but without having to outlay contractor costs on smaller schemes such as this.

The College has developed the design of the scheme through to RIBA Stage 2 with directly appointed consultants. Attol Blue (project managers), Academy (cost consultants), Gibberds (architects) and Mott MacDonald (MEP, structural and other engineering) are then retained by the College to monitor the Contractor's Stage 4 design develop and construction to ensure it meets required quality and product selection / installation requirements.

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.]

The core project team have used the noted procurement strategy working together in various combinations to successfully complete the following projects amongst others:

- South Essex College, Thurrock Learning Campus – a 14,600m^2 £43m new campus in the heart of Grays Town Centre. Opening in September 2014 the campus was delivered on time and to budget following the same procurement route as proposed for the Digital Technologies Campus. Since opening the campus has won a number of awards and led to student growth of 30% in the first year of opening.
- South Essex College, Basildon Town Centre Digital Technologies Campus – development of a new 3,200m^2 campus in the heart of Basildon opening ion January 2020 with practical

completion on 22nd October 2020. At a cost of £15.8m this scheme involved a partnership between the College, Homes England and Basildon Council which also saw the disposal of the Nethermayne campus to fund this building and contribute to this IoT.
- Barnet College, Wood Street - 10,000m^2 campus disposal and new campus development
- South Coast College – 30,000m^2 campus disposal and new campus development in Hastings

4.4. Competition issues:

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

Competition is assured through the main contractor being required to tender each package to a minimum of three sub-contractors any of which the College has the ability to object to and require a replacement. Sub-contractors are all on the Contractors approved sub-contractor schedule, which is extensive and, where possible, local or sub-regional sub-contractors to the area are included. The Contractor and Cost Consultant then receives tenders which are jointly analysed to select the most economically advantageous.

4.5. Human resources issues:

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

In terms of retaining existing staff the displaced mechanical engineering facilities are being relocated to the College's Luckyn Lane campus in Basildon or its new Stephenson Road campus in Leigh on Sea where construction and engineering will be centred for such specialist provision. This avoids or mitigates any redundancies.

With regard to recruiting new staff in the IoT, the College is using existing sector contacts together with specialist national recruitment consultants where necessary to recruit staff. In addition, existing staff are getting additional training to gain additional skills, knowledge and certification to higher levels and with new partners. In this way the College are confident there will be no skills shortage for employment in either academic or support teams.

The resources we are looking to secure through this bid submission will support some key skill areas required by the logistics and supply chain sector. From low level skills (manual warehousing vocational roles) to higher level skill and knowledge (Freight Forward Management, basic Robotics applications).

The nominated resources will cover a wide range of job roles that are represented within this sector and are applicable to a diverse group of learners, for example DWP Unemployed, 16 - 19-year-old study programmes and apprenticeships. The resources will also benefit upskilling of current employees in the logistics and supply chain sector.

There are a number of planned and proposed infrastructure programmes for the region, notably Lower Thames Crossing, KenEx Tram and Light Railway System and the Freeport application. The resources requested will enable SEC to provide in part, skill development in order to facilitate employability with these projects.

South Essex College has an established transport and logistics faculty and a recruitment plan in place to meet the future human resource need arising from this new development. To date we have successfully managed to recruit a team of experts who make up the faculty structure. This has been achieved through our very close links with the industry

We provide a range of support and opportunities for people wishing to transfer from industry into teaching at the college. We have a wide range of support including an allocated mentor, a teacher training qualification, alongside a range of other training and support which is reflected in a reduced teaching timetable for the first 12 months.

We also employ a large number of 'dual professionals' who work part time in the college and part time in the industry. This brings advantages to students as the staff involved have up to date industrial knowledge. We also have a golden hello scheme funded by the government to be able to offer increased salaries in the first 12 months to attract people into teaching. All of these strategies will ensure that the college has the ability to recruit the staff resource to meet the need once the refurbishment is complete.

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.]

See attached project risk register. In the main the project risk strategy centres around either client retained risks that are managed or mitigated, to the extent possible, or transferred to the appointed contractor. Areas associated with the development of the brief and business plan for example remain the client risk as does the securing of planning.

Design risk is transferred to the contractor at RIBA Stage 3 with the contractor taking responsibility for the design work preceding its involvement together with RIBA 4 and 5 design work. Financial risk ultimately sits with the client however this is substantially mitigated by the adopted procurement strategy as noted earlier in this document by virtue of a Guaranteed Maximum Price mechanism. The contractor will be obliged to construct the facility within the agreed contract sum save for any agreed relevant events under the terms of the contract and/ or agreed variations.

The key risk at this stage to the non-delivery of this is the inability to secure a SELEP funding award to enable delivery. Without this, the scheme as proposed cannot proceed on grounds of affordability and as outlined in the options appraisal section, a value engineering and consideration of other options process has already been undertaken and a reduced scale scheme would not deliver the College's objectives.

4.7. Maximising social value:

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

Throughout the procurement process, as with all capital projects the College procures, main contractors are required to explore and include local sub-contractors, directly appointed staff and locally manufactured materials where possible. Opportunities for student training, apprenticeships and work experience are also included in tender documents although specific numbers cannot be allocated.

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 values[3].

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

5.1. Total project value and funding sources:

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

The total project value is £999,840 as outlined earlier in this bid and summarised below. This comprises £600,000 from the LGF grant and £399,840 from the College. These are the only two sources of funding. The College's funding is secure and already banked by the College having flowed from the disposal receipts of the Nethermayne campus to Redrow Homes.

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 College is applying for LGF funding under the MHCGL call for bids

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.]

Cost estimates for the physical works are from the College's cost consultants Academy Consulting Ltd. Equipment costs are from draft quotations received from manufacturers and suppliers. QRA costs are included within the physical works costs as a construction contingency. No monitoring fees are attributed as recording of student numbers and employment destinations is already undertaken by the College as part of its funding body reporting requirements.

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

		EXPENDITURE FORECAST			
COST TYPE		17/18	18/19	19/20	20/21
		£000's	£000's	£000's	£000's
Land acquisition/opportunity cost					
Construction/refurbishment	£170,000				£170,000
External Works					
Preliminaries	£17,000				£17,000
Contingencies	£25,000				£25,000
Equipment	£600,000				£600,000
Professional Fees	£21,200			£10,000	£11,200
VAT	£166,640				£166,640
Sub-total	**£999,840**	**£0**	**£0**	**£10,000**	**£989,840**
Non Capital Items	£0				
QRA	0				
Monitoring	0				
TOTAL FUNDING REQUIREMENT	**£999,840**	**£0**	**£0**	**£10,000**	**£989,840**

5.4. Quantitative risk assessment (QRA):

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

Quantitative risk assessments for works are incorporated within the construction contingency figures noted in the table above. A wider risk assessment and risk register of all project risks is prepared at the start of each project the College undertakes and is reviewed at each fortnightly project meeting through to conclusions of the project.

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 College's funding is sourced from the capital receipt associated with the sale of the Nethermayne campus in Basildon to Redrow homes. The funding is secure and has already been banked by the College. This money has to be spent on capital projects but cannot be increased as it is a finite resource. The College is also not able to borrow any further funds to increase College contributions to the project.

		EXPENDITURE FORECAST					
FUNDING SOURCE		17/18	18/19	19/20	20/21	21/22	22/23
		£000's	£000's	£000's	£000's	£000's	£000's
LGF Grant	£600,000				£600,000		
College	£399,840			£10,000	£389,840		
TOTAL FUNDING REQUIREMENT	**£999,840**	**£0**	**£0**	**£10,000**	**£989,840**	**£0**	**£0**

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.]

Section 151 Officer letter attached.

5.7. Risk and constraints:

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

Quantitative risk assessments for works are incorporated within the construction contingency figures noted in the table above. A wider risk assessment and risk register of all project risks is prepared at the start of each project the College undertakes and is reviewed at each fortnightly project meeting through to conclusions of the project.

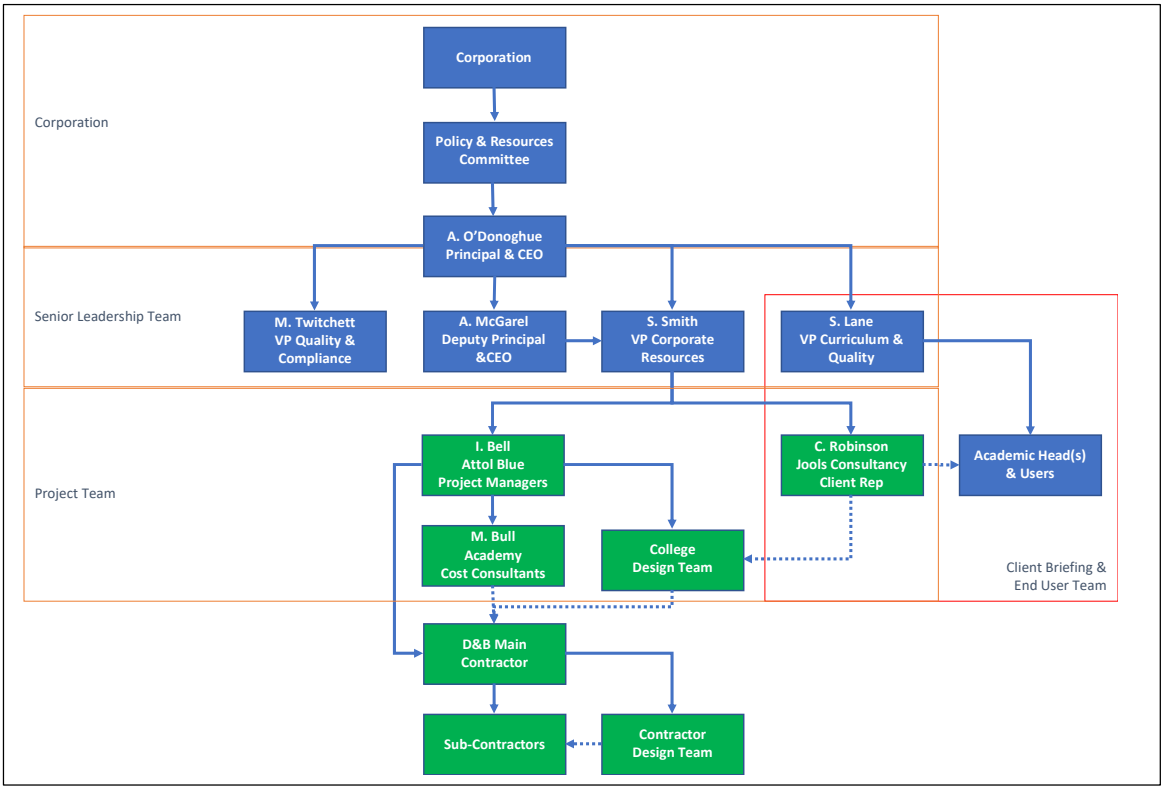
6. MANAGEMENT CASE

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.]

A full project governance arrangement has already been established. Angela O'Donoghue is the College's CEO and Principal, and also acts as the Project Sponsor. Anthony McGarel is the College's Deputy CEO and Principal, and is the Senior Responsible Officer for the Project. Both are the only two senior post holders in the College. Both Angela and Anthony report to both the full Corporation, and also to the Corporation's sub-committee the Policy and Resources Committee (P&RC) which has delegated authority to deliver the Capital Programme. Corporation meets at least four times a year with P&RC meeting six times a year. Both committees receive update reports at every meeting. Below this Angela and Anthony have delegated authority to deliver the Capital Programme provided the programme is within budget and programme. The project structure is shown in diagrammatic form below :



Steve Smith is the College's Vice Principal Corporate Resources and leads the project day to day reporting to Anthony and Angela as well as into the wider Senior Leadership Team. Steve leads the College's project team which meets fortnightly and is formed of Attol Blue as Project Managers, Jools Consultancy as Client Representative, Academy Ltd as Cost Consultants and the College's design team (principally Gibberds architects and Mott McDonalds as MEP, Structural and other Engineering). Meetings continue throughout all stages of the project.

Carol Robinson from Jools Consultancy (who was previously Head of Estates at the College) leads the Client Briefing and End User Team working closely with Sarah Lane as Deputy Principal, Curriculum and Quality, and the relevant department heads, staff and technicians for the teams involved in the project. This team meets fortnightly through the design stages of the project and then ad-hoc and as required during the construction phase.

The Project team also meet fortnightly with the Main Contractor and its appointed design team representatives (if appropriate) with separate design development and cost review meetings as appropriate. Minutes are produced for all meetings.

Attol Blue's project and programme management ethos is built around communication, continual review processes and early warning identification. In this way the team as a whole is encouraged and even challenged to identify any potential future problems throughout each stage of the project development and delivery. Monthly progress reports covering all workstreams, including risk and communications, are presented to the team for review and agreement prior to issue to the College and SLT, in this way achieving buy in from the team. A cost panel is formed comprising Attol Blue (PM), Academy (QS), College Procurement team and Carol Robinson as head of Capital Projects to review existing costs, projected costs and any variation accounts. Variations are costed with any confirmed programme variations prior to acceptance. In this way previous projects have achieved Final Account agreement within 14 days of Practical Completion and programmed completion dates, even when extended, are known well in advance.

Outside of the capital project Mark Bentley will act as Programme manager for the operational, academic, skills and stakeholder engagement aspects of delivery and ongoing operation. Mark is an extremely experienced logistics professional with extensive experience on both the academic and commercial sides of the logistics sector. Mark has regular reviews with existing stakeholders and customers whilst also seeking out new partnerships. As an example Mark is the person who has created the ongoing partnership with Tesco Plc. Mark reports direct to Angela O'Donoghue as Principal & Chief executive avoiding any cascaded management structures or inherent delays.

6.2. Approvals and escalation procedures:

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

The College has undertaken a number of large capital projects including redevelopment of the Forum building Southend (2013, £12m), Thurrock Campus (2014, £42m), Engineering & Construction Campus (2018, £12m), Digital Technologies Campus (2020, £15.8m) and others. All projects under the Capital Programme have been reviewed, discussed and authorised by the College's full Corporation. Corporation meets periodically and receives updates and progress reports on the Capital Programme at each meeting. Below Corporation the approval process is noted below.

- *The Policy & Resources Committee (P&RC) has delegated authority from the Corporation to deliver the Capital Programme provided within budget and time targets. Both committees receive update reports at all meetings on the Capital Programme and all projects therein.*

- *Angela O'Donoghue and Anthony McGarel have delegated authority from P&RC and Corporation to deliver the Capital Programme if within budget and programme. Where the programme deviates from either then approval for budget or programme increases are required from P&RC. Anthony and Angela receive monthly update reports from Attol Blue (Project Managers) and Academy (Cost Consultants).*
- *Steve Smith (VP Corporate Resources) leads the project team and reports to Angela and Anthony via the Capital Programme Strategy Group which meets monthly and SLT which meets fortnightly.*
- *Attol Blue and Academy are appointed contractually to manage and deliver the individual projects including appointment of all necessary consultants, contractors and suppliers. All appointments, valuations and certificates are required to be reviewed and approved by both organisations before passing to the College and no instructions or variations are valid unless approved by both organisations which is made explicit in all appointments or contracts.*
- *Invoices are sent to the College's shared services company which provides financial services. Invoices have to be registered to appropriate purchase orders and, in the case of building contracts, accompanied by certificates from Attol Blue and Academy. POs and invoices then go through an approval and authorisation process on the College's financial system being approved by Jools Consultancy before being authorised by Steve Smith, Anthony McGarel and Angela O'Donoghue in turn before being paid.*

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.]

Contracts are managed to time, quality and cost outputs through focus on each point and appropriate clauses within appointment documents / contracts. Taking each in turn:

Time; master programmes are set at the start of each project by the College in liaison with Attol Blue and Academy. Reasonable timescales are included for each task on a critical path with float periods also identified. The programme features as part of consultants and contractors appointments with commitment part of the appointment process. Clauses are included for liquidated and ascertained damages with contractors, and programme is a standard agenda item on all meetings.

Quality; the College has developed room data sheets for the majority of room types and uses these in schedules together with a written high level brief to appoint design consultants. Each stage of design is then reviewed and signed off by the team, the College project team and Senior Leadership to ensure form, function and operational objectives are met.

Cost; with regard to cost Academy develop an early cost plan and work closely with the design team as the design develops to ensure specifications and changes are within budget parameters rather than waiting to cost each design stage on completion. The design and build contract form, coupled with the GMP mechanism and close management of variations is then used to report cost projections monthly which are reviewed by the College project team and Capital Programme Strategy Group. Finally, the team and contractor are required to keep a value engineering schedule maintained with a rolling target of 10% of contract value on a traffic light basis should costs need to be reduced.

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.]

South Essex College has a large number of stakeholders who will be involved in this project. The College has an established business development arm including account managers who work directly with business and industry. We do have a specialist who liaises directly with the logistics industry. Our employer stakeholders include the port, the airport and a large number of logistic companies across the LEP. We have an established logistics employer engagement group who meet once per term to inform our curriculum development particularly now related to this project.

Other key stakeholders include the Local Authorities across the South East geography, Opportunity South Essex, the Federated Board of the LEP and SELEP.

We also have good relationships with all the schools across the area who we are already working with to promote the logistics sector to their young people.

This will be supported for the next twelve months by the Career College network alongside our own schools liaison staff.

One of the objectives of this development is to raise the profile of the logistics sector with young people as a viable career route. This will be carried out in partnership with a range of employers to link them with schools to provide work placements and masterclass sessions. This will be done in partnership with the Careers & Enterprise Partnership.

The Logistics Department at SEC has established links to a number SELEP based or operational organisations that represent the logistics and supply chain sector. Notable organisations include DP World London Gateway, Port of Tilbury, Simarco International, Welch Transport and Tesco (Retail Logistics).

The department is in the process of establishing an Industry Partnership group to support and engage with a range of local employers on a regular formal basis, an initiative that underpins SEC's Strategic Plan. This would have been in place by now only for the current COVID situation.
This Industry partnership group will meet on a quarterly basis and inform the college development of the logistics academy identifying skills needs and recruitment processes for them linked to he college output of skilled potential employees as well as developing relationships to increase the numbers of apprenticeships available. It will also provide an opportunity to provide information, advice and guidance on curriculum development and skills training requirements of the sector. We do however, hold frequent formal and informal dialogue with the industry through our apprenticeship client base, which will form the basis of our industry partnership initiative.

We plan to extend membership of this group with a much wider range of transport and logistics companies once it is established.

We have a number of Members and Fellows of the Chartered Institute of Logistics and Transport (CILT) employed within the department who are conversant with the contemporary topics and themes associated to the sector which is in effect, capturing the voice of the industry on behalf of the College. I would also add SEC have a presence on the Logistics Apprenticeship Trailblazer Group which also connects the department with the sector.

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.]

Please see Equality Impact Analysis included in zip folder.

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.]

All major capital projects undertaken by the College include "Risk" on all project agendas and risk registers are compiled and managed during the lifetime of the project. In respect of this project there are a number of separate risk registers as bullet pointed below. The IoT scheme is included in the Appendix B format.

- ***South Essex College Corporation*** – the College maintains a corporate risk register with specific capital projects such as the IoT scheme included on that register and reported / discussed at Corporation meetings,
- ***Project Team*** – a risk register specific to the project is maintained and managed by Attol Blue as part of its Project Management duties. The risk register is reviewed at each meeting and reviewed periodically or when actions or incidents occur. The register also forms part of the monthly reporting to the College Capital Projects Strategy Group.

Where possible and economically advantageous the College offsets risk to others as evidenced by adopting a design and build procurement route. Where this is not possible the College seeks to avoid the risk by taking alternative action, mitigate the risk through action plans and contingency allowances, or to actively manage risks it cannot offset, avoid or transfer.

6.7. Work programme:

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

A gantt chart programme for the project is included in the appendices to this bid document. This shows the critical path at the beginning of the project involves RIBA Stage 2 design and costs, including specialist equipment costing and sourcing, being completed in time to submit this bid. Critical path then flows through the bid process as no further action is proposed on Stage 3 / 4 design or stage 2 tendering of sub-contractors until the success of the bid is confirmed at the end of October 2020. Six weeks has been allowed for second stage tendering but is likely to be completed faster given the limited number of packages and relative simplicity of the fit out works.

Specialist equipment is ordered early in March 2021 to ensure sufficient timescales for delivery and build in float should there be delays. Similarly relocation of Mechanical Engineering and other existing uses is undertaken as early works to avoid any potential delays impacting actual fit out works. Five weeks has been allowed for fit out works although the contractor has confirmed works can be completed in just under four weeks but float has been including. Time has also

been allowed for testing, commissioning and training which is often overlooked to ensure these items are all included and provide extra float as certain works could be run in parallel with these items should unforeseen issues occur. The College, its professional team and the contractor have all been involved in the development of the programme and confirmed they are comfortable with associated timescales whilst also allowing elements of float / risk allowance within each bar.

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.]

South Essex College has significant previous experience of delivering a very wide range of projects. We have delivered the LGF project in Basildon supplying a new Digital Technology Campus, as well as receiving previous LGF funding for capital equipment for STEM subjects which was effectively delivered and all outputs achieved.

We have significant experience of delivery of a wide range of outputs for a number of other bidding opportunities including ESF, GDF (building a construction centre in Southend on Sea) and a number of national bids for delivery of education programmes.

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.

South Essex College Deputy Principal/Director of Finance and his team of accountancy staff will undertake financial monitoring and management. This will be reported to the funding partners, along with the achievement of key milestones, in line with contractual agreements, to the Board of Governors of the College and through the College's annual accounts to the Department of Business, Industry and Skills.

Learner enrolments and achievements will be monitored by South Essex College in line with its Learning, Teaching and Assessment Strategy which will set rigorous key performance indicators to monitor and evaluate the quality of leaning, learner recruitment, retention and success.

The Evaluation Plan will comprise two elements:

a) The achievement of key objectives and key milestones of the project. The project will be evaluated against the stated aim, objectives and outputs which will be the key performance indicators for the scheme. Progress against key milestones will be reported to the partners funding the scheme in accordance with Funding Agreements. Evaluation will involve partners and stakeholders

b) a continuous self-assessment of the teaching, learning and assessment carried out in the centre. All learner outcomes, quantitative and qualitative will be reported annually in the College Self-Assessment Report, which is shared with funding bodies and Ofsted. The section on the Logistic Facility will be compiled with the benefit of opinions and experiences of employers involved and will be disseminated to partners.

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

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes
To create a transport and logistics facility in Grays town centre	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	NPV of project is £8.7m Provide a total of 10 new jobs at the facility
Raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Increased number of transport and logistics companies based in Thurrock
Provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	At end of year 5 the facility will be delivering 80, 16 to 19 year old study programme learners, 144 adults and 50 apprentices annually
Raise the profile of the Logistics sector as a good career route for both young people and adults	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Recruitment numbers are achieved
Provide upskilling and reskilling for adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic	South Essex College £399,840 SELEP LGF Grant £600,000	Training facility space of c400m2 GIA plus associated specialist equipment required to deliver the range of programmes	Of the 144 adults trained annually – 90% progression to sustained employment in the sector

7. DECLARATIONS

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?	~~*Yes*~~ */ No*
Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors	~~*Yes*~~ */No*
Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	~~*Yes*~~ */ 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.

Signature of applicant	
Print full name	*Angela O'Donoghue*
Designation	*CEO & Principal*

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

PLEASE SEE APPENDIX A (i) Logistics Centre LGF Base Case &
APPENDIX A (ii) Logistics Centre Preferred Option included in zipped folder

[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	
Real Growth	
Discounting	
Sensitivity Tests	
Additionality	
Administrative costs of regulation	
Appraisal period	
Distributional weights	
Employment	
External impacts of development	
GDP	
House price index	
Indirect taxation correction factor	
Inflation	
Land value uplift	
Learning rates	
Optimism bias	
Planning applications	
Present value year	
Private sector cost of capital	
Rebound effects	
Regulatory transition costs	

9. APPENDIX B - FUNDING COMMITMENT

Draft S151 Officer Letter to support Business Case submission

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

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

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

Yours Sincerely,
SRO (Director Level) ……
S151 Officer ……

10. APPENDIX C – RISK MANAGEMENT STRATEGY

PLEASE SEE APPENDIX C LOGISTICS CENTRE RISK REGISTER

Description of Risk	Impact of Risk	Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Risk Mitigation	Residual Likelihood/Impact Scores
				[e.g. Medium 3]	[e.g. Very Low 1]	[Likelihood of occurrence multiplied by Impact]		

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

** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay

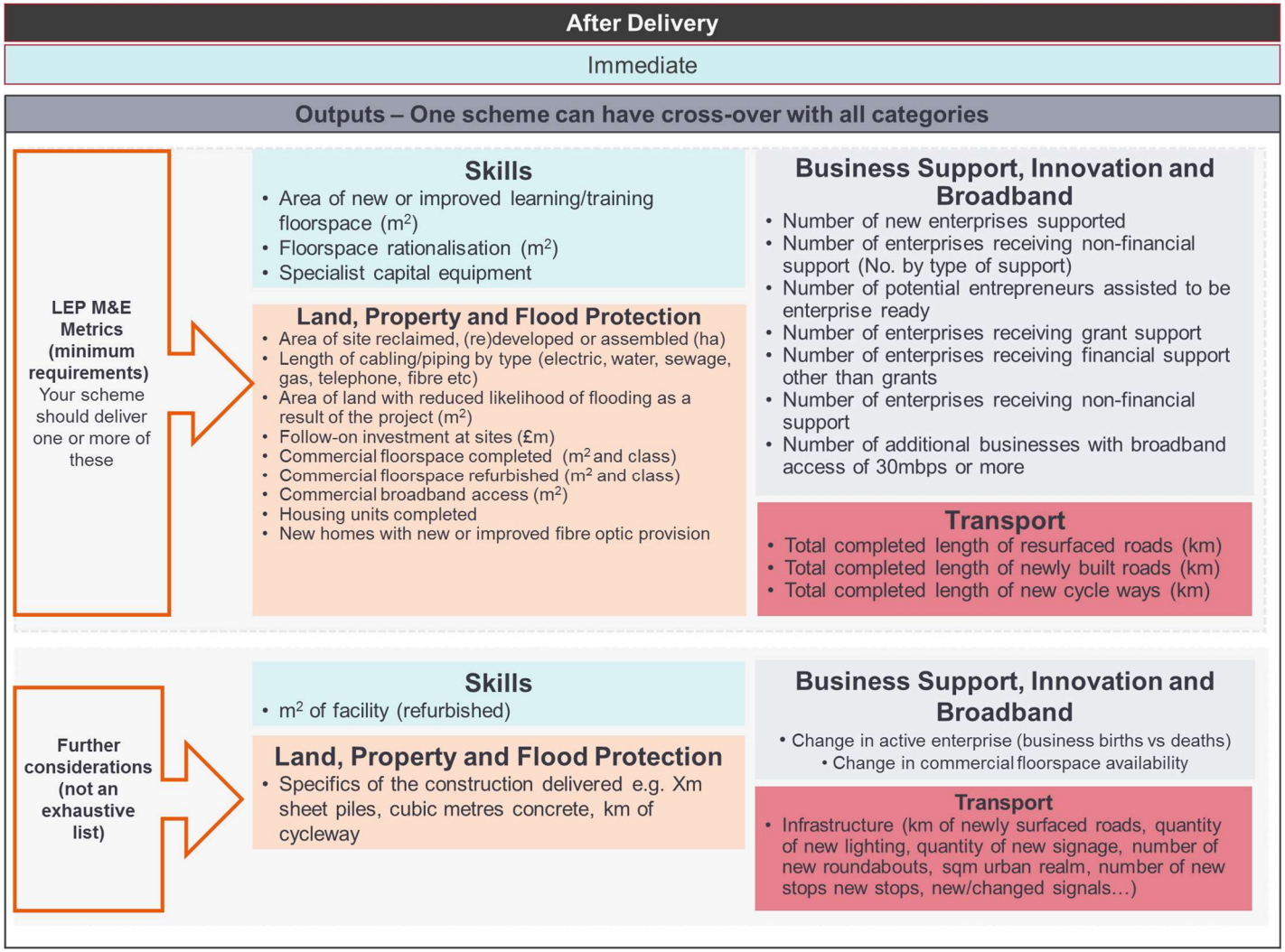
Please note, not all sections of the table may require completion.

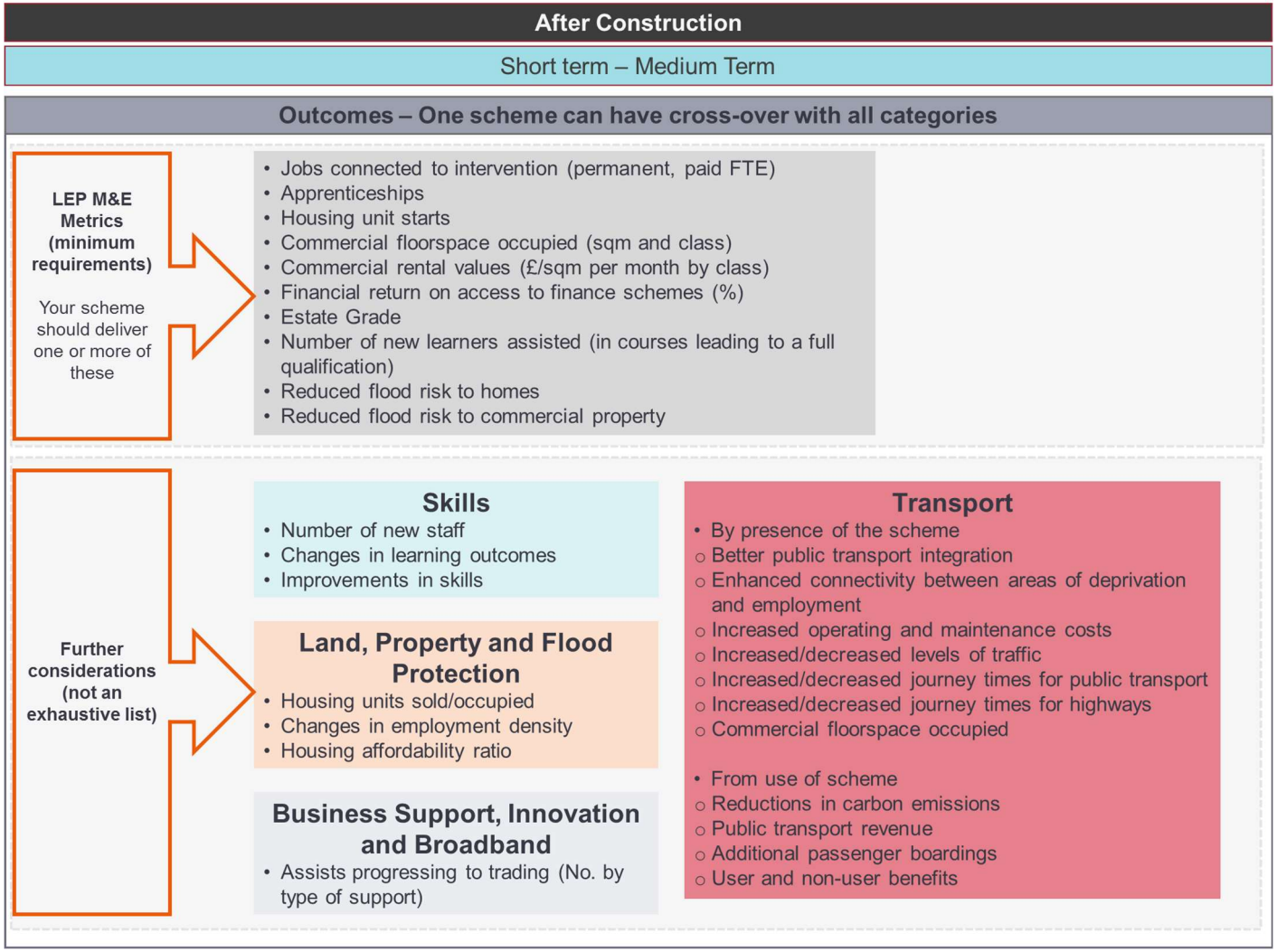
11. APPENDIX D – GANTT CHART

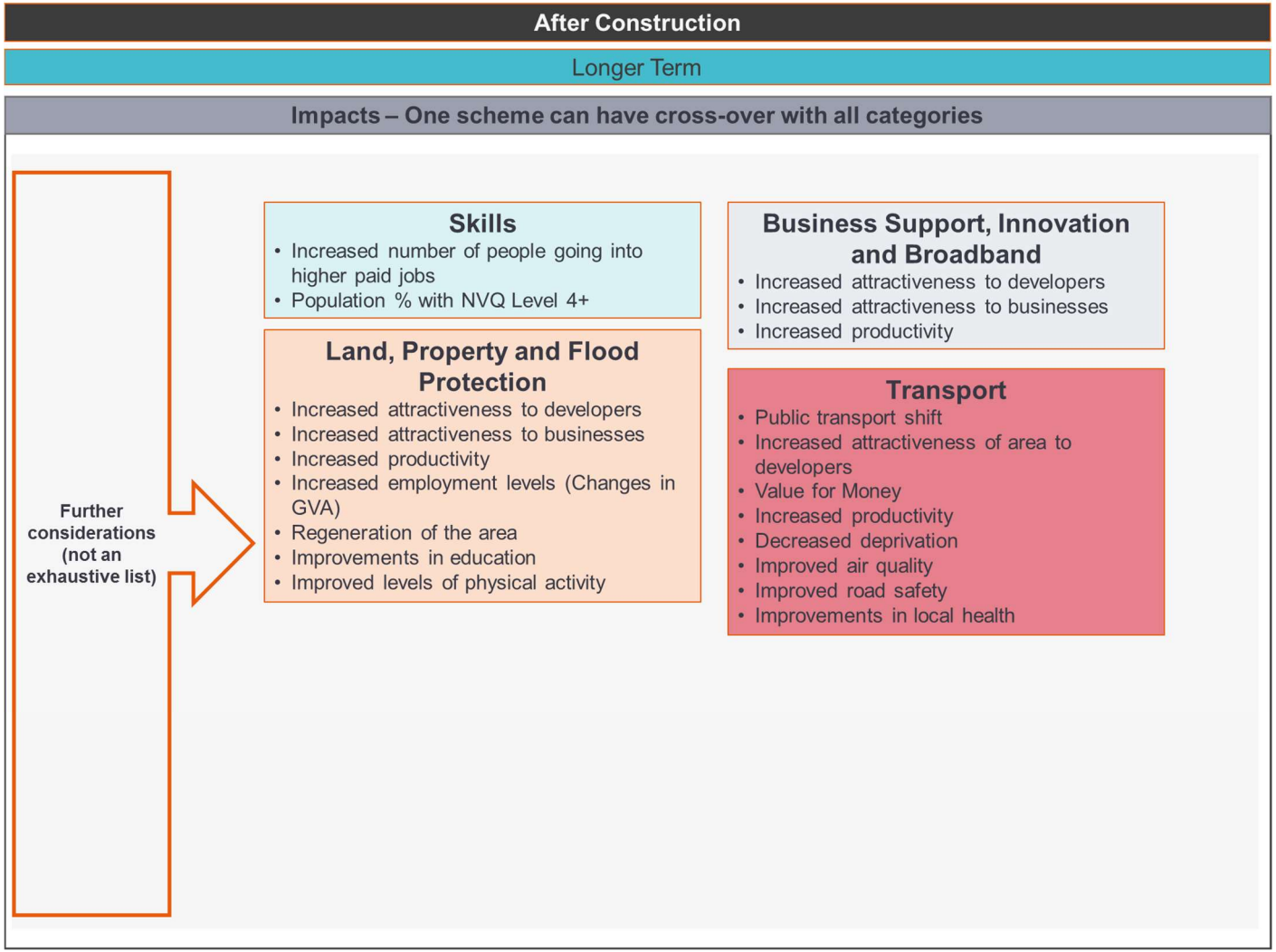
PLEASE SEE APPENDIX D LOGISTICS CENTRE CAPITAL PROGRAMME

Tasks	Start date	Finish date	2017						2018				
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Etc.
Key Milestones / Deliverables													

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


After Delivery
Immediate
Outputs – One scheme can have cross-over with all categories
LEP M&E Metrics (minimum requirements) Your scheme should deliver one or more of these
Skills
• Area of new or improved learning/training floorspace (m²)
• Floorspace rationalisation (m²)
• Specialist capital equipment
Land, Property and Flood Protection
• Area of site reclaimed, (re)developed or assembled (ha)
• Length of cabling/piping by type (electric, water, sewage, gas, telephone, fibre etc)
• Area of land with reduced likelihood of flooding as a result of the project (m²)
• Follow-on investment at sites (£m)
• Commercial floorspace completed (m² and class)
• Commercial floorspace refurbished (m² and class)
• Commercial broadband access (m²)
• Housing units completed
• New homes with new or improved fibre optic provision
Business Support, Innovation and Broadband
• Number of new enterprises supported
• Number of enterprises receiving non-financial support (No. by type of support)
• Number of potential entrepreneurs assisted to be enterprise ready
• Number of enterprises receiving grant support
• Number of enterprises receiving financial support other than grants
• Number of enterprises receiving non-financial support
• Number of additional businesses with broadband access of 30mbps or more
Transport
• Total completed length of resurfaced roads (km)
• Total completed length of newly built roads (km)
• Total completed length of new cycle ways (km)
Further considerations (not an exhaustive list)
Skills
• m² of facility (refurbished)
Land, Property and Flood Protection
• Specifics of the construction delivered e.g. Xm sheet piles, cubic metres concrete, km of cycleway
Business Support, Innovation and Broadband
• Change in active enterprise (business births vs deaths)
• Change in commercial floorspace availability
Transport
• Infrastructure (km of newly surfaced roads, quantity of new lighting, quantity of new signage, number of new roundabouts, sqm urban realm, number of new stops new stops, new/changed signals…)


After Construction
Short term – Medium Term
Outcomes – One scheme can have cross-over with all categories
LEP M&E Metrics (minimum requirements)
Your scheme should deliver one or more of these
• Jobs connected to intervention (permanent, paid FTE)
• Apprenticeships
• Housing unit starts
• Commercial floorspace occupied (sqm and class)
• Commercial rental values (£/sqm per month by class)
• Financial return on access to finance schemes (%)
• Estate Grade
• Number of new learners assisted (in courses leading to a full qualification)
• Reduced flood risk to homes
• Reduced flood risk to commercial property
Further considerations (not an exhaustive list)
Skills
• Number of new staff
• Changes in learning outcomes
• Improvements in skills
Land, Property and Flood Protection
• Housing units sold/occupied
• Changes in employment density
• Housing affordability ratio
Business Support, Innovation and Broadband
• Assists progressing to trading (No. by type of support)
Transport
• By presence of the scheme
○ Better public transport integration
○ Enhanced connectivity between areas of deprivation and employment
○ Increased operating and maintenance costs
○ Increased/decreased levels of traffic
○ Increased/decreased journey times for public transport
○ Increased/decreased journey times for highways
○ Commercial floorspace occupied
• From use of scheme
○ Reductions in carbon emissions
○ Public transport revenue
○ Additional passenger boardings
○ User and non-user benefits


After Construction
Longer Term
Impacts – One scheme can have cross-over with all categories
Further considerations (not an exhaustive list)
Skills
• Increased number of people going into higher paid jobs
• Population % with NVQ Level 4+
Land, Property and Flood Protection
• Increased attractiveness to developers
• Increased attractiveness to businesses
• Increased productivity
• Increased employment levels (Changes in GVA)
• Regeneration of the area
• Improvements in education
• Improved levels of physical activity
Business Support, Innovation and Broadband
• Increased attractiveness to developers
• Increased attractiveness to businesses
• Increased productivity
Transport
• Public transport shift
• Increased attractiveness of area to developers
• Value for Money
• Increased productivity
• Decreased deprivation
• Improved air quality
• Improved road safety
• Improvements in local health

13. APPENDIX F – MONITORING AND EVALUTAION 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 TO THE MONITORING AND EVALUATION PROCESS

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

PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

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

[INSERT SCHEME NAME]

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the [insert scheme name here], how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The objectives of the scheme are:

Objective 1

Objective 2

Objective 3

The geography of the scheme is shown in the map below

[insert map(s) of final scheme here]

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	[FY1/FY2]				[FY1/FY2]				[FY1/FY2]			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	Planned / Forecast				Planned/ Forecasted Spend Profile												
IN2	Matched Contributions Spend	Planned / Forecast				Planned/ Forecasted Spend Profile												
IN3	Leveraged Funding	Planned / Forecast				Planned/ Forecasted Spend Profile												

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	
Public Consultation	
Detailed Design	
Full Planning Permission Granted	
Site Mobilisation Works Commence	
Project Completion / Site Opening	

INPUT 5: RISK MITIGATION

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

OUTPUTS

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

    - The approach used to obtain baseline information for each output
        - Costs associated with this

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

COMPLETE AND REPEAT FOR ALL OUTPUTS

ID	Output Description	
OP1		**Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring**
		Value: **Source of Value:** **Future Monitoring Approach:** **Frequency of tracking:** **Costs Allocated to Monitoring:**
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: **Costs Allocated:**

…OP2, OP3, OP4 etc

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

EXAMPLE		
ID	**Output Description**	
OC1	Jobs connected to the intervention	**Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring** **Value:** 30 jobs – 15 from construction and 15 total FTE as a result of the scheme (5 additional jobs delivered in each year after opening for the first three years only) **Source of Value:** Full Business Case, p22 **Future Monitoring Approach:** Construction jobs from contractor's data. FTEs from surveying new businesses along the route of the tram with a short email questionnaire after scheme opening. **Frequency of tracking:** Once after opening and once for five years after opening report **Costs Allocated to Monitoring:** £450 for the email questionnaire to be externally delivered for each future report and 1 day of internal resource for mapping responses in GIS. In total £900 but with inflation, this is equivalent to £958+2days of internal resource for both the One Year After Opening Report and Five/Three Years After Opening Report **Details: Proposed Method of Collecting Baseline Information** **Approach for Collection:** There is one business in the impact area of the scheme on a small business park which is newly opened. This is a small accountancy firm. An email would be sent to this business to understand the number of people employed there. **Costs Allocated:** To send the email and interpret results- £0

COMPLETE AND REPEAT FOR ALL OUTCOMES

ID	Output Description	
OC1		**Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring**
		Value: **Source of Value:** **Future Monitoring Approach:** **Frequency of tracking:** **Costs Allocated to Monitoring:**
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: **Costs Allocated:**

…OC2, OC3, OC4 etc

IMPACTS

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

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

ID	Output Description	
IM1		**Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring**
		Value: **Source of Value:** **Future Monitoring Approach:** **Frequency of tracking:** **Costs Allocated to Monitoring:**
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: **Costs Allocated:**

…IM2, IM3, IM4 etc

BASELINE REPORT

PURPOSE

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

AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

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

M&E Plan

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

Baseline Report (YOU ARE HERE)

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

One Year After Opening Report

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

Five/Three Years After Opening Report

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

PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	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

[INSERT SCHEME NAME]

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

The objectives of the scheme are:

Objective 1

Objective 2

Objective 3

The geography of the scheme is shown in the map below

[insert map(s) of final scheme here]

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	Year 1 Before Opening [FY1/FY2]				Year 2 Before Opening [FY1/FY2]				Year 3 Before Opening [FY1/FY2]			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	Planned / Forecast				Planned/ Forecasted Spend Profile												
IN2	Matched Contributions Spend	Planned / Forecast				Planned/ Forecasted Spend Profile												
IN3	Leveraged Funding	Planned / Forecast				Planned/ Forecasted Spend Profile												

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	
Public Consultation	
Detailed Design	
Full Planning Permission Granted	
Site Mobilisation Works Commence	
Project Completion / Site Opening	

INPUT 5: RISK MITIGATION

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

OUTPUTS

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

EXAMPLE

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Type of service improvement	**Baseline**	8 minutes from x to y by bus 11 in the morning peak hour	Through public timetable information	n/a	Timetable Bus 11 (March 2018)	March 2018
		Planned/ Anticipated	6 minutes from x to y by tram in the morning peak hour	Through public timetable information	Once after opening for One Year After Report	Full Business Case, p10	From scheme opening (July 2021)

Details: Method of Collecting Baseline Information

Public transport information from the latest bus timetable for service 11 was reviewed from stop X to Stop Y. The map shows where these locations are.

The cost of collecting this information was £0.

COMPLETE AND REPEAT FOR ALL OUTPUTS

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

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

…OP3, OP4 etc

OUTCOMES

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

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

COMPLETE AND REPEAT FOR ALL OUTCOMES

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

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

…OC3, OC4 etc

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

EXAMPLE

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1	Improved road safety	**Baseline**	14 slight 7 serious 2 killed	STATS 19 (Road Accident Statistics)	n/a	STATS 19	2020
		Planned/ Anticipated	General downwards trend in accidents	STATS 19 (Road Accident Statistics)	Annually	Full Business Case, p42	By 2026

Details: Method of Collecting Baseline Information

Map STATS19 data and analyse results for key roads and junctions affected by reductions in traffic as a result of the scheme.
This required 1 day of GIS time. STATS19 data was free to use.

COMPLETE AND REPEAT FOR ALL IMPACTS

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

	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM2		**Baseline**					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

…IM3, IM4 etc

14. APPENDIX G - CATEGORIES OF EXEMPT INFORMATION

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

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

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

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