

The template

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

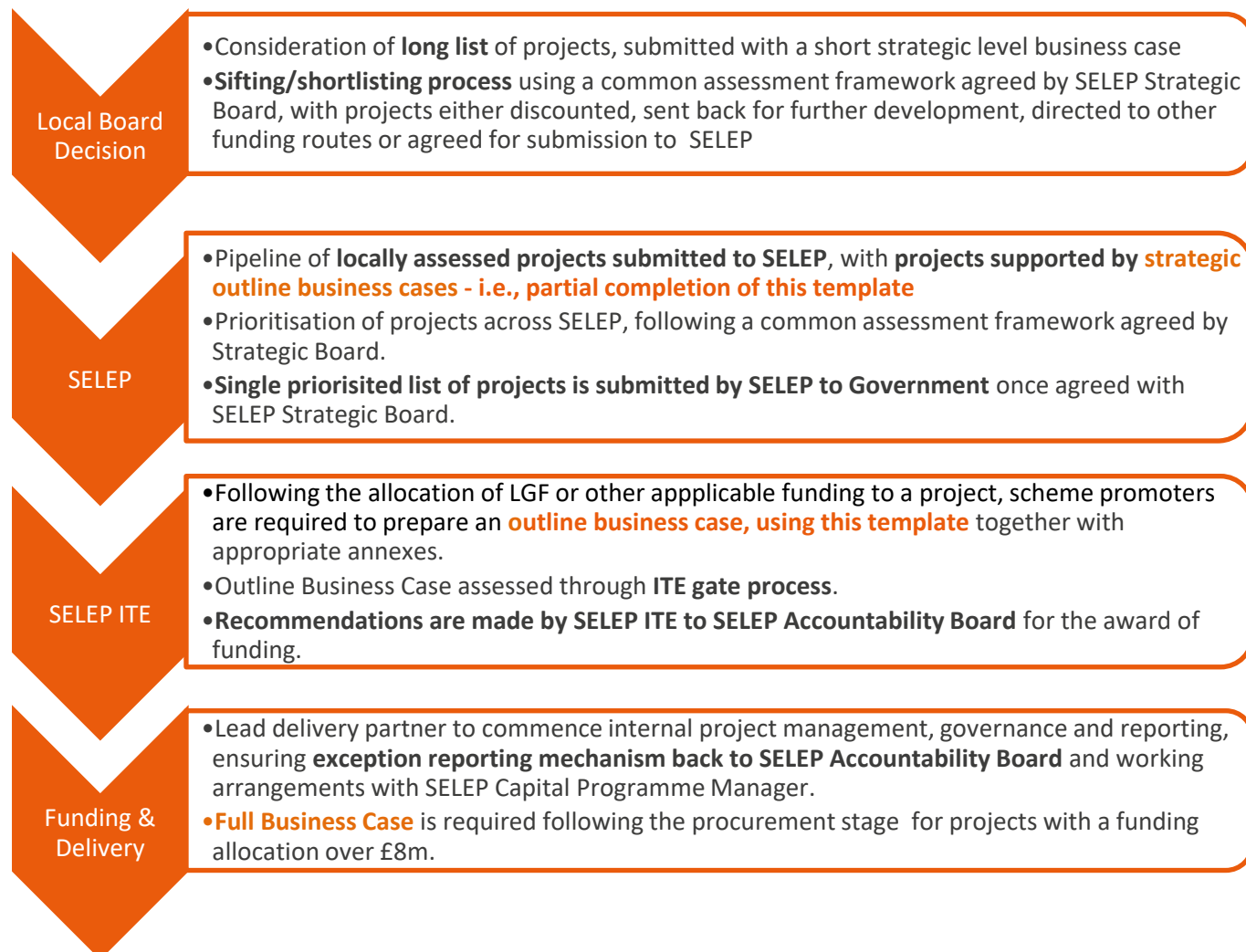
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable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

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

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

The standard process

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



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

Version control	
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1. PROJECT OVERVIEW

1.1. Project name:

Fast Track Business Solutions for the Hastings Manufacturing Sector

1.2. Project type:

Site Development

1.3. Federated Board Area:

Team East Sussex (TES)

1.4. Lead County Council / Unitary Authority:

East Sussex County Council (ESCC)

1.5. Development location:

North Queensway Innovation Park, Queensway, St Leonards on Sea, East Sussex, TN38 9AG

1.6. Project Summary:

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

Getting Building Fund (GBF) investment is being sought to deliver 4,000 sq.m GIA of Class B1/B2 business accommodation on part of the North Queensway Innovation Park (NQIP), which lies within the A21/A259 Hastings Bexhill Growth Corridor as identified in the Strategic Economic Plan for SELEP.

Hastings has one of the highest concentrations of manufacturing employment in East Sussex manufacturing at 8.1% compared to a wider East Sussex average of 6.1% of jobs (NOMIS). This makes the area broadly comparable to the national levels for manufacturing employment and SCS through its business representations, regularly receive enquiries for manufacturing accommodation, both directly and through its agents. As highlighted in the recent employment land survey undertaken for Hastings and Rother Councils, there is however an urgent need to increase the supply of manufacturing space locally and at current take up rates, supply will itself be exhausted in the area within 2 months.

As we progress to economic recovery from COVID-19, more than ever businesses need a platform to excel, but there is a very limited supply of available suitable modern production space in the Hastings area and an oversupply of out-dated stock that increasingly cannot cater for business needs. The project therefore seeks to address the pressing need for modern manufacturing premises locally to assist with economic recovery from COVID-19.

As well as helping to attract new businesses, the project can support both move-on and scale-up businesses locally. Any business relocations from elsewhere in the SELEP will in practice free-up space and redevelopment land elsewhere, which in turn can act as a catalyst for future regeneration.

1.7. Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
Sea Change Sussex (Lead Applicant)	Landowner, Financial and Operational

1.8. Promoting Body:

East Sussex Energy Infrastructure & Development Ltd t/a Sea Change Sussex (SCS)

1.9. Senior Responsible Owner (SRO):

John Shaw, Chief Executive (Deputy: Christopher Broome, Property Director),
Sea Change Sussex

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
GBF	£3,500,000	As this application builds upon previous detailed consents for parts of the NQIP site we consider planning to be a limited risk as the application is compliant with local plan policies allocating the site for employment use. If GBF funding and detailed planning approvals are granted, we do not expect any significant risks in terms of delivery within the project timescale.
Sea Change Sussex (Private sector funding)	XXXXXXXXXX	This investment relates to site infrastructure to provide mains services/utilities to serve the entire NQIP site. SCS Board approval has been already been obtained for this expenditure and SCS has therefore committed to its investment in servicing the plots, and others on NQIP.
Total project value	XXXXXXXXXX	

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.]

GBF - £3,500,000

SCS is of the view that General Block Exemption Regulation (GBER) Article 56 can be used as a State aid solution to deliver the proposed development.

The publicly funded element of the project (i.e. only any interest rate benefits which were to occur) falls below the 10 million euros threshold for GBER Article 56.

The project should fall under the definition of local infrastructure i.e infrastructures that contribute at a local level to improving the business and consumer environment and modernising and developing the industrial base. The aim of the scheme is to support local manufacturing businesses by providing accommodation which is fit for purpose to meet the needs of the modern industrial sector.

The industrial units to be provided by the development are designed to offer flexible accommodation to appeal to a wide range of occupiers and the space will not be dedicated or bespoke for the use of any specific user. The flexible units will be offered on the open market and be made available to all potential occupiers on the prevailing market terms.

SCS will ensure that any contractors appointed to deliver the project are selected through competitive procedures (e.g. OJEU tender process) to prevent the risk of unlawful State aid arising.

If the bid is successful a full legal opinion can be provided if required and all requirements will be met, including any relevant reporting.

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]

SCS is not aware that this business case is subject to any exemptions as per the SELEP Assurance Framework 2017.

1.13. Key dates:

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

SCS has committed its own resources to provide utilities/services infrastructure to support this project, as well as the remainder of the site. This work will be progressed regardless of the outcome of the GBF bid.

Commencement of expenditure

November 2020. Date of confirmation of funding and completion of legal agreement with ESCC/SELEP. SCS has already speculated its own resources on pre-development work including design and planning and is ready to start the project immediately funding is approved.

Construction start date

January 2021. This project will utilise modern steel frame and cladding construction methods, which allow for high quality buildings to be constructed quickly and efficiently with a 6-7 month build programme.

Scheme completion date

October 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
Access from public highway	Planning consent obtained and access constructed	Completed	2014
Internal estate road to service the scheme	Planning consent obtained and access constructed	Completed	2016
Pre-development work for the services/utilities infrastructure	Work up to and including obtaining of Tenders	Completed	April 2020
Land acquisition	Majority of site already in ownership of SCS. Option to acquire strip of redundant Highways land from ESCC, which forms a small part of the site.	Option exercised	August 2020
Pre-Development – RIBA Stages 0-3	Architect – Macallan Penfold Structural & Civils Engineer – Stantec Quantity Surveyor – MEA Principal Designer – Potter Raper Appointed	Pre-development investigations and design work completed and planning application prepared	January-July 2020
Planning Performance Agreement (PPA)	Discussions with Hastings Borough Council	Draft PPA agreed	December 2019 – August 2020
Project development stages to be completed			
Task	Description	Timescale	
Detailed Planning	Submission of detailed planning application	August 2020	
Marketing	Bray Fox Smith/Dyer & Hobbis Appointment upon confirmation of GBF funding	November 2020	
Post planning – RIBA Stage 4:	Architect – Macallan Penfold Structural & Civils Engineer – Stantec	November 2020	

Technical design and tender	Quantity Surveyor – MEA Principal Designer – Potter Raper Appointment upon confirmation of GBF funding	
Construction - RIBA Stage 5	Contractor to be appointed upon successful tender	January 2021
Handover and close out – RIBA Stage 6		October 2021
In Use RIBA Stage 7		Autumn 2021

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.]

North Queensway

<https://www.southeastlep.com/project/north-queensway/>

Project Status – Delivered

Completion Date – Summer 2014

SCS has an existing GPF loan of £1,500,000 in respect of a new road junction with Queensway and preliminary site infrastructure serving the overall NQIP site. To date £1,000,000 of this has been repaid, with the final payment of £500,000 scheduled for 2020/21 out of operating funds. In addition, a Strategic Infrastructure Grant of £550,000 has been received for site infrastructure.

There has been no previous SELEP funding for the construction of buildings on Plots 1.1 and 2.1, which make up this current bid, nor indeed for buildings anywhere on the remainder of the overall site

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.]

The proposal is to provide a total of 4,000 sq.m GIA of industrial accommodation suitable for Class B1/B2 use in 5 detached terraces on two separate plots, namely Plot 1.1 and Plot 2.1, which are situated on opposite sides of the existing estate spine road. The layout of the terraces within these plots has been informed to a large extent by the contours of the land and the position of the underlying sandstone layer.

Plot 1.1 will provide two detached terraces of 800 sq.m and 900 sq.m respectively, totalling 1,700 sq.m GIA. Plot 2.1 will provide three detached terraces of 500 sq.m, 800 sq.m and 1,000 sq.m, totalling 2,300 sq.m GIA. Each terrace has been designed with flexibility in mind so that they can be occupied as a whole, or sub-divided to cater for a wide variety of occupier size requirements in individual units from 150 sq.m up to 1,000 sq.m, each with heavy goods vehicle access and car parking.

It is proposed that the terraces will be of steel portal frame construction with insulated cladding above brick/block to the walls incorporating full height loading doors, with a power floated concrete floor under an insulated profile steel clad roof incorporating minimum of 12% roof lights. The design is for a clear span frame to provide column free space.

Internally the terraces will be finished to a developer's shell with mains services to utility heads and plumbing and drainage connections for WC and kitchens, ready for an occupier's fit-out for their particular needs.

Sustainable growth is at the heart of all SCS's build programmes and building specifications, with Low and zero carbon technologies and materials to give low maintenance and low energy cost solutions. Low environmental and carbon impacts translate into lower occupation costs. For industrial units, manufacturing processes combined with high thermal insulation means that the need for heating systems is greatly reduced, except for office areas where air source heating pumps can provide environmentally energy efficient solutions. SCS will be aiming for a minimum EPC Rating of B for these units.

This project will utilise modern steel frame and cladding construction methods, which allow for high quality buildings to be constructed quickly and efficiently with a 6-7 month build programme and well within the 2021/22 timeframe. This type of construction utilises pre-fabricated cladding panels and is less susceptible to weather variances and as internal finishes and fit-out are minimal, there is less likelihood of delays to the build programme due to COVID-19 social distancing requirements.

The project will deliver 4,000 sq.m GIA of Class B1/B2 business accommodation on part of the NQIP, which lies in Hastings, within the A21/A259 Hastings Bexhill Growth Corridor as identified in the Strategic Economic Plan for SELEP.

Hastings has one of the highest concentrations of manufacturing employment in East Sussex manufacturing at 8.1% compared to a wider East Sussex average of 6.1% of jobs (NOMIS). This makes Hastings broadly comparable to the national levels for manufacturing employment.

SCS, through its business representations, receive enquiries for manufacturing accommodation both directly and through its agents and currently has 43 occupational enquiries on file for industrial accommodation in the Hastings/Rother area, totalling over 1,000,000 sq.ft. Attached at Appendix H is a letter from Dyer & Hobbs who are the leading commercial agents covering the Hastings and Bexhill areas. Their report emphasises the local situation of a shortage of supply coupled with high demand for industrial premises.

In 2019 Hastings Borough Council and Rother District Council jointly commissioned GL Hearn to undertake an Employment Needs Assessment. The research carried out by GL Hearn indicated less than 1 month's supply of industrial accommodation in Hastings and less than 2 month's supply in neighbouring Rother i.e an acute shortage of supply and an urgent need to increase the supply of manufacturing space. A copy of the GL Hearn Economic Needs Presentation for a Stakeholder workshop is at Appendix I.

From regular discussions/meetings between SCS and Locate East Sussex, we are aware that their experience is similar to our own i.e. a lack of opportunities in this area to satisfy demand from local industrial employers. Attached at Appendix J is a copy of a Land & Premises Supply Study prepared by Locate East Sussex, which was commissioned by East Sussex County Council. This report highlights the supply shortage, old age of existing stock and viability issues discussed below.

Compounding this issue is the fact that many local high value production businesses are now operating from out-dated and increasingly redundant forms of accommodation built in the 1970s. Many existing premises are increasingly unfit for modern manufacturing processes, including for a growing number of high tech and innovative companies locally.

This project will address the pressing need for modern manufacturing premises in the Hastings area and respond to the need for COVID-19 economic recovery. East Sussex has consistently contained national equivalent levels of manufacturing employment, outstripping elsewhere in the South East, but there is currently a worrying trend that is seeing high-tech companies leaving an area which benefits from regional selective assistance.

Anecdotally this is in part due to a lack of suitable premises and SCS's agents report high levels of occupier demand from companies wishing to "trade-up" and also for move-on space for companies who are expanding and need larger premises to allow their businesses to grow further. As we recover from COVID-19, more than ever businesses will need suitable premises to excel and demand for move-on and expansion into modern premises is expected. At present, the area cannot provide this offer, owing to a very limited supply of available space and a prevalence of outdated industrial stock that dates back to the 1970's and coming to the end of its usable economic life.

The scheme will therefore help to ensure that high tech manufacturing activities are retained locally, including in electronics, defence, aerospace, vacuum pump technologies, automotive and environmental technologies. In continuing to operate from their existing premises, these businesses will ultimately be burdened with long-term increases in operating costs caused by inefficient older buildings operating beyond the peak of their economic lifespan. This will inevitably impact on business productivity locally.

As well as attracting new businesses to the area, the project will provide much needed move-on space to help safeguard high value production jobs locally. A by-product of that process will be the freeing up of existing sites currently occupied by older premises for redevelopment, thereby freeing up opportunities for future regeneration.

As we recover from the COVID-19 public health emergency, the project also seeks to ensure future business vibrancy and success among one of SELEP's 12 growth corridors. The project will respond to a shortfall of available move-on space, which is an increasingly pressing concern of the business community.

A recent report by Lichfields commissioned on behalf of the Hastings & Rother Task Force highlighted that in 2019 Hastings was the most deprived local authority in the South East according to MHCLG's Indices of Multiple Deprivation (IMD). In 2000 Hastings was in the top 15% of most deprived local authorities nationally, but by 2019 it was in the top 5%. Within Hastings, there are pockets of significant deprivation remaining, including the Hollington ward, which is immediately opposite the subject site.

In the wake of COVID-19 this scheme will help to support future increased manufacturing activity and help bring supply chains on-shore reducing reliance on global supply chains for essential goods and in the process, stimulate job creation.

The scheme will help to stimulate economic growth by kick-starting the local manufacturing sector by delivering much needed modern industrial space at a time when the private sector will not contemplate speculative development and many local businesses will struggle to raise finance for such capital investment as a result of COVID-19 on their reserves.

Following the important changes to the 1987 Use Classes Order, which were made on 20th July 2020 and will take effect on 1st September 2020, SCS has had initial discussions with the planning department at Hastings Borough Council and it is likely that the planning application for this project will be amended to 4,000 sq.m of Class E/B2 accommodation to maintain the flexibility of the original Class B1/B2 proposal. The creation of a new Class E (Commercial, Business and Service) which amalgamates many of the previous A, B and D Classes into a single Class will enable buildings within Class E to be used for a wide variety of different uses without the need for planning consent, which in turn may lead to increased demand.

The Government has also introduced a new Class ZA Permitted Development Right, with effect from September 2020, which will allow any single detached building within Classes B1a, B1b B1c to be demolished and replaced by residential development, subject to the building pre-dating 31st December 1989, not being listed, having a building footprint of 1,000 sq.m or below and being vacant for 6 months. This may have the effect of exacerbating the acute supply shortage of industrial property in Hastings, where much of the existing stock is older, if buildings are lost to residential use. However, it may make it easier for some owner occupiers of older property to get value out of their site to cash flow a relocation to new premises, which is often not currently possible due to low values.

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]

Inputs	Outputs	Outcomes	Impacts
Grant Spend £3.5m GBF grant	<ul style="list-style-type: none"> 4,000 sqm of new manufacturing and ancillary office space, delivered on 2 plots in North Queensway 	<ul style="list-style-type: none"> Temporary boost to the local construction sector Enhanced jobs capacity locally and resultant impact on local labour market performance Uplifts in land values Retained manufacturing businesses and production capacity in the local area 	<ul style="list-style-type: none"> Construction-related effects – 10 net SELEP job years and £0.9m GVA impact (£0.9m NPV) Operational effects – 75 net SELEP FTE jobs and £51.2m GVA impact (£39.8m NPV) Land Value Uplift - £3.3m in net LVU (£3.2m NPV) Labour Supply Impact – £6.6m in welfare-related tax (£5.1m NPV)
Matched Contributions Spend ■■■ SCS private match	<ul style="list-style-type: none"> Delivery of services to the relevant plots 	<ul style="list-style-type: none"> Overcomes an abnormal cost and plays a supporting role in project delivery 	<ul style="list-style-type: none"> None expected

2.3. Location description:

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

Location

The site is located within the A21/A259 Hastings Bexhill Growth Corridor and benefits from good existing transport links. NQIP is situated on the north west side of Queensway (B2092) in St Leonards, approximately five miles to the north west of Hastings town centre. It is midway between the junction of Queensway with Combe Valley Way (Bexhill-Hastings Link Road) to the south giving access to the A259 and A269 and Queensway Gateway Road to the north which will link directly to the A21.

This is an established commercial location, being opposite the Castleham Industrial Estate, which is the main industrial area for Hastings/St Leonards and home to such companies as Plastica, Marshall Tufflex, General Dynamics, HG Aerospace, Alpha Laval and Kurt J Lesker. The Enviro 21 Industrial Estate and Sussex Exchange restaurant/conference facility are immediately to the south.

The site is situated very close to Hollington ward, which is one of the most deprived areas in Hastings, which in turn is the most deprived local authority area in the South East in terms of IMD.



	<p><small>This drawing copyright of Macallan Penfold Ltd, and shall not be copied, altered or reproduced in any way or passed on to a third party without written authority. All dimensions subject to site survey and verification. Not to be used for construction purposes.</small></p>	 <p>Macallan Penfold Ltd, The Barn, 255 High Street, Bexhill, Hastings, BN24 5JW T: 01323 822824 E: info@macallanpenfold.co.uk W: www.macallanpenfold.co.uk</p>	<table border="0"> <tr> <td>Client</td> <td>Sea Change Sussex Ltd</td> </tr> <tr> <td>Address</td> <td>Queensway North St. Leonards on Sea East Sussex</td> </tr> <tr> <td>Project Name</td> <td>Site Location Plan</td> </tr> <tr> <td>Project Number</td> <td>1512</td> </tr> <tr> <td>Drawing Number</td> <td>L.001</td> </tr> </table>	Client	Sea Change Sussex Ltd	Address	Queensway North St. Leonards on Sea East Sussex	Project Name	Site Location Plan	Project Number	1512	Drawing Number	L.001
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Site Layout

The site access from the public highway at Queensway has already been constructed, as has Phase 1 of the internal estate spine road, which gives access to Plot 1.1, Plot 1.2, Plot 2.1 and Plot 2.2. The spine road will be extended in the future to access Plots 3.1 and 3.2 (which do not form part of this bid) as and when occupiers come forwards and the layout of development for that part of the site is known.

Detailed planning consent has already been obtained by SCS in respect of Plot 2.2 and part of Plot 1.1 for car showroom and workshop use, to provide relocation options for a local car dealership business to facilitate the final phase of the Queensway Gateway Road project.

SCS is currently progressing works to provide mains electricity (with sub-station), gas, water (with pumping station) and drainage to serve the whole of the NQIP site.

NQIP comprises a steeply sloping site, under which lies a highly porous layer of sandstone. The site is bordered to the south by Marline Wood, mature woodland, designated as a Site of Special Scientific Interest. The sandstone layer is a natural conduit for water drainage across the site towards the SSSI and, as a consequence, this layer cannot be disturbed which in turn means that usual cut and fill techniques cannot be employed to level the land.



2.4. Policy context:

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

The project will achieve the national, regional and local strategic economic development objectives by:

- Strengthening Hastings’ business infrastructure, addressing a proven need for modern high quality and flexible industrial space that will meet the needs of the hi-tech and manufacturing sectors
- Accelerating economic development in a deprived area in a coastal town
- Extending existing employment opportunities in the town by attracting, retaining and high value growing businesses locally.
- Providing economic resilience and ensuring place competitiveness

The project will support the aims of the **UK Industrial Strategy** by facilitating economic rebalancing, creating productive jobs and increase the earning power of people. The focus on industrial space to upgrade business infrastructure will have the potential to strengthen the foundations of productivity – the fundamentals that support a skilled innovative and rebalanced economy. The five foundations of the strategy are:

Ideas: encouraging the UK to be the world’s most innovative economy

People: ensuring good jobs and greater earning power for all

Infrastructure: driving a major upgrade to the UK’s infrastructure

Business environment: guaranteeing the best place to start and grow a business

Places: creating prosperous communities across the UK

In its **Strategic Economic Plan (SEP)**, SELEP brought forward the concept of ‘Investing in Growth Corridors’ which identified 12 strategic growth corridors within the region, one of which is the A21/A259 Hastings – Bexhill corridor. This corridor is included with the aim of facilitating the delivery of 14,978 jobs and 12,065 homes. The A21/A259 corridor includes some of the region’s most deprived communities along with major investment opportunity sites. One of the ways the SEP is seeking to achieve this is by ensuring that land is available to accommodate growth, which is a significant constraint in the South East. The SEP outlines the long-term commitment to unlock employment land with capacity for 310,000 additional jobs.

SELEP Economic Strategy Statement 2018 – Smarter, Faster, Together sets out Priorities including:

Priority 1 - Creating ideas and enterprise
Respond to the increasing need for workplace flexibility.

Priority 3 – Accelerating infrastructure
Sustaining efforts to drive up levels of housing (and commercial development) delivery over time.

Priority 4 – Creating Places

First, to be successful and sustainable, communities need to be about more than just housing delivery. Second, most economic growth will take place in existing businesses and existing communities: we need to ensure that our towns and cities remain (and become increasingly) attractive places to live, work and invest.

SELEP Skills Strategy 2018 is an employer led strategy, a medium-term ambition of which is to continue to attract capital and revenue funding to deliver growth and to increase productivity driven by innovative businesses and people skilled for the future.

The East Sussex Economic Development Strategy 2012 sets the following vision: “By 2021, East Sussex will have a stronger, more resilient, inclusive and balanced economy, built on an expanded private sector base in a county recognised for its distinctive character and excellent connectivity”. Relevant Priorities within the strategy set out to provide the right environment to attract new businesses, retain existing ones and foster enterprise, job creation and innovation and to upgrade the provision of commercial sites and premises – ensure workspace is sufficient, appropriate, sustainable and flexible.

The Strategy identifies seven strategic priorities to deliver the Vision. Strategic Priorities 1 and 4 are particularly relevant to the North East Bexhill strategic employment area, as follows:

Strategic Priority 1: Right environment to attract new businesses, retain existing ones and foster enterprise, job creation and innovation – the Strategy recognises the need to encourage further business investment and growth, suggesting that the County should build on existing businesses whilst also encouraging higher-value added sectors which could help boost productivity in the county if further developed e.g. finance and business services, advanced manufacturing and engineering, and environmental technologies.

Strategic Priority 4: Upgrade the provision of commercial premises - ensure workspace is sufficient, appropriate, sustainable and flexible – the Strategy identifies that new space for business is key to attracting, retaining and growing businesses and jobs. It identifies the potential to explore the use of alternative/innovative funding mechanisms where there are viability issues with a development. It suggests a need to provide business appropriate incubator space and move on premises to allow for ‘property escalation’ to encourage business growth and to increase the potential for attracting higher growth and high value-add businesses to the area. In terms of a spatial focus, it points to and facilitates access key development sites across East Sussex, in particular North East Bexhill.

The Strategy recognises the County’s potential for business growth but highlights that there is an insufficient supply of business premises and many of those that do exist are not appropriate to the needs of businesses.

East Sussex Growth Strategy 2014 is built around three pillars: Business, Place and People, the first two of which are of particular relevance for enabling business growth, particularly of ‘high value’ businesses – enabling the delivery of an appropriate pipeline of suitable business premises and promoting East Sussex as a ‘brilliant place to do business’.

One of the objectives of the **Hastings Planning Strategy 2014** is to achieve and sustain a thriving economy through such policies as:

- Supporting economic development and regeneration with particular emphasis on the key economic growth sectors which include hi-tech and manufacturing.

- Allocating and protecting appropriate land for business uses in locations including the Queensway Employment Corridor
- Increasing the supply and range of job opportunities in accessible locations across the town as part of achieving a more sustainable pattern of development and activity

Policy DS2 identifies the Queensway Employment Corridor as a site for focus of economic regeneration, local economic growth and diversification.

The Development Management Plan 2015 identifies this location as a catalyst to other businesses and premises and allocated the North Queensway Innovation Park site for Class B employment development under Policy LRA6. It is seen as suitable for high quality business development, possibly for a single large user or more likely for several medium sizes business units or a range of small ones.

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

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.]

GBF investment is being sought to deliver 4,000 sq.m GIA of Class B1/B2 industrial accommodation. The project has been brought forward to meet an immediate and pressing need for modern manufacturing space in Hastings that can meet the demands of businesses and respond to the Covid-19 induced economic slowdown. Without a strategic response to meet current demand, there would be a significant missed opportunity for Hastings and the SELEP, which in turn would lead to a loss of competitiveness.

There are long-standing financial viability challenges in Hastings, a coastal town that is typically viewed as being 'deprived'. For any private sector developer that relies upon raising equity or bank finance, there is a high level of perceived risk among funders for investing in a coastal location in East Sussex. This challenge is exacerbated by prevailing COVID-19 induced macro-economic/national market conditions and planning challenges. Third party developers and occupiers have no appetite to take on the planning challenges and there is also no appetite from private sector funding sources to take on such risks. This issue is highlighted by Locate East Sussex in their Land & Premises Supply Study at Appendix J.

This makes it extremely unlikely that a private sector developer would be able to obtain the necessary development finance to deliver the production space needed and even if it was possible to secure this, the perceived risks would be likely to out-weigh the perceived financial benefits of investment.

This market failure is itself the rationale as to why SCS exists. SCS itself operates no differently to a private developer, although as SCS is charged with delivering economic growth, it is often prepared to accept a lower rate of return if it can secure wider economic development outcomes. In the absence of GBF investment, SCS would not be able to secure the necessary development finance required to secure Board approval to proceed with this project and a GBF investment is suitable for this project because it cashflows an immediate need, where no other source can respond in the timescale.

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.]

Despite a significant and pressing need for new production space in Hastings, the Queensway North site has been marketed for 6 years and no private sector developers have come forwards in that time. In addition, a total of 43 enquiries have been received from occupiers, but none have been able to secure bank finance for progressing a project on the site.

For a private sector developer reliant upon raising equity or bank finance, there is a high level of risk/ perceived risk due to (a) prevailing national economic/market conditions, exacerbated by COVID-19, coupled with the fact that (b) the site is in a more deprived coastal location in East Sussex and that there are (c) planning challenges. Whilst there is high demand from third party developers and occupiers for the site, they have shown no appetite to take on the planning challenges and other such risks.

This makes it extremely unlikely that a private sector developer would be able to obtain the necessary development finance to response to the development opportunity and the site viability challenges means that in the absence of the GBP investment the site would remain undelivered.

This market failure is effectively the rationale as to why SCS is looking to provide an alternative turnkey solution whereby SCS acts as developer with a willingness to accept lower investment returns in exchange for economic outcomes. As the developer, SCS would itself also be unable to secure the necessary development / bank finance required to secure board approval and proceed with the project.

In the absence of any other form of public sector investment support, without the GBF it is considered that the project would be highly unlikely to be developed in the foreseeable future.

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

[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable.

The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. 'Do nothing' scenarios where nothing changes are unlikely; max. 1 page.]

SCS is committed to developing NQIP having previously worked to deliver the site entrance and Phase 1 of the estate spine road.

It was originally anticipated that capital generated from sales of development plots would provide a revenue stream to repay the original GPF loan of £1,500,000. However, delays due to the planning and regulatory sectors have discouraged such developments from coming forwards.

Whilst there is high demand from third party developers and occupiers for NQIP, ground conditions for the particular sites and other abnormal costs means that financial viability for these plots is very marginal. There is also known to be no appetite among developers to take on the planning challenges and as such, no developers would commit to delivering development on the plots. This is best evidenced by the fact that they have been promoted for 6 years now with little progress made on securing private investors.

SCS is currently in the process of carrying out wider infrastructure works to help address these challenges and enable stalled land sales to progress, but the only viable way that these plots at NQIP could feasibly be delivered is through SCS investment to deliver speculative development. Acting a private developer, SCS itself is relatively unique in that it will accept a lower investment financial returns where wider economic outcomes can be achieved, but for these plots without its own reserves SCS can only realistically deliver the speculative development through grant funding.

Without GBF funding, SCS would therefore not be able to secure the required board approval to proceed with the project and as GBF is presently the only known route to grant funding available to SCS, without the GBF investment the project would be stalled indefinitely unless SCS is able to secure alternative loan funding from as yet unknown sources. At present this seems unlikely.

This would then fail to build upon the momentum that has been established locally through various highly successful economic development initiatives and the economic competitiveness of Hastings could be compromised.

2.8. Objectives of intervention:

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

Project Objectives (add as required)

Objective 1: Deliver 4,000 sqm of modern suitable production space

Objective 2: Safeguard/Create jobs and activities locally

Objective 3: Support COVID-19 economic recovery and East Sussex success

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

Problem / Opportunity 1: High levels of unemployment

Problem / Opportunity 2: Weak local economy

Problem / Opportunity 3: Lack of investment

[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 Unemployment	Problem / Opportunity 2 Weak economy	Problem / Opportunity 3 Lack of investment
Objective 1 Production capacity	✓✓✓	✓✓✓	✓
Objective 2 Jobs creation	✓✓✓	✓✓✓	✓
Objective 3 Economic recovery	✓✓✓	✓✓✓	✓✓✓

2.9. Constraints:

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

Land ownership – majority of the site is in the ownership of SCS which has an Option to acquire the remainder (former highway land) from ESCC.

Highways access – site access from the highway is already in place

Planning – design ready to be submitted for planning in 2 weeks and then the usual time frame for planning to be approved

Site infrastructure – internal spine road already in place

Site services – work currently underway to provide mains services

Site conditions – extensive site investigations already carried out as for existing detailed planning consents and prior to development of the site access and spine road.

2.10. Scheme dependencies:

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

The scheme has few dependencies, as SCS own the majority of the site and have exercised an Option to acquire the remaining small part. SCS has held Pre-App meetings with HBC who are supportive as it is policy compliant and follows on from earlier detailed consents for site infrastructure and bespoke buildings on various other plots.

However, any dependencies will be identified, mitigated as far as possible and continually monitored throughout the project.

2.11. Expected benefits:

[This section identifies scheme benefits (which will be achieved through delivering the scheme) which may not be valued in the Economic Case. Specify the extent of the scheme benefits referring to relevant economic, social, environmental, transport or other benefits. This is where any 'GVA based' estimates of benefits should be reported together with any dependent

development (e.g. commercial or residential floorspace). Please reference the relevant section of the Economic Case where additional information regarding the assessment approach can be found; max. 0.5 page.]

The primary benefit of the project will be increased capacity to support higher value jobs in the Hastings and Bexhill area. The project will directly deliver 4,000 sq.m of new Gross External Area (GEA) production space on 2 plots at Queensway North Innovation Park, enabling a response at speed to a lack of suitable modern production floorspace locally, and supporting a national response to COVID-19 economic recovery.

Modelling of economic impacts has identified potential for the project to support:

- 76 net construction-related and operational Full Time Equivalent (FTE) jobs
- £52.1m in cumulative GVA, or £40.6m in GVA at Net Present Values (NPV)
- £3.3m in net Land Value Uplift, or £3.2m of LVU at NPV
- £6.6m of Labour Supply Impacts, £5.1m at NPV

Alongside the monetised benefits, the project has potential to bring a number of wider economic outputs, including potential to:

- Retain and attract inward investment in the County.
- Provide the opportunity for local companies looking to expand or transfer their operations within the East Sussex area
- Support the delivery and attractiveness of Queensway North Innovation Park
- Contribute to the overall growth opportunity being promoted within the SELEP Growth Corridors
- Ensure a quality business accommodation offer in East Sussex that can meet the needs of both indigenous businesses as well as providing commercial property product capable of attracting larger companies to the area.

2.12. Key risks:

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

SCS will adopt a strategic approach to risk management, integrating it into workflows and processes, in order to make better informed decisions. An issue log will be utilised to monitor changes and issues. The risk management strategy will be reviewed and updated as a live document at all stages throughout the life of the project. Risks will be reviewed at differing intervals according to net risk level:

- High Risk – Minimum monthly
- Medium Risk – Minimum quarterly
- Low Risk – Minimum six monthly

A detailed Risk Management Strategy is provided at Appendix C.

3. ECONOMIC CASE

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

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

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

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

3.1. Options assessment:

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

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

Long list of options considered:

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

Options assessment:

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

Short list of options:

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

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

The project will contribute to addressing the pressing need for modern manufacturing premises in the Hastings area, thereby helping to address a worrying current trend of high value production companies leaving the area in part due to a lack of suitable premises.

Spatial master planning has identified capacity to support 4,000 sq.m of modern B2 production and ancillary B1 office space (GEA) on two separate plots at North Queensway, namely Plot 1.1 and Plot 2.1 which are situated on opposite sides of the existing estate spine road.

Whilst either plot could in theory be delivered in isolation, any reduced option would have a much lesser role in responding to the need for modern suitable premises or to COVID-19 recovery. Similarly, investment in a reduced scheme would significantly diminish the returns to

SCS that it expects from its investment in the project and so a reduced project option has been discounted.

Similarly, a more a phased approach has also been considered and excluded at this stage, owing to the potential for disruption caused to first phase occupiers, which may limit marketability and deter early take-up of the space. There are also clear cost efficiencies and economies of scale that could be achieved through delivering the full project in parallel.

As such, early optioneering for any scaled down or phased options as alternative delivery model has been dismissed, and therefore neither option is carried forward for economic appraisal.

The Preferred Option is to deliver the full 'shovel ready' project at speed and further optioneering around funding and financing the project has taken place, with an initial strategy to fund the project through a GPF loan arrangement. The advent of COVID-19 induced lockdown has meant that GPF availability is no longer possible. In the absence of suitable alternative loan or grant funds available to SCS, the optioneering has identified GBF as the only available funding source that can respond to the need for production space in the area, thereby helping towards economic recovery from COVID-19.

The options carried forward for assessment are therefore as follows:

Option 1 - Non-intervention (Do Minimum)

This option would see SCS continue to invest in site servicing work in the hope of disposing the plots to an alternative developer. The plots have in practice been marketed on these grounds for over 6 years now and no private sector developers have come forwards in that time. A total of 43 enquiries have been received from occupiers, but none have been able to secure bank finance for progressing a project on the site. Private financing for a project of this nature is now also more difficult than ever given economic uncertainties arising from COVID-19.

As such, the 'deadweight' position is that the plots would remain in current greenfield use, supporting little or no activities over the longer term and the Do Minimum option is considered to be nil, although SCS would still commit to funding the site servicing works as per its current commitments.

Option 2 – Delivery of 4,000 sqm of production space (Preferred)

The Preferred Option will see GBF grant utilised to deliver 4,000 sqm (GEA) of new commercial space on the two North Queensway plots, most likely developed out as B2 manufacturing space with the potential for some ancillary B1a office accommodation. Under this option both plots would be delivered in tandem and supported by SCS investment in servicing works. The Preferred Option will enable an early response to COVID-19 recovery and deliver much needed manufacturing space locally.

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 fully aligns with the objectives of bringing forward modern suitable manufacturing premises in the Queensway area at speed. Stakeholder support is currently being confirmed through the granting of planning permission for the project (expected in October 2020), which will include a full Environmental Impact Assessment to demonstrate how any negative effects arising from the project would be fully mitigated through appropriate design and

landscaping measures. SCS has already secured numerous previous detailed approvals through planning for other aspects of the QNIP (access from the public highway, internal infrastructure, bespoke buildings etc) and SCS is confident in gaining planning approval in October.

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.]

Without the GBF investment the project would not be progressed and although the plots would continue to be marketed by SCS the most likely counterfactual position is that no development would be forthcoming and that no impacts could be achieved. The GBF investment will directly deliver the growth opportunity and all impacts can therefore be considered to be wholly additional to the GBF grant.

In economic terms, there are a range of local and national scale impacts associated with the Preferred Option project, including:

- a) new employment opportunities supported through investment in construction works;
- b) a temporary boost to the GVA contribution of the local construction sector;
- c) direct uplifts in commercial Land Values (LVUs) achieved on both plots, the principles for which are established through HMT Green Book and the MHCLG Appraisal Guide;
- d) the resultant new Full Time Equivalent (FTE) manufacturing and ancillary production support jobs following the completion of the new build;
- e) the resultant and longer term cumulative operational GVA that could within the SELEP economy; and,
- f) the effect of longer-term FTE job opportunities locally to help redress current imbalances in performance of the local labour market, thereby bringing about Labour Supply Impacts (LSI), the principles for which are established through both HMT Green Book and WebTAG.

Alongside modelling of 'central case' results, sensitivity analysis has been completed on Preferred Option impacts to test the effects of delivery risks on central BCR results. The key delivery and economic risks include the potential for (a) reduced project economic outcomes, (b) a delay in outcomes being achieved and (c) higher than anticipated levels of displacement. An allowance for Optimism Bias (OB) has also been included to reflect cost risks. Although the site is well understood, for prudence OB has been retained at upper bound levels for standard buildings (24%), as per HMT Green Book Supplementary Guidance (2018).

Given these risks, four sensitivity tests are as follows, with results reported at section 3.8:

- Sensitivity 1: -20% of LVU and LSI results
- Sensitivity 2: +10% displacement
- Sensitivity 3: 2-year delay in outcomes
- Sensitivity 4: OB at +24% on cost

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].

Key economic appraisal assumptions are provided in Appendix A.

The supporting economic impact model, prepared by GENECON, first assesses gross impacts. Prudent adjustments for leakage and displacement / substitution have then been made to gross impact results to arrive at estimates for net impacts to the SELEP area.

Given the location of the site in the SELEP area leakage of employment impacts are estimated to be low (-10%). The Employment Land Review identifies a significant shortage of manufacturing space in the Hastings and Rother areas, particularly expansion space for businesses looking to grow. Displacement of employment and LVU impacts is also estimated at the lower end (-25%), reflecting a pressing need for COVID-19 recovery and limited similar modern alternative manufacturing premises locally from which activities could be displaced. Whilst higher levels of displacement locally may be assumed among 'grow on' businesses, in practice any business relocations would free up accommodation for other similar manufacturing businesses locally. Similarly, by default these businesses will be looking to expand and grow their workforces post-COVID-19 and given the known supply shortages across the two districts, displacement is assessed at the lower end.

3.5. Costs:

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

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

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

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

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

The delivery of the Preferred Option development will wholly depend on the £3.5m GBF grant and whilst SCS investment of [xxx] will support the project. The SCS investment excludes any sunk costs incurred to date. SCS has ultimately already committed to invest in servicing the plots, so in practice its 'net' cost will be £0.

In line with HMT Green Book and Appraisal Guide Principles, net costs informing the economic case are presented in 'real terms', through adjustments to remove the effects of general inflation. The adjustment to remove the effects of general inflation has been informed by the latest available HMT GDP Deflator (June 2020). This enables reporting of 'net real term impacts against net real term costs' within the BCR tests.

As per the assessment of economic impacts, all costs included within the BCR tests are also presented in net present value (NPV) terms, through the application of the HMT Green Book annual discount rate (-3.5% pa).

On this basis, the net real term cost of the Preferred Option is estimated at £3.4m or £3.3m at NPV, and this cost would wholly be GBF investment.

The Central Case estimate and all sensitivities also include an allowance for Optimism Bias (OB). OB is a sensitivity applied in economic appraisal only and does not represent risk contingency allowances included in the Financial Case costs. In assessing the level of appropriate OB, reference has been made to HMT Green Book Annex A5 (2018) and Supplementary Guidance (2013), which outline categories of types of project and generic OB adjustment percentages.

The upper bound for capital expenditure for 'standard buildings' is 24% and this is then reduced downwards by the extent in which project risks have already been mitigated through costing and project development. The assessment of OB for the project is outlined in the table below, with OB itself mitigated downwards from 20% to 10%. OB has been included in the Central Case and each sensitivity.

Standard buildings: capital spend			HM Treasury Green Book optimism bias upper bound = 24%				Mitigation measures
Contributory factors to 24% Optimism Bias		OB before mitigation		Mitigation factor	OB after mitigation		
		(100%)	(24%)		(0-1)	(100%)	
Procurement	Late contractor involvement in design	2%	0.5%	0.7	0.6%	0.1%	Detailed timetable and approach to procurement of contractors, with some trusted contractors already previously engaged by SCS. Value of contracts and SCS's longstanding experience of procuring and delivering similar projects will help secure nationally reputable contractors.
	Poor contractor capabilities	9%	2.2%	0.7	2.7%	0.6%	
	Dispute and claims occurred	29%	7.0%	0.6	11.6%	2.8%	
Project specific	Design complexity	1%	0.2%	0.8	0.2%	0.0%	Very standard design on a greenfield site with limited use of innovative design or construction methods.
	Degree of innovation	4%	1.0%	0.8	0.8%	0.2%	
Client specific	Inadequacy of the business case	34%	8.2%	0.7	10.2%	2.4%	Business case development through SELEP ITE review with all suggested alterations and feedback incorporated. Consultant team appointed with national reputation for GB business case development.
	Project management team	1%	0.2%	0.8	0.2%	0.0%	PM team carried forward from design and business case development with a long history of delivering similar schemes.
	Poor project intelligence	2%	0.5%	0.8	0.4%	0.1%	SCS are in ownership of land assets and has detailed knowledge of NQIP and local demand.
	Other	0.1%	0.0%	1	0.0%	0.0%	N/A
Environment	Public relations	2%	0.5%	0.5	1.0%	0.2%	SCS has a long history of public engagement and local political support.
	Site characteristics	2%	0.5%	0.3	1.4%	0.3%	Well understood site in SCS control.
External influences	Economic	11%	2.6%	0.1	9.9%	2.4%	Very challenging to mitigate for current macroeconomic uncertainty.
	Legislation/regulations	3%	0.7%	0.3	2.1%	0.5%	SCS is progressing with planning application at risk in advance of funding and has a good working relationship

							with a supportive statutory planning authority.
		100%	24.0%		41%	9.9%	OB Applied = 10%

3.6. Benefits:

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

'Initial' Benefits

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

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

'Adjusted' Benefits

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

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

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

Whilst for completeness all economic impacts have been assessed – including gross and net jobs, GVA, LVU and LSI impacts – we understand that to adhere to the SELEP Appraisal Framework, only net LVU and LSI impacts can be carried forward into 'initial' and 'adjusted' VfM / BCR tests. Note, some of the GVA impacts claimed locally will be included within LSI impact results, although as GVA is excluded from the VfM tests, this is inconsequential.

The following impacts have been carried forward into 'initial' and 'adjusted' BCR tests.

‘Initial’ Gross and Net LVU Impact

The 1.9ha site is currently in a mix of low value agriculture and scrubland and estimates for current LV are based on ready reckoner evidence of £22,500 per ha for agricultural land in the SELEP area reported by VOA / MHCLG (2017), estimates at £42k. In reality this is likely to be an overestimate for the low value land. Future land and property values are based on development appraisal evidence, estimated at £4.5m in future LV. On this basis gross LVU is estimated at £4.45m and a prudent (25%) deduction has then been made to estimate net LVU at £3.34m, or £3.23m at NPV.

‘Adjusted’ Gross and Net Labour Supply Impact

In providing an overall increase in job capacities and densities in the Hastings / Rother area, the project has potential to help encourage greater take-up of job opportunities locally, thereby encouraging improved labour supply. At 73% (ONS, YE to June 2019), Hastings and Rother are known have a significantly lower Employment Rates than the wider SELEP average (78%) and in real terms redressing the 4.4pp deficit would require around 4,850 residents re-/engaging in employment. Given the shortfall in jobs locally, it is therefore not unreasonable to assume that 20% of future gross FTE jobs would be filled by those re/engaging in the labour force. Application of an ONS GDP per FTE job estimates for manufacturing (£77,500 per FTE) and office (£55,200 per FTE) jobs in East Sussex have been applied to determine the overall GDP generated by workforce re/entrants encouraged back into employment over the first 10 years, and in line with WebTAG Principles, 40% of GDP can be claimed in welfare-related impacts, estimated at £6.63m, or £5.15m at NPV. These GDP impacts are a mix of additional tax revenues and negated welfare payments nationally.

3.7. Local impact:

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

Alongside LVU and LSI effects nationally, the project will directly support temporary construction-related job years and longer-term operational FTE jobs locally and associated GVA effects.

Local impacts are therefore assessed as follows:

Gross and Net Construction Employment Effects

An ONS benchmark of £186,574 turnover per construction job year in the South East alongside a net construction cost estimate of £2.8m (GBF less 20% fees) has been used to estimate gross construction job years supported directly through the delivery of the project, estimated at 15 gross construction jobs, or 2 gross FTEs when applying industry standard job years to FTE conversions (10 to 1). Prudent deductions for leakage (-10%) and displacement (-25%) has then been made to arrive at an estimate of 10 net construction job years, or 1 net construction FTEs.

Gross and Net Operational FTE jobs

Conversion from GEA to NIA space (at 85%) has been made based on HCA Employment Densities Guide (EDG) ready reckoner evidence. Similarly, the EDG has been used to estimate the jobs capacity of new space, with ready reckoners of 32 sqm of NIA space per FTE manufacture job applied to the quantum of NIA manufacturing space and a ready reckoner of 12 sqm of NIA per ancillary office-based manufacturing support job has been applied. A prudent 10% deduction has then been made to reflect periods of underoccupancy within the new development to arrive at an estimate for estimate of gross FTE jobs, estimated at 111 gross operational FTEs. Prudent deductions for leakage (-10%) and displacement (-25%) at the SELEP level has then been applied to arrive at an estimate of 75 net FTE jobs.

Cumulative GVA impacts – Construction and Operational

Sector-based ONS GVA per job benchmarks for construction (£89,100 per FTE), manufacturing (£68,100 per FTE) and office-based (£48,500 per FTE) employment in East Sussex has been applied to estimate the cumulative GVA returns to the SELEP economy arising from the gross and net employment estimates. For construction activities, GVA per job metrics have been applied to the gross and net construction job projections, and for operational FTE jobs it is considered the new jobs would be present for 10 years. In practice it is likely that the new manufacturing and ancillary office space will support employment opportunities well beyond the first 10 years. On this basis, it is estimated £0.8m of net construction and £51.2m of net operational GVA could be generated within the SELEP economy by 2033/34, totalling £52.1m in net GVA, or £40.6m at NPV.

3.8. Economic appraisal results:

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

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

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

No public investment will contribute to project outputs, although SCS private investment in serving the site will ultimately improve the marketability of the new development. SCS investment in these external /abnormal costs would effectively improve the market viability of the development, but the previous 6+ years of marketing the plots has shown that developers have been unable to deliver new production space in the area. This long-standing trend is in effect the rationale for SCS existence, which is willing to deliver projects at lower profit margins in exchange for improved economic outcomes.

The table below presents the central Value for Money results of the Preferred Option less the Do Minimum, including the headline central BCR and supporting findings of the sensitivity tests. Cost inclusions in the Central Case and all sensitivities include allowances for OB, set at 10% in the Central Case and Sensitivities 1-3, and held at maximum upper end OB for standard building (24%) in Sensitivity 4.

This demonstrates that the 'adjusted' overall BCR position for the Preferred Option would bring high value for money.

	Value for Money Results	Preferred Option relative to status quo
		GBF Cost
A	Present Value Benefits (£m)	£3.23m net LVU (NPV)
B	Present Value Costs incl. OB at 10% (£m)	£3.66m (NPV)
C	Present Value of other quantified impacts (£m)	£5.15m net LSI (NPV)
D	Net Present Public Value (£m) [A-B+C]	£4.72m (NPV)
E	'Initial' Benefit-Cost Ratio [A/B]	0.88 : 1
F	'Adjusted' Benefit Cost Ration [(A+C)/B]	2.29 : 1
G	Significant Non-monetised Impacts	<ul style="list-style-type: none"> • 4,000 sqm of B2 and ancillary B1 commercial floorspace (GEA) • 75 net SELEP FTEs



	Value for Money Results	Preferred Option relative to status quo
		GBF Cost
		<ul style="list-style-type: none"> £52.1m of cumulative GVA returns (£40.6m NPV) Response to local demand for production space and assistance with Covid-19 economic recovery
H	Value for Money (VfM) Category	<i>High / BCR >2</i>
I	Sensitivity 1: -20% LVU and LSI	1.83 : 1
	Sensitivity 2: +10% displacement	2.20 : 1
	Sensitivity 3: 2-year delay in outcomes	2.14 : 1
	Sensitivity 4: OB at +24% on cost	2.03 : 1
J	DCLG Financial Cost (£m)	£3.5m Grant
K	Risks	Potential for delivery delays, reduced outcomes and higher displacement and increased delivery costs, to be incurred by SCS, although unlikely. These main risks have been tested through sensitivity
L	Other Issues	N/A

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.]

Route	Description	Pros	Cons
Traditional	Full design from Client	Full control of design; greater cost certainty	Full liability for design cost; more lengthy design timescale; no incentive for contractor to be pro-active
Management fee/ Management contracting	Contractor manages, for a fee, a series of packages including tendering, design co-ordination, build	Allows faster procurement as packages can be tendered as design develops	Less cost certainty
Construction Management	Client tenders works packages and manages design and construction interfaces	Full control of design; saving on main contractor o/h and profit	Resource heavy on the Client organisation; Client team may not have appropriate skills to manage and co-ordinate
Target cost	Can be used in combination with a number of the other standard procurement options. The target is agreed and a mechanism established regarding the apportionment of cost savings or extras	Possibly increase incentive on contractor to cost effective solution	Less cost certainty; not suitable for projects that are not particularly novel or complex
Cost reimbursable	Costs of the works are reimbursable on the basis of actual costs incurred	Allows a fast start on the construction phase through design not having to be	No cost certainty; possibly little control over design quality

	plus a pre-agreed percentage for on-costs (i.e. site running costs, overheads, profit	complete and shorter tendering period	
Design & build	Design responsibility passed via the contract form to the contractor.	Greater cost certainty possible, programmed savings as contract can be let without full design being completed.	Loss of quality control. Limited scope for any contractor innovation if works are not novel, complex or subject to Highway Authority standards.

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.]

The proposed procurement route for the delivery of this project will be via a Single Stage Design and Build Contract. Tenders will be obtained from a number of suitably qualified Contractors, with a proved track record in the industrial warehousing sector. Although these Contractors may not always be local to the project part of the evaluation process will include how they plan to engage with the local community, improving and enhancing social value through the supporting of local SME's and local supply chains and sub-contractors.

This process will be closely monitored against a pre-set of evaluation criteria to ensure compliance with expectations.

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.]

SCS is a comprehensive developer with extensive procurement experience relating to a portfolio of over £100m of experience on construction and civil contracts including 2.5km public highway, site infrastructure, service corridors and numerous commercial building projects. Lessons learnt from directly delivered projects together with those more widely in the sector are reviewed and taken account of in relevant processes through the lifecycle of the project.

An experienced internal team is established providing development, commercial, financial, monitoring and administrative management for projects. This is supplemented by a range of highly qualified multi-disciplinary consultants, who have been engaged from experienced international consultancies.

4.4. Competition issues:

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

All significant contractors are selected by competitive tendering and are the subject of Board approval. The procurement strategy is set out in 4.2 above. There are no specialist technical elements or materials in relation to the project that would restrict the market for contractors or sub-contractors. It is perceived therefore that there are no competition issues within the supply chain in relation to this project.

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.]

There are no significant HR issues. This project is already assigned to an in-house project manager at SCS and is incorporated into the annual work plan. A full team of specialist external consultants is already in place and completed Pre-Development work up to RIBA Stages 0-3. The same team will be appointed to take the project forwards up to completion, immediately that funding is confirmed.

SCS has agreed to enter into a Planning Performance Agreement (PPA) with Hastings Borough Council to ensure that sufficient planning officer resources are available to determine the planning application for this project within the statutory period.

SCS recognises there is a demand for skills within the construction sector and a skills shortage in particular areas of the industry. There is a need to draw particularly young people into a career in construction. Contractor involvement with the Chartered Institute of Building (CIOB) and Construction Industry Training Board (CITB) are welcomed. It is suggested contractors also foster links with local colleges where possible, such as East Sussex College. Main contractor use of local labour, subcontractors and suppliers is also encouraged.

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.]

Risk	Owner	Comment
Land assembly and provision	SCS	Completed
Planning Permission	SCS	Detailed planning application prepared following pre-app meetings with Hastings Borough Council (HBC). SCS to enter into a PPA with HBC to ensure that the application is determined within the statutory period.
Site conditions	SCS	Full knowledge of site conditions
Tendering costs	SCS	Client Responsibility
Adequacy of Utility infrastructure	SCS	Extensive engagement and works underway as outlined in this form
Design changes during construction	Contractor	Excludes changes to scope that might be requested by the Client which would be to the Client's account
Ground Conditions	Contractor	Contract allocates this risk to the Contractor
Availability of materials to meet the programme	Contractor	Contract allocates this risk to the Contractor
Weather	Contractor	Contract allocates this risk to the Contractor unless exceptional
Subcontractor failure	Contractor	Contract allocates this risk to the Contractor

Mitigation by achieving best value out of tendering and form of construction contract used. A range of experienced consultants will be utilised to ensure maturity of design that SCS issue. SCS has significant experience of working in the prevailing site conditions. The company employs an experienced Clerk of Works to monitor works on a very regular basis.

SCS will adopt a strategic approach to risk management, integrating it into workflows and processes, in order to make better informed decisions. An issue log will be utilised to monitor changes and issues. The risk management strategy will be reviewed and updated as a live document at all stages throughout the life of the project. Risks will be reviewed at differing intervals according to net risk level:

- High Risk – Minimum monthly
- Medium Risk – Minimum quarterly
- Low Risk – Minimum six monthly

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.]

The Public Services (Social Value) Act 2012 will be considered in all relevant procurement processes. SCS was established as the not-for-profit economic development company for East Sussex with the purpose of expanding the area's economy and generating jobs by attracting successful employers and enabling local firms to grow. The purpose of the company therefore delivers wider economic, social and environmental benefits in the area in which it operates.

This project is located in an area that has an economic and social need as consulted on in the Hastings Local Plan for example, and is identified in statistics on social, economic and demographic character from the Census, NOMIS and Indices of Multiple Deprivation.

Where possible, local contractors will be sought, subject to economic and procurement considerations. Additionally, where possible, contractors will be encouraged to consider local labour and training opportunities. Contractors will be needed to demonstrate relevant equality and diversity requirements are established.

5. FINANCIAL CASE

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

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

5.1. Total project value and funding sources:

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

The capital expenditure shown in the Table below includes allowances for design and construction risk together with a contingency allowance. We have also included for construction inflation as part of this expenditure profile.

We have excluded all Monitoring and Evaluation costs as these small costs will be derived from rental income and subsumed within SCS's operational budgets.

Similarly, future revenue, operation and maintenance costs are also excluded. On completion, SCS intend to let the completed industrial units on industry standard commercial leases typically for terms of 5 to 10 years on full repairing and insuring terms and incorporating estate service charges. The leases will also incorporate periodic upwards only rent reviews. Each tenant will therefore be responsible for the cost of repair, maintenance and decoration of the buildings and external areas within their demise. They will also contribute a proportion of the total cost of insuring the whole estate.

Each tenant will also contribute to the estate service charge (typically calculated pro rata of unit size to total floor area) which will cover SCS's costs in future management of the estate and its costs incurred in the maintenance and running of the communal areas of the estate such as estate roads, service media and landscaping. The estate service charge will be reviewed annually in line with actual costs incurred. Effectively therefore all future operating costs and maintenance costs will be met by the tenants under their lease obligations and inflation mitigated by annual reviews of the estate service charge.

If any additional costs, such as for Monitoring and Evaluation, which are not recoverable from the tenants via the leasing arrangements were to be incurred, they would be met out of the net rental income generated by the development, which SCS estimate to be in the order of £344,000 per annum, once the development is completed and fully let. This level of rent is based upon existing comparable market evidence. The leases will contain periodic rent reviews enabling SCS to increase rental levels in line with future market conditions to help mitigate any effects of inflation.

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.]

We are seeking £3,500,000 grant funding from GBF.

5.3. Costs by type:

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

Cost type	Expenditure profile						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
PREDEVELOPMENT COSTS	-	-	-	-	-	-	-
To Planning	█	█	█	█	█	█	█
To Tender	█	█	█	█	█	█	█
DEVELOPMENT COSTS	█	█	█	█	█	█	█
Main Contract Works	█	█	█	█	█	█	█
Fees	█	█	█	█	█	█	█
Development Management	█	█	█	█	█	█	█
Utilities		█					█
Sea Change Sussex	█	█	█	█	█	█	█
Quantified Risk Assessment (QRA)	█	█					
Monitoring and Evaluation*	█	█					
Total cost	█	█					█
Inflation (%)	█	█					

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

5.4. 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.]

The projected capital build cost has been estimated by SCS in conjunction with MEA, their appointed independent external cost consultants, based on their own experiences of recently tendered costs received for similar buildings and the latest industry indexes. SCS has its own in-house qualified and highly experienced project managers who will ensure that the project costs

remain within budget. MEA has been employed as part of the Development Team, for external verification of costs as the project progresses.

The budget for the project includes a total Contingency sum of [REDACTED] which is made up of allowances of 5% for Construction; 2.5% for Design and 5% for Risk. SCS intend that the construction contract will be let by way of a fixed Design & Build contract. On this basis, inflation would be included in the tender price agreed in 2020 through the construction contract. Although inflation is not anticipated to be significant at this stage, given the speed of delivery, if any further local funding contributions are required, these would be largely provided from the operating funds of SCS and would be made available to spend in the timescales needed to meet the project.

Our consultants have had initial pre-tender discussions with several contractors and the feedback that they have received is that there is not currently any significant material shortages for this type of development and that this has been the case since the initial COVID-19 “lockdown” measures were lifted by the government. A lot of the construction will comprise ground works and the materials used will be mainly standard pipes. The buildings will be of steel frame construction, clad in a pre-fabricated panel system. The contractors advise that all of these materials are “industry standard” and are widely available from many different sources within the UK.

This type of construction also lends itself readily to social distancing as the civil engineering works will be carried out utilising mechanical plant and in addition the building’s internal finishes will be minimal and therefore a lot of the construction work can be carried out externally. Again, the feedback received from contractors is that the social distancing measures have not had a significant impact on the programmes of similar recent projects. The build programme for the development is 6-7 months with completion scheduled for October 2021, which allows a lot of slack before the March 2022 deadline.

In light of this we would advise that despite considerable uncertainty we have not seen forecasts of significant inflation in build costs at this time, but expect there to be some costs associated with compliance with social distancing rules and other COVID-19 related guidelines e.g. higher site establishment costs and elongated programs. In the tender responses we have received since the start of the COVID outbreak, we have yet to see a notable difference in cost beyond those levels previously forecast.

Contractors profit and uplifts would be included in their tender price by each tenderer when submitting their tender bid for the fixed price construction contract.

SCS has a good working knowledge of the site-specific issues from previous work on the site to construct the site access from Queensway and the phase 1 of the estate spine road. This coupled with additional site investigation work carried out at the pre-dev stage will enable SCS to design out issues to mitigate the risks. SCS is proceeding at its own cost with work to provide services/utilities to the site as a separate project and this is outside the scope of the GBF budget which will further reduce the risk.

The project will deliver 4,000 sq.m of industrial units which are of a relatively industry standard design and layout and of standard construction utilising widely available standard materials.

Having regard to the above, SCS therefore consider the contingency allowances to be appropriate for the type, size and scope of development for which GBF funding is sought.

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.]

Funding source	Expenditure Forecast						Total
	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	
SELEP -GBF	-	-	-	£250,000	£3,250,000	-	£3,500,000
Sea Change Sussex	-	-	-	XXXXXXXXXX	XXXXXXXXXX	XXX	XXXXXXXXXX
Total funding requirement	-	-	-	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX

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.]

SCS has obtained board approval to the expenditure which will be funded out of existing capital receipts.

100% of the Local Contribution of [REDACTED] will be provided by SCS. This will comprise two elements:

- Land
- Funds to provide the infrastructure/utilities to the site, for which SCS has obtained its board approval to the expenditure. Quotes have been obtained from the relevant utility providers and the ground works package to install them has already been tendered.

A letter from Andrea Woodley, Finance Director, Sea Change Sussex is below giving confirmation of the funding commitment to the scheme by the company.



2nd September 2020

Dear Sir/Madam

On the 27th June 2019 the Board of Sea Change Sussex gave approval for the expenditure of up to [REDACTED] to secure foul drainage, water and electricity and other Infrastructure at North Queensway Innovation Park.

Board Minute 550. 27th June 2019- **RESOLVED** that expenditure of up to [REDACTED] to secure foul drainage, water and electricity be approved for North Queensway Innovation Park.

A total of [REDACTED] from capital receipts formed the East Sussex Strategic Growth Project Stage Two Budget of which [REDACTED] was allocated to North Queensway Utilities.

As part of Sea Change Sussex practise, such funds are allocated from surplus capital receipts, in this case from the sale proceeds of Glovers House, after paying off the Growing Places Fund loan in full.

I can therefore confirm these funds have been ring fenced within our budgets.

It is anticipated an additional expenditure of up to [REDACTED] will be invested in North Queensway and this will come from further capital receipts contained within Sea Change Sussex reserves.

This continual financial support comes on top of the land allocation being made available to the project, which my surveying colleagues have conservatively valued at [REDACTED].

The above takes the level of financial commitment to the "Fast Track Solutions for the Hastings Manufacturing Sector" project to [REDACTED]. This sum is in excess of the [REDACTED] previously advised in the GBF Business Case that you are appraising.

I trust that the above provides adequate evidence of the continued financial contribution that Sea Change Sussex is making to the "Fast Track Solutions for the Hastings Manufacturing Sector" project. However, do not hesitate to contact me should you require any further clarification.

Yours faithfully

Andrea Woodley
Finance Director

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.]

As part of SCS commitment to this project we have already assembled our Consultant Team, as indicated above, including Architect's, Structural Engineer's, Cost Consultants and Principal Designer. This Team, together with SCS's own internal team are currently developing a scheme that will enhance the current site making it an attractive place for businesses to come and work.

The Team has already had initial discussions with the local planning officers who are fully supportive of the proposals for this scheme, which is in line with local planning policy. SCS has agreed to enter into a Planning Performance Agreement with Hastings Borough Council in respect of this project and the final draft Agreement is currently being circulated between the parties.

SCS has invested heavily on previous schemes in respect of surveys for the site including ground investigations, ecological surveys, arboricultural surveys, topographical surveys and archaeological investigations. This information will be used in support of the current scheme and will be enhanced / updated with newly commissioned surveys and investigations as required.

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.]

Funding from SELEP will pass via the LEP's Accountable Body, Essex County Council, to East Sussex County Council, who will be the accountable body for the project and they will enter into a legal agreement with SCS, which will deliver the project. The Section 151 Officer of ESCC will monitor the legal and financial probity of the contract.

The delivery vehicle for the project is East Sussex Energy, Infrastructure and Development Ltd trading as. The company is limited by guarantee (company number 07632595) and is not for profit. The members of the company are:

Hastings, Bexhill and East Sussex Business Association Ltd	50%
East Sussex County Council)
Rother District Council) 19.9%
Hastings Borough Council)
University of Brighton	19.9%
Voluntary Sector	10.2%

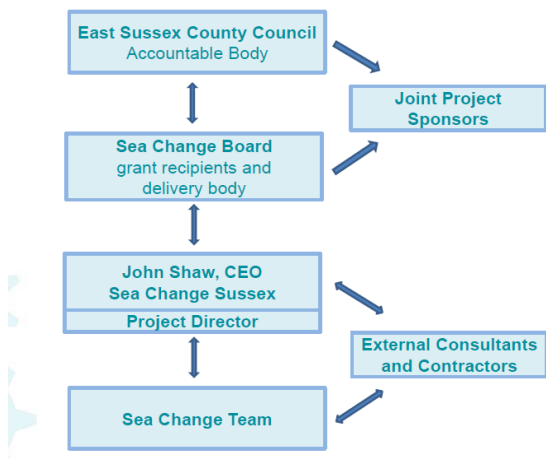
Governance of the company is regulated by its Articles of Association which set out, among other matters, the membership, operation and conduct of the Board and its meeting requirements. The Board is currently chaired by Sonia Blizzard, Managing Director of Beaming, a Hastings based Internet Service Provider to the national business community. Currently, general SCS Board meetings take place every 2–2.5 months with the AGM approving the annual accounts.

The financial transactions of the company are regulated by the current Financial Regulations and Scheme of Delegation approved by the Board on 11th January 2012. Basically, all significant contractors are selected by competitive tendering and are the subject of Board approval.

Financial payments are made by the tried practice of purchase orders and payments authorised on compliance and financial checks by the appropriate staff. Financial monitoring and management accounts are provided from a computer-based system (Access Dimensions, approved by HMRC and Institute of Chartered Accountants) which allows flexible interrogation. The system is specifically designed for project accounting. Each Board meeting receives an 'income and expenditure' report which also informs bank balances. Separately, 'expenditure commitments' are identified to the Board informing the project and extent of financial commitments relating thereto. Details of progress including committed expenditure and final outcome are reported for each separately funded project. This would be one such discrete project in its reporting to the Board. These sets of information identify the source of funding and the expenditure incurred on a project by project basis against that funding commitment. The

accounts are annually audited externally (currently by Reeves & Co) and corporate legal advice is provided to the Board on a regular basis (currently by Pinsent Masons).

The County Council has also established an internal SCS Governance Board. This involves senior officers from Legal, Finance and the Economic Development services within the authority to manage the governance between the County Council and SCS as a delivery partner.



The Project Sponsor will be John Shaw, CEO, Sea Change Sussex (Deputy: Christopher Broome, Property Director).

Scheme Project Management

The project will be managed on a daily basis by an experienced project manager in this type of development project. A multi-disciplinary team of consultants will progress each scheme including:

- Civil and Structural Engineers
- Ecologist
- CDM Co-ordinator
- Quantity Surveyor
- Clerk of Works

The following are the key project management tasks to be undertaken:

- Monitor and review the project through all stages and report regularly to the Employer on the status of the Project (monthly report required in a form to be advised by the Employer); obtain decisions needed and with the Employer's approval amend the development proposals;
- Maintain and update as necessary the development budget and cashflow; provide reports as required by the Employer's finance department on the financial status of the project and update Employer project monitoring systems as necessary;
- Initiate action in the event that any aspect of the Project appears to be likely to fail to achieve the Employer's objectives, public organisations, budget and programme. Agree suitable corrective action and monitor its implementation;
- Throughout the project brief and manage consultants and contractors on their duties, the Project procedures and the Project as necessary to achieve the project brief and so that all parties and individuals understand what is needed to achieve the Employer's objectives;

- Establish communication, reporting and authorisation procedures to operate between Employer, Project Manager, Consultants and Contractors;
- Develop with the team a detailed Project Brief to include all relevant objectives, statutory duties, constraints and their relevant priorities;

The following project controls will be applied during the project lifetime:

- Monthly progress reports will be provided;
- Appropriate meeting structures will be implemented;
- An issues log and risk management plan will be produced and reviewed at appropriate intervals;
- Compliance reviews of Development Framework and Cost plan will be held at regular intervals;
- A Request for Information and a Change Control system will be put in place;

A Project Execution Plan (PEP) for each scheme will be established and constantly reviewed and updated for the duration. This includes:

Project Objectives and Priorities – Objectives and Constraints

Project Brief – Details, scope

Project Organisation – Project Team, Work Structure, Authority, Procurement

Risk – Risk Register, Risk Management and Strategy

Communications – Requirements, Document Control, Site Organisation, Instructions, Meetings

Control – Design Management, Time management, Cost Control, Quality, Commissioning, Interfaces

Health and Safety – Competencies, CDM, Health and Safety File, Site Arrangements

Post Project Review - Procedures

6.2. Approvals and escalation procedures:

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

As outlined above, the financial transactions of the company are regulated by the current Financial Regulations and Scheme of Delegation. All significant contractors are selected by competitive tendering and are the subject of Board approval. Financial payments are made utilising purchase orders and payments authorized on compliance and financial checks. Financial monitoring and management accounts are provided from a computer-based system with each board meeting receiving an income and expenditure report. Details of progress including committed expenditure and final outcome are reported for each separately funded project. This would be one such discrete project in its reporting to the board

6.3. Contract management:

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

Outputs will be managed by the project manager and contract administrator. The choice of the right contract is key, together with arrangements being flexible enough to accommodate change. The activities will cover three areas:

- Contract administration handles the formal governance of the contract and changes to the contract documentation. It includes contract maintenance and change control, cost monitoring, ordering and payment procedures and management reporting. Clear administrative procedures ensure that responsibilities of all parties are understood.

- Service delivery management ensures that the service is being delivered as agreed, to the required level of performance and quality. The contract will define the service levels required. Quality metrics will be created that allow performance and quality to be measured. Managing risk by identifying and controlling is also key.
- Relationship management keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems early. Information flows and communication levels should be established at the start of the contract and maintained throughout its lifecycle. Set procedures will be defined for raising and handling problems.

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.]

As outlined, there has been a long-standing intention to develop this site for employment use going back to the Hastings Local Plan 2004 This was followed through to the Hastings Planning Strategy 2014 and the Development Management Plan 2015. Statutory consultations have taken place in relation to these strategic planning documents.

A range of public consultations have been undertaken relating to the wider development of NQIP. The site has been the subject of a number of planning applications starting in 2014, which had strong support resulting in the approval of the latest in January 2019.

Stakeholders have been identified as follows:

- South East Local Enterprise Partnership
- Local Authorities
- Statutory Consultees
- Utility Companies
- Public
- Business Community
- Public and Private Sector
- Objectors
- Resident's Association
- Potential Suppliers
- Media

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.]

An Equality Impact Assessment has not yet been undertaken for this project but will be commissioned prior to submission of a detailed planning application. The EqIA will consider the impact of the development proposals on the identified characteristics of:

- Age
- Disability

- Ethnicity
- Gender/Transgender
- Marital Status/Civil Partnership
- Pregnancy and Maternity
- Religion, Belief
- Sexual Orientation – Gay, Lesbian, Bisexual and Heterosexual
- Other

Measures to ensure economic inclusion are themselves being included within the detailed designs for the new build and the EqIA will help to inform all stages of the project including the procurement process.

It is expected that the EqIA will draw on the values and principles established in the Equality & Human Rights Charter for Hastings and St. Leonards (2011), which itself was developed in line with the 2010 Equalities Act.

6.6. Risk management strategy:

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

The focus of the Risk Management Strategy is to adopt a strategic approach to risk management, integrating it into workflows and processes, in order to make better informed decisions.

The objectives of the strategy will be met by:

- Maintaining a robust risk management approach that will identify and effectively manage risks at various levels
- Focussing on key risks that because of the residual/likelihood scores make them priorities
- Ensure roles for managing risk are clearly defined
- Consideration of risk as an integral part of business processes
- Definition of risks at different levels of delivery – Business, Contract, Project and Partnership
- Reviewing risks at differing interval according to net risk level
 - High Risk – As a minimum Monthly
 - Medium Risk – As a minimum Quarterly
 - Low Risk – As a minimum 6-monthly

Risk will be managed in one, or in a combination of the following ways:

- o Avoid – A decision is made not to take a risk
- o Accept - A decision is made to accept the risk
- o Transfer – All or part of the risk is transferred eg.to the contractor
- o Reduce – Action is implemented to reduce the risk further
- o Exploit – Risk mitigation is undertaken and a decision is taken to exploit, resulting in an opportunity

An issues log will be utilised to monitor changes and issues. The risk management strategy will be reviewed and updated as a live document throughout the project.

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.]

Key Milestones	Description	Indicative Date
Land Acquisition	Exercise option to acquire Highways land	July 2020
Pre-Development – RIBA Stages 0 - 3	Concept designs and budget costings	January – July 2020
Detailed Planning	Preparation & submission of detailed planning application	August 2020
Post Planning – RIBA Stage 4	Technical design and Tender	September – December 2020
Construction – RIBA Stage 5	Contractor to be appointed upon successful tender	January 2021
Handover and Close Out – RIBA Stage 6	Achieve Practical Completion, ready for handover	October 2021
In-Use – RIBA Stage 7	Potential new tenants begin occupation	Autumn 2021
Marketing	Contact with potential new tenants and advertising	November 2020

The key dates are outlined above and are shown in the form of a Gantt Chart in Appendix D. The critical path is focussed on achieving Planning and procurement of a contractor in order the main works can commence. SCS has extensive knowledge in relation to this the site having conducted extensive work and surveys. The infrastructure has been fully designed and work of a technical and site nature will be moved forward as advanced working where possible. SCS has key experience in relation to delivery of projects of this nature and has the relevant delivery resource in place (as outlined in other sections of this document).

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.]

SCS is a comprehensive developer with previous experience of delivery of a wide range of projects delivered to time and budget, securing various objectives and benefits. The portfolio includes over £100m of experience on construction and civil contracts including 2.5km public highway, site infrastructure, service corridors and numerous commercial building projects. SCS has comprehensive governance and project execution protocols

An experienced internal team is established providing development, commercial, financial, monitoring and administrative management for projects. This is supplemented by a range of highly qualified multi-disciplinary consultants, who have been engaged from experienced international consultancies.

6.9. Monitoring and evaluation:

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

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

The Project Execution Plan will include provision for the monitoring and evaluation of the project both during project delivery phase and when the new commercial space is complete.

SCS will monitor progress towards project delivery based on contractual milestones to be agreed with the appointed contractor. Following completion of the works, ongoing operational performance will also be subject to monitoring by SCS.

Specifically, the Monitoring and Evaluation Plan will focus on assessing progress towards achieving the following (a) project outputs and (b) development outcomes:

Outputs (delivering the project)

- Construction of works
- Delivery of employment space

Outcomes (monitoring)

- Occupation of commercial space
- The formation of gross 'on site' FTE jobs

Monitoring of progress towards contractual milestones to be agreed with the selected contractor will be carried out by SCS throughout the project delivery stage and this will track and report on progress made towards project outputs and deliverables.

Project outcomes will then be assessed and monitored by SCS over a 3 year period following the completion of the 'direct' development works. As SCS's intention is to retain the building post-completion, 'direct' outcomes will readily be assessed, including monitoring of take-up and occupancy rates among the completed development.

Depending on GBF contractual requirements, SCS will also carry out business survey work as needed to monitor, measure and report on employment outcomes / jobs supported directly within the new commercial space.

If required, monitoring and tracking of wider project outcomes such as GVA and LSI impacts could be performed through a review of Economic Indicators and Labour Market Information, reported periodically by East Sussex in Figures and the ONS.

Outcomes will be monitored through specific KPI's as stated in the table below and more generally, if relevant, through data sources provided by *East Sussex in Figures, utilising datasets from the Office for National Statistics and Nomis.*

High- Level Outcomes	
Key Performance Indicator	Description
Jobs connected to intervention (permanent, paid FTE)	Information directly from Occupiers
Commercial floorspace planned	As stated
Commercial floorspace constructed to date	Completed floorspace directly monitored

Land, Property and Flood Protection (Outputs)	
Key Performance Indicator	Description
Anticipated commercial floorspace occupied – please state sqm and class	As stated
Actual commercial floorspace occupied – please state sqm and class	Information directly from Occupiers
Commercial rental values (£/sqm per month, by class)	Information directly from Occupiers

The project impacts will be monitored post completion in accordance with the Benefits Realisation Plan and contractual requirements, including 1 and 3 years if required. As outlined in this form the project is aligned with the Strategic Economic Plan and will have an impact on the following GBF outcomes as quantified in the Economic case.

- Jobs Created
- Commercial/employment floor space completed

The Monitoring and Evaluation Plan and Baseline Report are at Appendix 13 and reflect the inputs, outputs, outcomes and impacts discussed in the commentary of the Business Case and as detailed in the Logic Map provided.

SCS believe that the impacts could not be readily monitored, measured or verified and these have therefore not been included in the Monitoring and Evaluation Plan and to do so would not be proportionate for a scheme of this size, type and scope.

The subject site has not previously been developed and therefore there is no existing economic activity which can be collected to inform the Baseline Report.

A Benefits Realisation Plan (BRP) is attached which is informed by the Monitoring & Evaluation Plan and Baseline Report. Any perceived risk relating to the delivery of a benefit will be identified and mitigated where possible.

The majority of the required monitoring and data collection will be carried out in-house by SCS as part of its regular project management regime during the development programme and after completion via regular tenant liaison as part of its ongoing property management function. Christopher Broome, Property Director and Andrew Frost, Development Director will be responsible for ensuring that the monitoring/reporting as set out in the BRP is undertaken and provided at the appropriate stages.

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>Objective 1: Deliver 4,000 sqm of modern suitable production space</p> <p>Objective 2: Safeguard/Create jobs and activities locally</p> <p>Objective 3: Support COVID-19 economic recovery and East Sussex success</p>	<p>Grant Spend £3.5m GBF grant</p>	<ul style="list-style-type: none"> 4,000 sqm of new manufacturing and ancillary office space, delivered on 2 plots in North Queensway 	<ul style="list-style-type: none"> Temporary boost to the local construction sector Enhanced jobs capacity locally and resultant impact on local labour market performance Uplifts in land values Retained manufacturing businesses and production capacity in the local area 	<ul style="list-style-type: none"> Construction-related effects – 10 net SELEP job years and £0.9m GVA impact (£0.9m NPV) Operational effects – 75 net SELEP FTE jobs and £51.2m GVA impact (£39.8m NPV) Land Value Uplift - £3.3m in net LVU (£3.2m NPV) Labour Supply Impact – £6.6m in welfare-related tax (£5.1m NPV)
	<p>Matched Contributions Spend ■ SCS private match</p>	<p>Delivery of services to the relevant plots</p>	<p>Overcomes an abnormal cost and plays a supporting role in project delivery</p>	<p>None expected</p>

7. DECLARATIONS

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

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


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

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

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

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

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

<p><i>Signature of applicant</i></p>	
<p><i>Print full name</i></p>	<p>John Shaw</p>
<p><i>Designation</i></p>	<p>CEO</p>

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

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

Appraisal Assumptions	Details
QRA and Risk allowance	Risk and contingency included within project budgets
Real Growth	None applied.
Discounting	3.5% as per HMT Green Book
Sensitivity Tests	4 tests included to reflect potential for reduced outcomes, project delays, higher displacement and increased costs
Additionality	25% deduction for displacement across LVU and employment impacts 10% leakage of employment impacts
Administrative costs of regulation	N/A
Appraisal period	15 years (2020-2034)
Distributional weights	N/A
Employment	Employment estimates reflect Homes England 'Employment Densities Guide' 3rd Ed., 2014). For GVA estimates under Local Impacts, the employment profiles for new occupiers has assumed a mix of B2 and B1a.
External impacts of development	N/A
GDP	GVA has been adopted as the basis for monetising employment impacts from the scheme. This has been converted to GDP for the purposes of quantifying the welfare component of employment impacts under the 'adjusted BCR'. For GDP impact conversions for use in labour supply impact analysis, a multiplier of 1.14 has been used in line with national GVA/GDP levels reported by ONS.
House price index	N/A
Indirect taxation correction factor	N/A
Inflation	A small allowance for construction cost inflation has been included within project costs. The effects of general inflation have been removed to present economic case costs in real terms.
Land value uplift	Estimates of land value uplift have adopted the VOA benchmark for agricultural land to reflect existing use value and local evidence. SCS development appraisal evidence has been used to estimate the GDV of the development upon completion.
Learning rates	N/A
Optimism bias	Upper bound OB for standard buildings included at 24%, in line with HMT Green Book
Planning applications	To be submitted in the coming weeks, decision expected by October 2020.
Present value year	2020
Private sector cost of capital	XXXXXX SCS matched investment in project delivery
Rebound effects	N/A
Regulatory transition costs	N/A

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

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
Site cannot be secured for delivery	Not applicable as majority of site in the ownership of SCS, which has an Option to acquire the remainder	SCS	SCS	1	5	5	Conclude the Option to acquire the remainder of the site from ESCC	LOW
Highways access and servicing for the site delayed	Not applicable as site already has access from the public highway and an internal spine road to service the plots	SCS	SCS	1	5	5	Work currently underway to provide mains services to the project plots and the remainder of the overall site	LOW
Planning permission not granted	Delay to start of building programme and additional planning costs for Appeal or revised application	SCS	SCS	1	5	5	Site is allocated for employment use in the Local Plan. SCS has already obtained detailed consents for other parts of the site. Pre-App meetings have already taken place and a detailed planning	LOW

							application has been prepared. SCS to enter into a PPA with HBC to ensure that the application is determined within the statutory period.	
Onerous planning conditions difficult to discharge within the time frame	Delay to start of building programme and/or additional costs	SCS	SCS	2	3	6	Early submission will be made to the local authority detailing the information required	MEDIUM
Technical design issues due to site conditions	Detailed technical design results in changes to the outline designs and may add to project cost	SCS	SCS	1	3	3	Extensive ground investigations have already been carried out as part of earlier developments for access road, spine road and other detailed planning applications	LOW
Impact of project on existing services and capacity to service the development	Insufficient capacity could lead to increased costs to provide reinforcement	SCS	SCS	2	3	6	Extensive strategic investigations and liaison with utilities companies has been undertaken. No issues have been identified	MEDIUM
Onerous delays as a result of the procurement process	Delays to the build programme and/or increased costs	SCS	SCS	1	4	4	Ensure that all parties understand the procurement process and that all key decision points are factored into the project programme	LOW

Delays as a result of ecology on the site	Delays to the build programme and/or increased costs	SCS	SCS	1	3	3	Extensive surveys and studies have already been undertaken	LOW
Design error	Delays to the build programme and/or increased costs	SCS	SCS	1	3	3	Select suitable procurement, i.e. D&B to ensure that the risk is allocated to the contractor	LOW
Occupier Demand	Changes in occupier demand due to COVID-19	SCS	SCS	2	4	8	Provision of flexible premises to ensure wide occupier interest. Ongoing monitoring of demand locally and SCS response to occupier interest	MEDIUM
Actual build costs exceed projected costs	Project running over budget and requiring additional funding	SCS	SCS	1	3	3	Cost consultants have been employed and together with SCS's experience in these matters strongly indicate that costs can be contained within the expenditure plan	LOW

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

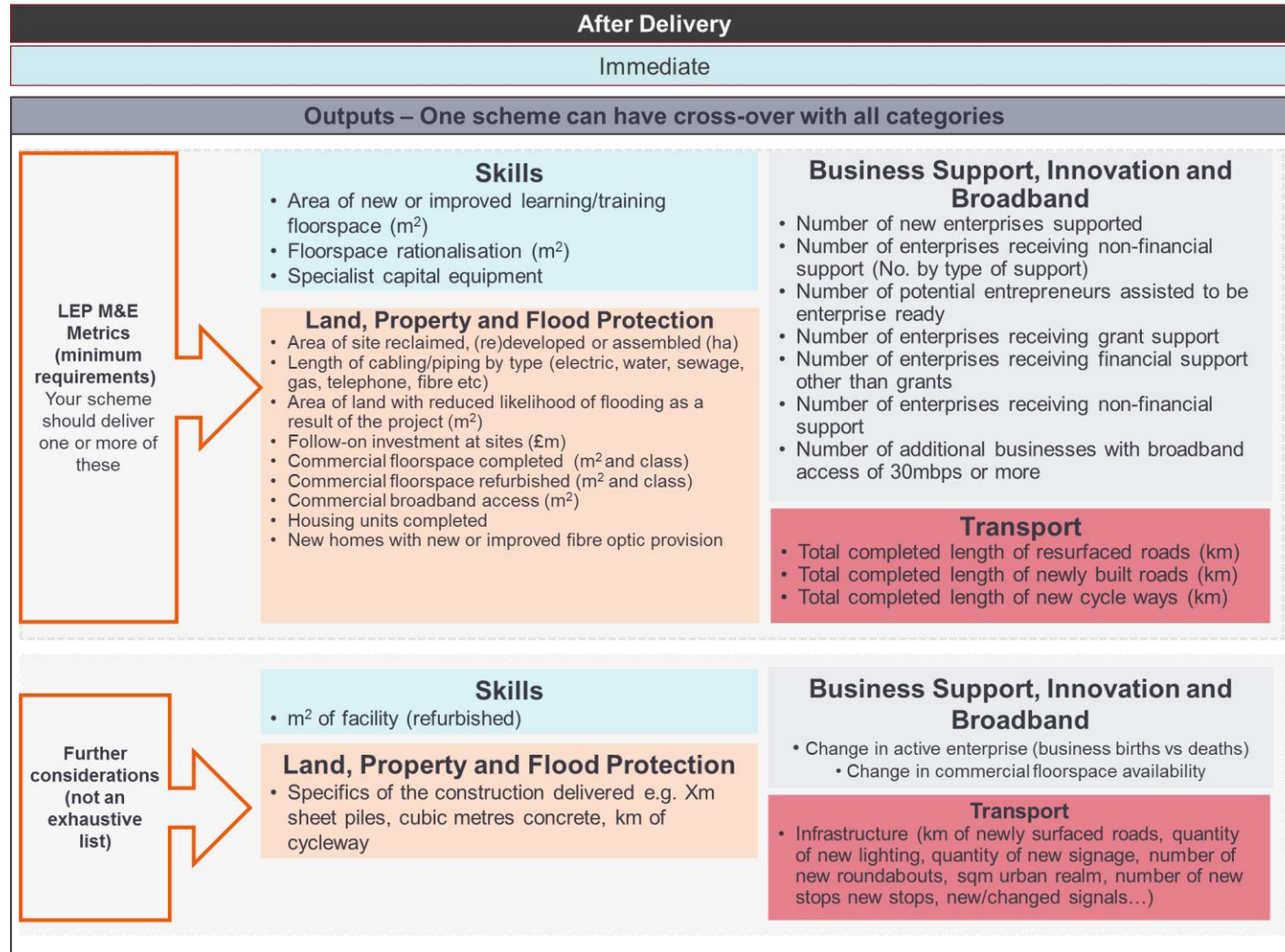
** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay

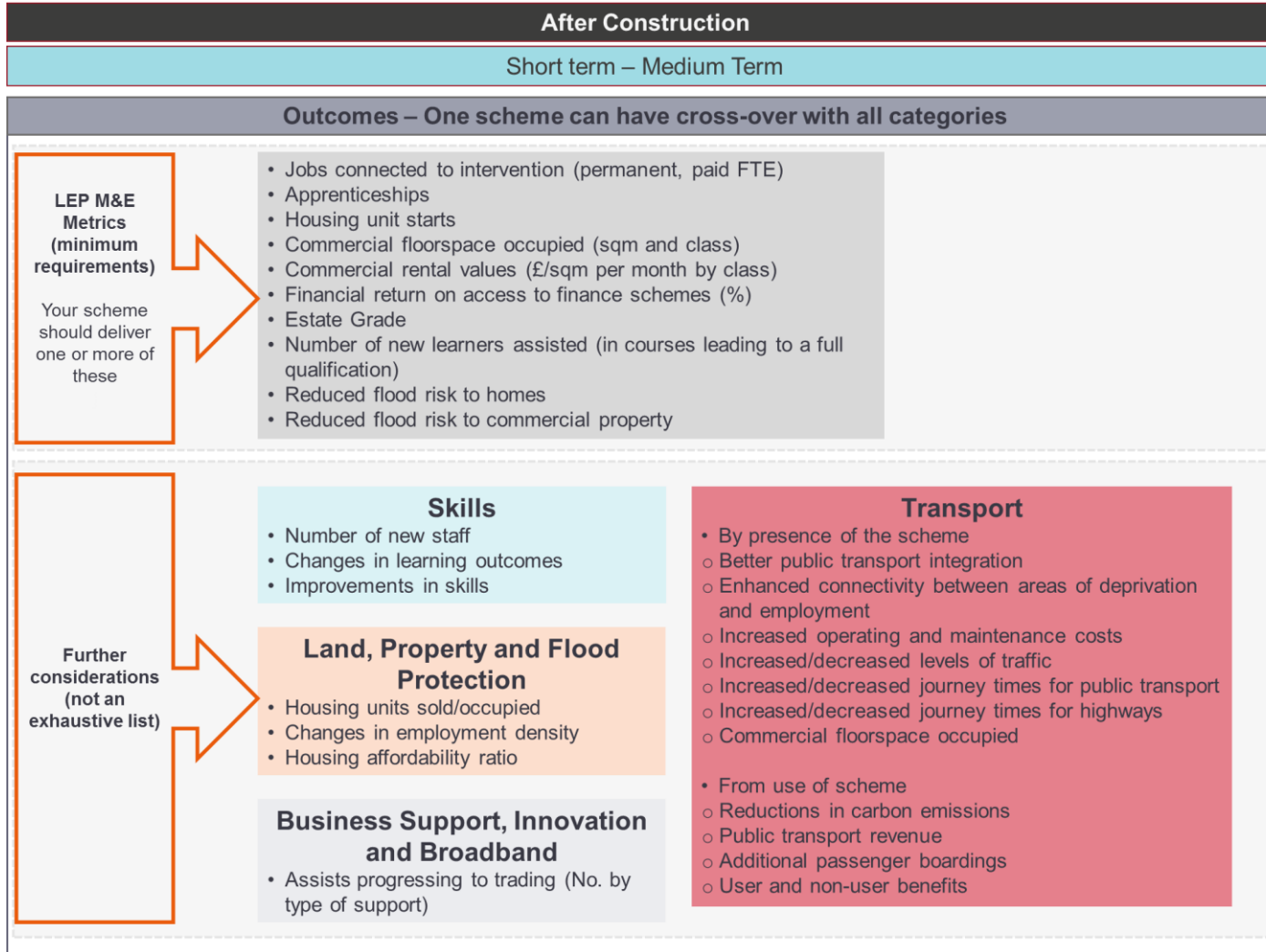
Please note, not all sections of the table may require completion.

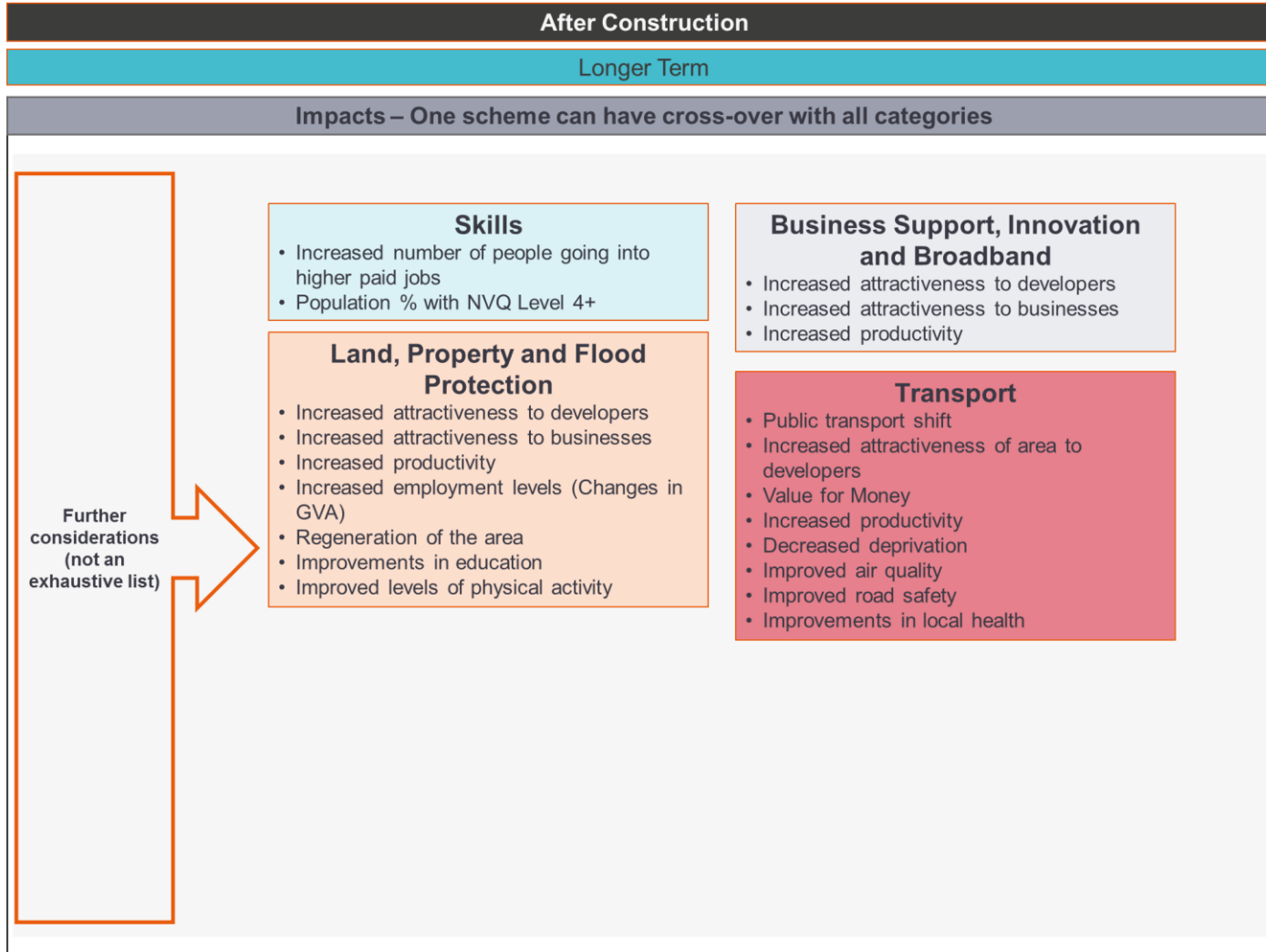
11. APPENDIX D – GANTT CHART

Tasks	Start date	Finish date	2020												2021											
			J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Land Acquisition	Jan 2020	Jul 2020	■	■	■	■	■	■																		
Pre-Development RIBA Stages 0 - 3	Jan 2020	Jul 2020	■	■	■	■	■	■																		
Detailed Planning	Jul 2020	Aug 2020						■	■																	
Post Planning RIBA Stage 4	Sept 2020	Dec 2020								■	■	■	■													
Construction RIBA Stage 5	Jan 2021	Sept 2021												■	■	■	■	■	■	■	■	■				
Handover and Close Out RIBA Stage 6	Oct 2021	Oct 2021																			■					
In-Use RIBA Stage 7	Oct 2021	Dec 2021																				■	■	■		
Marketing	Nov 2021	Dec 2021											■	■	■	■	■	■	■	■	■	■	■	■		

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









SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

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.



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

FAST TRACK BUSINESS SOLUTIONS FOR THE HASTINGS MANUFACTURING SECTOR

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Fast Track Business Solutions for the Hastings Manufacturing Sector, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Three Years After Opening Report.

The objectives of the scheme are:

Objective 1: Deliver 4,000 sq.m of modern suitable production space

Objective 2: Safeguard/create jobs and activities locally

Objective 3: Support COVID-19 economic recovery and East Sussex success

The geography of the scheme is shown in the map below



INPUTS

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

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

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2020/21				2021/22			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	Planned / Forecast £3.5m GBF grant	Standard SCS in-house reporting by Project Manager and Finance Director	Monthly	Planned/ Forecasted Spend Profile			£125,000	£125,000	£1.5m	£1.5m	£250,000	
IN2	Matched Contributions Spend	Planned / Forecast XXXXX SCS private match		Monthly	Planned/ Forecasted Spend Profile			XXXXXXXX	XXXXXXXX	XXXXXX	XXXXXX	XXXXXXXX	
IN3	Leveraged Funding	Planned / Forecast N/A				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)	January 2020 (match funding)
Public Consultation	Completed
Detailed Design	Completed
Full Planning Permission Granted	November 2020
Commencement of Marketing	November 2020
Site Mobilisation Works Commence	January 2021
Project Completion / Site Opening	October 2021

INPUT 5: RISK MITIGATION

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

Risk	Owner	Comment
Land assembly and provision	SCS	Completed
Planning Permission	SCS	Detailed planning application prepared following pre-app meetings with Hastings Borough Council (HBC). SCS to enter into a PPA with HBC to ensure that the application is determined within the statutory period.
Site conditions	SCS	Full knowledge of site conditions
Tendering costs	SCS	Client Responsibility
Adequacy of Utility infrastructure	SCS	Extensive engagement and works underway as outlined in this form
Design changes during construction	Contractor	Excludes changes to scope that might be requested by the Client which would be to the Client's account
Ground Conditions	Contractor	Contract allocates this risk to the Contractor
Availability of materials to meet the programme	Contractor	Contract allocates this risk to the Contractor
Weather	Contractor	Contract allocates this risk to the Contractor unless exceptional
Subcontractor failure	Contractor	Contract allocates this risk to the Contractor

OUTPUTS

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



ID	Output Description	
OP1	4,000 sq.m of new manufacturing space	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Delivery of the 4,000 sq.m of industrial units</p> <p>Source of Value: Business Case, Section 2.1</p> <p>Future Monitoring Approach: Monitoring of progress towards contractual milestones to be agreed with selected contractor will be carried out by SCS's Project Manager throughout the project delivery stage and this will track and report on progress made towards project output.</p> <p>Frequency of tracking: Monthly up to completion of construction</p> <p>Costs Allocated to Monitoring: To be carried out in-house by SCS and any costs met out of SCS operating budgets.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: N/A – previously undeveloped site with no existing economic activity</p> <p>Costs Allocated: N/A</p>



ID	Output Description	
OP2	Delivery of services to the relevant plots	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: Delivery of services/utilities to the 4,000 sq.m of industrial units</p>
		<p>Source of Value: Business Case, Section 2.1</p>
		<p>Future Monitoring Approach: Monitoring of progress towards contractual milestones to be agreed with selected contractor will be carried out by SCS’s Project Manager throughout the project delivery stage and this will track and report on progress made towards project output.</p>
		<p>Frequency of tracking: Monthly up to completion of construction</p>
		<p>Costs Allocated to Monitoring: To be carried out in-house by SCS and any costs met out of SCS operating budgets.</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: N/A – previously undeveloped site with no existing economic activity</p>
		<p>Costs Allocated: N/A</p>

OUTCOMES

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



ID	Output Description	
OC1	Jobs supported directly within the new industrial units	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: 111 gross operational FTE jobs</p> <p>Source of Value: Business Case, Section 3</p> <p>Future Monitoring Approach: Gross employment outcomes will be assessed and monitored by SCS following completion of the direct development works. As SCS intend to retain the industrial units post-completion outcomes will be readily assessed, including monitoring of take-up and occupancy rates. SCS will also carry out business surveys direct with the occupiers of the units to monitor, measure and report on employment outcomes by jobs supported directly within the new industrial units.</p> <p>Frequency of tracking: Quarterly for three years after completion.</p> <p>Costs Allocated to Monitoring: To be carried out in-house by SCS and any costs met out of SCS operating budgets.</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: N/A – previously undeveloped site with no existing economic activity</p> <p>Costs Allocated: N/A</p>



ID	Output Description	
OC2	Construction jobs	Details: Planned / Anticipated Output Value and Proposed Approach for Monitoring
		Value: Temporary boost to the local construction sector
		Source of Value: Business Case, Section 3
		Future Monitoring Approach: Information on construction jobs will be obtained by SCS directly from the contractor as part of their regular reporting regime during the construction programme.
		Frequency of tracking: Monthly up to completion.
		Costs Allocated to Monitoring: To be carried out in-house by SCS and any costs met out of SCS operating budgets.
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: N/A – previously undeveloped site with no existing economic activity
		Costs Allocated: N/A



ID	Output Description	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
OC3	Retained capacity	Value: Retained manufacturing businesses and production capacity in the local area
		Source of Value: Business Case, Section 3
		Future Monitoring Approach: SCS will log the previous addresses of all the tenants who occupy the industrial units to differentiate between cases of inward investment and retained capacity and provide details of total space occupied and jobs supported for each sector.
		Frequency of tracking: Quarterly for three years after completion.
		Costs Allocated to Monitoring: To be carried out in-house by SCS and any costs met out of SCS operating budgets.
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: N/A – previously undeveloped site with no existing economic activity
		Costs Allocated: N/A

IMPACTS

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

ID	Output Description	
IM1	SCS believe that the impacts could not be readily monitored, measured or verified and these have therefore not been included in the Monitoring and Evaluation Plan and to do so would not be proportionate for a scheme of this size, type and scope.	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:



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BASELINE REPORT

PURPOSE

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

AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

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



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

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

FAST TRACK BUSINESS SOLUTIONS FOR THE HASTINGS MANUFACTURING SECTOR

This Baseline Report provides the details of the inputs, outputs, outcomes and impacts of the Fast Track Business Solutions for the Hastings Manufacturing Sector from the date of the Final Business Case, before the scheme is constructed/delivered.

The objectives of the scheme are:

Objective 1: Deliver 4,000 sq.m of modern suitable production space

Objective 2: Safeguard/create jobs and activities locally

Objective 3: Support COVID-19 economic recovery and East Sussex success

The geography of the scheme is shown in the map below



INPUTS

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

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

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	Year 1 Before Opening 2020/21				Year 2 Before Opening 2021/22			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	Planned / Forecast £3.5m GBF grant	Standard SCS in-house reporting by Project Manager and Finance Director	Monthly	Planned/ Forecasted Spend Profile			£125,000	£125,000	£1.5m	£1.5m	£250,000	
IN2	Matched Contributions Spend	Planned / Forecast XXXXX SCS private match	Standard SCS in-house reporting by Project Manager and Finance Director	Monthly	Planned/ Forecasted Spend Profile			XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
IN3	Leveraged Funding	Planned / Forecast N/A			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)	January 2020 (match funding)
Public Consultation	Completed
Detailed Design	Completed
Full Planning Permission Granted	November 2020
Commencement of Marketing	November 2020
Site Mobilisation Works Commence	January 2021
Project Completion / Site Opening	October 2021

INPUT 5: RISK MITIGATION

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

Risk	Owner	Comment
Land assembly and provision	SCS	Completed
Planning Permission	SCS	Detailed planning application prepared following pre-app meetings with Hastings Borough Council (HBC). SCS to enter into a PPA with HBC to ensure that the application is determined within the statutory period.
Site conditions	SCS	Full knowledge of site conditions
Tendering costs	SCS	Client Responsibility
Adequacy of Utility infrastructure	SCS	Extensive engagement and works underway as outlined in this form
Design changes during construction	Contractor	Excludes changes to scope that might be requested by the Client which would be to the Client's account
Ground Conditions	Contractor	Contract allocates this risk to the Contractor
Availability of materials to meet the programme	Contractor	Contract allocates this risk to the Contractor
Weather	Contractor	Contract allocates this risk to the Contractor unless exceptional
Subcontractor failure	Contractor	Contract allocates this risk to the Contractor

OUTPUTS

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



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	4,000 sq.m of new manufacturing space	Baseline	Nil – previously undeveloped site with no existing economic activity	N/A	N/A	N/A	N/A
		Planned/ Anticipated	Delivery of 4.000 sq.m of industrial units	Monitoring of progress towards contractual milestones to be agreed with selected contractor will be carried out by SCS’s Project Manager throughout the project delivery stage and this will track and report on progress made towards project output.	Monthly up to completion of construction	Business Case, Section 2.1	Up to completion (scheduled for October 2021)
Details: Method of Collecting Baseline Information							
N/A – previously undeveloped site with no existing economic activity							



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2	Delivery of services to the relevant plots	Baseline	Nil – previously undeveloped site with no existing economic activity	N/A	N/A	N/A	N/A
		Planned/ Anticipated	Delivery of services/utilities to the 4,000 sq.m of industrial units	Monitoring of progress towards contractual milestones to be agreed with selected contractor will be carried out by SCS’s Project Manager throughout the project delivery stage and this will track and report on progress made towards project output.	Monthly up to completion of construction	Business Case, Section 2.1	Up to completion (scheduled for October 2021)
Details: Method of Collecting Baseline Information							
N/A – previously undeveloped site with no existing economic activity							



- 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.



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1	Jobs supported directly within the new industrial units	Baseline	Nil – previously undeveloped site with no existing economic activity	N/A	N/A	N/A	N/A
		Planned / Anticipated	111 gross operational FTE jobs	Project outcomes will be assessed and monitored by SCS following completion of the direct development works. As SCS intend to retain the industrial units post-completion outcomes will be readily assessed, including monitoring of take-up and occupancy rates. SCS will also carry out business surveys direct with the occupiers of the units to monitor, measure and report on employment outcomes by jobs supported directly within the new industrial units. Information on construction jobs will be obtained by SCS directly from the contractor as part of their regular reporting regime.	Quarterly for three years after completion	Business Case, Section 3	After Completion (scheduled for October 2021)
Details: Method of Collecting Baseline Information							
N/A – previously undeveloped site with no existing economic activity							



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC2	Construction jobs	Baseline	Nil – previously undeveloped site with no existing economic activity	N/A	N/A	N/A	N/A
		Planned / Anticipated	Temporary boost to local construction sector	Information on construction jobs will be obtained by SCS directly from the contractor as part of their regular reporting regime.	Monthly up to completion	Business Case, Section 3	Up to completion (scheduled for October 2021)
Details: Method of Collecting Baseline Information							
N/A – previously undeveloped site with no existing economic activity							



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC3	Retained capacity	Baseline	Nil – previously undeveloped site with no existing economic activity	N/A	N/A	N/A	N/A
		Planned / Anticipated	Retained manufacturing businesses and production capacity in the local area	SCS will log the previous addresses of all the tenants who occupy the industrial units to differentiate between cases of inward investment and retained capacity and provide details of total space occupied and jobs supported for each sector.	Quarterly for three years after completion	Business Case, Section 3	After Completion (scheduled for October 2021)
Details: Method of Collecting Baseline Information							
N/A – previously undeveloped site with no existing economic activity							

IMPACTS

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

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1	SCS believe that the impacts could not be readily monitored, measured or verified and these have therefore not been included in the Monitoring and Evaluation Plan and to do so would not be proportionate for a scheme of this size, type and scope.	Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							



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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.*