

## Innovation Park Medway – Sustainable City of Business

### 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.

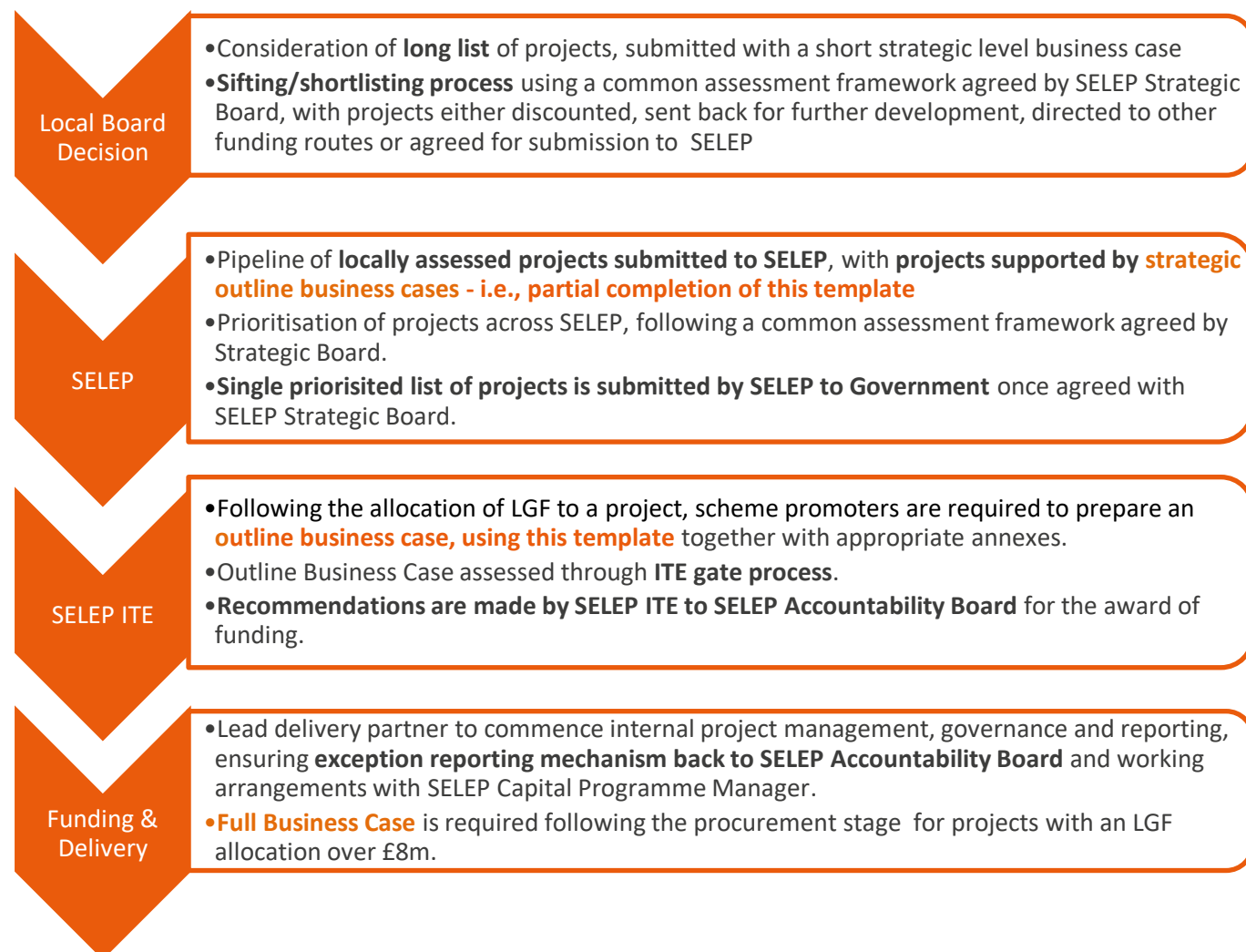
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable 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 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



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

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## 1. PROJECT OVERVIEW

- 1.1 **Project name:**  
Innovation Park Medway – Sustainable City of Business
- 1.2 **Project type:**  
Development of Innovation Park Medway (Runway Park public realm)
- 1.3 **Federated Board Area:**  
Kent & Medway
- 1.4 **Lead County Council / Unitary Authority:**  
Medway
- 1.5 **Development location:**  
Innovation Park Medway  
Rochester Airport  
Kent  
ME5 9SD
- 1.6 **Project Summary: (1/2 page)**

Innovation Park Medway (IPM) is at the heart of the North Kent Enterprise Zone. Well-located with good transport links, IPM will attract high Gross Value Added (GVA) businesses focused on technology, engineering, and knowledge-intensive sectors. These businesses will create high value jobs and upskill the local workforce through high quality training and apprenticeships.

In order to deliver the site, phase 1 of IPM was awarded £4.4m Local Growth Fund round 2 (LGF) investment for Rochester Airport improvement works. As a result of this investment the second airport runway has been closed and the land required for the creation of IPM has been released.

IPM comprises of a northern and southern site. In February 2019 IPM was awarded £3.7m LGF round 3 funding to develop the infrastructure on phase 1 of the northern site. In July 2020 SELEP awarded a further £1.5185m LGF round 3b funding to enable the infrastructure works on phase 2 of the northern site. The council has also sought £650,000 Growing Places Funding (GPF) to deliver the enabling infrastructure required to bring forward development of the southern site.

The award of £778,323 Getting Building Funding (GBF) will enable the delivery of a catalytic section of the Runway Park, which will create a sustainable 'City of Business'. As well as accelerating the delivery of circa 3,000 high GVA jobs and up to 101,000m<sup>2</sup> of commercial space, as a result of the £778,323 investment, the Runway Park will deliver 310 new GVA gross operational jobs as well as additional health benefits and a BCR of 5.3.

The Runway Park will quickly establish itself as the forum for collaboration, bringing businesses and individuals together in the public realm to foster an innovative spirit, as well as enabling businesses to interact with the wider community. The high-quality open space will be key to attracting investors and retaining skilled staff and will add to the marketability of the site. Post COVID-19, there is the opportunity to take advantage of new business growth and the increasing difficulty of locating in London; the site will attract businesses looking to relocate to the South East.

Medway Council will undertake the enabling infrastructure works from 2021, maximising the Enterprise Zone (EZ) opportunity to reinvest business rates into the IPM site for 25 years. Acceleration will contribute to UK productivity and the quicker realisation of business rate yields, which are important for future Local Authority income streams, particularly with Business Rate Retention. Investment will support enhanced land values and unlock further phases of delivery of high-quality commercial space and high GVA jobs.

Alongside the core infrastructure, which is currently funded, this proposal frontloads a perfect canvas for networking, interaction, and growing sectors in one area, with the added benefit of utilising the emerging green economy, as well as leveraging further investment from the public sector and end user business occupiers who secure plots on the site.

### 1.7 Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
SELEP	Primary funder
Medway Council	Project delivery lead. Will be the financial and operational lead.
Tonbridge & Malling Borough Council	Land falls within Local Authority Boundary – involved in planning and economic development processes
Kent and Medway Economic Partnership	Business engagement, project prioritisation, linkage with other projects and initiatives
Private property developers	Financial investment in the development of plots at IPM
Local HE and FE institutions	Partners in future higher value skills delivery to the site
Locate in Kent	Inward investment agency contracted to work on behalf of Medway Council, responsible for business engagement and site promotion
North Kent Enterprise Zone	Business engagement, project prioritisation
Harrisons Chartered Surveyors	Marketing consultants responsible for business engagement and site promotion

### 1.8 Promoting Body: Medway Council

### 1.9 Senior Responsible Owner (SRO): Sunny Ee, Assistant Director Regeneration [Sunny.Ee@medway.gov.uk](mailto:Sunny.Ee@medway.gov.uk) 01634 331030

#### 1.10 Total project value and funding sources:

<b>Funding source</b>	<b>Amount (£)</b>	<b>Flexibility of funding scale or profile</b>	<b>Constraints, dependencies or risks and mitigation</b>
GBF	£778,323	Some flexibility in amount of funding sought. However, a reduction in the amount of funding would result in some of the outputs not being delivered. Remaining outputs will need to be installed at a later stage resulting in significantly higher costs and would ultimately reduce the value for money offered by the project.	In order to deliver for March 2022, we have decided to scope and procure the project at risk in order to work within decision/delivery timescales. The increasingly uncertain international and national economic situation further underlines the need for high quality commercial space, this grant and the Runway Park would raise the stakes for the area against competition from London and other areas.
Local Authority match	£230,677	No flexibility in amount of funding; a reduction in the amount of funding would result in some of the outputs not being delivered at this time. Remaining outputs will need to be installed at a later stage resulting in significantly higher costs and would ultimately reduce the value for money offered by the project.	Local Authority match is funded through borrowing against business rates and capital receipts to be reinvested in the site. There is a risk that income is not realised, however this is a low risk given the interest expressed in the site to date.
<b>Total project value</b>	<b>£1,009,000</b>		

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

Medway Council is seeking £778,323 from the GBF via SELEP to facilitate project delivery.

In the case of this grant application, state resources are involved as the project will be funded by the GBF (via SELEP). However, the project will be compatible with the EU rules on state aid and any assistance given to any undertakings as part of the project will not constitute unlawful state aid.

#### 1.12 Exemptions:

This Business Case is not subject to any Value for Money exemptions as per the SELEP Assurance Framework 2017 Section 5.7.4 and 5.7.5

### 1.13 Key dates:

The project programme currently specifies the following key dates:

Key Milestones	Description	Indicative Date
Planning	The proposed Local Development Order adopted.	December 2020
Planning	Applicant to submit self-certification form which will be considered within 28 days under the terms of the Local Development Order.	March 2021
Land disposal	Marketing to dispose of individual plots to high GVA businesses.	July 2021
Delivery of site infrastructure	Delivery of access roads and utilities funded by LGF	June/July 2021 – March 2022
Runway Park	Delivery of Runway Park, landscaping, and public realm	June/July 2021 – March 2022
Occupation and development	Private business construction and occupation on the site.	Initial occupation – 2022 onwards

As the project progresses the programme will be reviewed and updated as required.

### 1.14 Project development stage:

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Innovation Park Medway masterplan	Development of a masterplan to inform site development. Adopted following public consultation	Final masterplan adopted subject to Highways England in March 2019, and formally in December 2020	Complete
Soft marketing of the site	Soft marketing of the site to attract potential companies for occupation	Soft market testing as part of the Masterplan development, and an event to launch the development of the Innovation Park was held in September 2018.	Soft marketing complete (site marketing ongoing)

Development and Investment Plan for the site	Plan developed to set out the recommended approach to site development, selection of future occupants, funding required and the investment strategy to deliver IPM	This was presented to Cabinet in June 2019 and Full Council in July 2019.	Complete
Innovation Park Medway Local Development Order (LDO)	A Local Development Order and Design Code is the chosen route to simplifying the planning process to deliver the masterplan aspirations, as agreed with Tonbridge & Malling Borough Council.	LDO adopted December 2020	Complete
Detailed design for Runway Park	Runway Park, landscaping and public realm designed at risk in line with the masterplan and Local Development Order. To deliver for March 2022, we have the opportunity to procure the project at risk in order to work within decision/delivery timescales.	Design complete January 2021	Complete
<b>Project development stages to be completed</b>			
Task	Description	Timescale	
Self-Certification Form to seek planning consent under the Local Development Order for infrastructure works	Preparation and submission of documents in line with Local Development Order (simplified planning mechanism with truncated approval timescales) in order to bring forward the scheme.	March/April 2021	
Implementation	If successful with the funding, we have the opportunity to add the Runway Park sustainable public realm construction to an existing contract	June/July 2021	
Full Business Case	Full business case presented to Accountability Board to secure funding	July 2021	

Marketing of the site	Marketing of the site to attract potential companies for occupation	July 2021
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### 1.15 Proposed completion of outputs:

The £778,323 Full Business Case request for GBF funding will enable the delivery of one section of the Runway Park, which will create a sustainable 'City of Business'. As well as accelerating the delivery of circa 3,000 high GVA jobs and up to 101,000m<sup>2</sup> of commercial space, as a result of the £778,323m investment, the Runway Park will deliver 310 new GVA gross operational jobs as well as additional health benefits and a BCR of 5.3. As a result of delivering the Runway Park and subsequent plot development, there is also potential for future funding through re-investment of business rates and rental income generated from the site, and therefore recycled business rate re-investment within the Enterprise Zone.

The works will include:

- Footpath and pavement
- Landscape and public realm
- Planting
- Street furniture
- Preparatory ground works

The delivery of the Runway Park, alongside the core infrastructure, which is currently funded by LGF, will frontload a perfect canvas for networking, interaction, and growing sectors in one area, with the added benefit of utilising the emerging green economy, as well as leveraging further investment from the public sector and end user business occupiers who secure plots on the site.

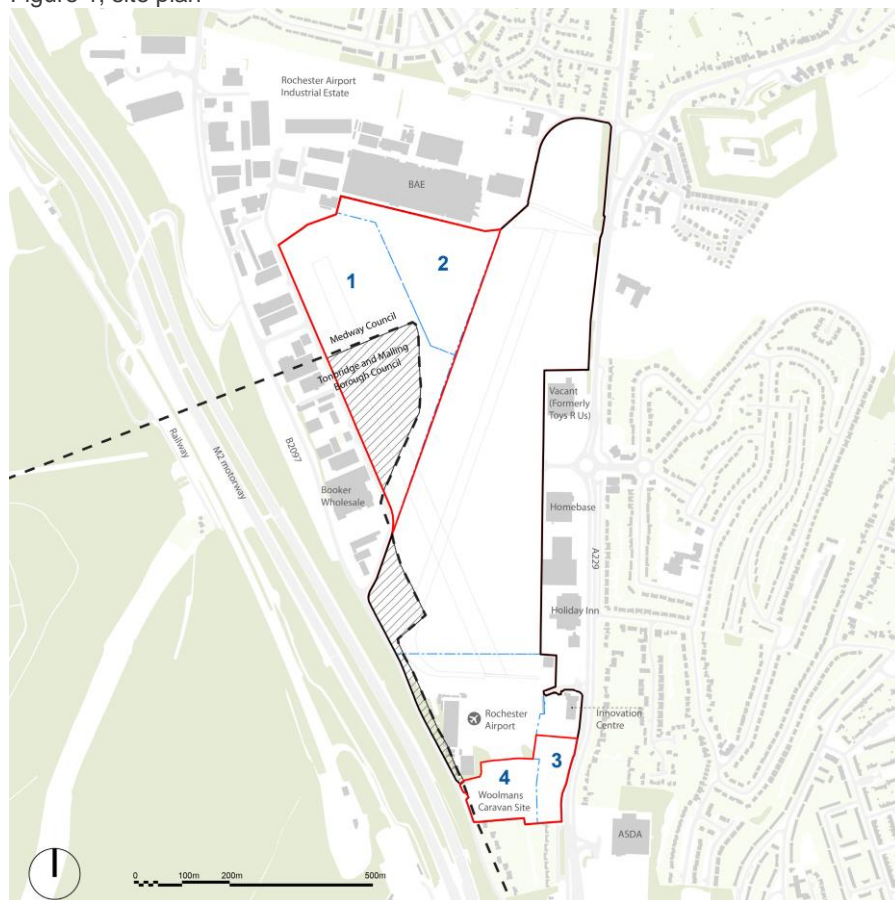
The Runway Park in close dialogue with the buildings, will be an extension of the office space. The 'curation' within the park will be user focused, flexible and have a clear wellbeing agenda of activities. The landscape and public realm, with long life cycle planting, rain gardens and SUDS will address climate change issues and create a sustainable urban environment.

Investment will support enhanced land values and unlock further phases of delivery of high-quality commercial space and high GVA jobs. The use of GBF would ensure that this phase of the development would be carried out at the same time as the LGF infrastructure works, and would be complete in March 2022, removing the need for further demobilisation/mobilisation costs and realising economies of scale. Overheads also benefit from economies of scale as project management resource is already in place and the Runway Park works can be managed under the same team. Costs can be referenced in section 5.3.

Acceleration will contribute to UK productivity and the quicker realisation of business rate yields, which are important for future Local Authority income streams, particularly with Business Rate Retention. Without the Runway Park, the site would be less attractive to potential occupants and there would be a significant delay in delivery. Development of plots would be solely dependent on private sector investment, which is clearly driven by the high-quality environment fostered by the Runway Park.

Figure 2 below indicates the breakdown of funding across the site. Figure 3 below indicates the section of the Runway Park which would be delivered by GBF.

Figure 1; site plan



### North Site

1. Medway Council owned
2. Medway Council land, leased to BAE

### South Site

3. Medway Council owned
4. Privately owned

Figure 2; funding breakdown

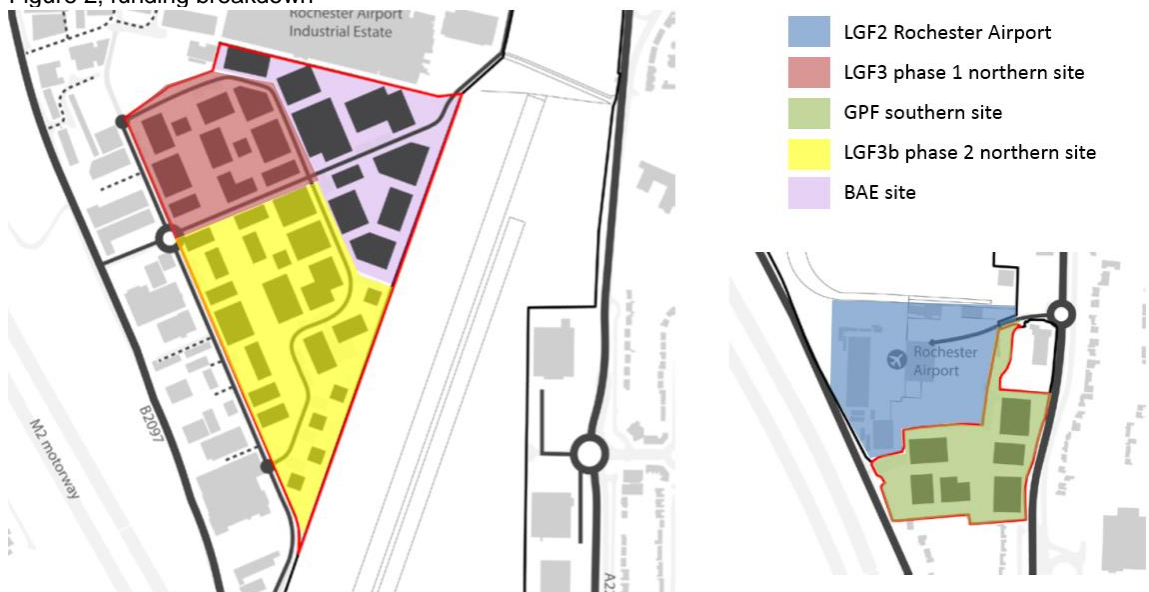


Figure 3; Runway Park



## 2. STRATEGIC CASE

### 2.1 Scope / Scheme Description:

IPM presents an important opportunity to help shape the economic future of the region and has been on Medway Council's regeneration agenda for a significant period of time. The core ambitions for Medway Council and Tonbridge & Malling Borough Council are to strengthen the performance of the local economy, to create jobs in order to secure growth and prosperity, and to realise the potential of the area whilst ensuring the operational longevity of Rochester Airport.

This site is designated as employment land within the existing Local Plan 2003, with a vision to develop a science and technology park to operate alongside the working airfield. This project will bring this aspiration closer to reality through delivering the infrastructure required to encourage development on this site. Businesses looking to relocate to this site will be led by the Innovation Park Medway Masterplan, and a design code as part of a Local Development Order, both of which will be driven by the council's long-term visions for the site.

An innovation environment is about creating a place that brings people and ideas together. In order to develop a design response that delivers the required environment, a masterplan and design code were developed to incorporate design features that have been based on research into the innovation environments of national and international best practice projects.

IPM needs to position itself as a driver of the local innovation economy and attract businesses that support this. This requires offering residents opportunities to upskill, for example through apprenticeships, post-graduate opportunities and research partnerships between businesses and academia. The site will also open up potential to deliver high value businesses attracted by

strategic connectivity and potential sustainable travel plans, plus an innovative environment at the leading edge which provides broadband infrastructure.

Key project SMART objectives include:

- Delivering the Runway Park to facilitate and support the development of IPM. These works will make the site attractive to businesses looking to relocate to Medway, allowing the site to be brought forward more quickly.
- Bring forward high quality jobs in line with the vision for the site.
- To demonstrate Medway Council's ongoing commitment to developing a centre for high quality business, science, and technology development.
- Continue to attract investment for growth in the South East, in line with SELEP's over-arching ambition, by providing innovative workspaces.

Medway Council commissioned a consultancy to review and refresh the 2014 Rochester Airport Masterplan which has produced the Innovation Park Medway Masterplan. Medway Council expect to achieve the following benefits through the GBF investment:

- The award of £778,323m GBF will enable the delivery one section of the Runway Park, which will create a sustainable 'City of Business', delivering 310 new GVA gross operational jobs, plus construction jobs which will be delivered in 2021. These jobs will facilitate the upskilling of the local workforce, as well as additional health benefits and a BCR of 5.3.
- Development of the Runway Park will accelerate the delivery of circa 3,000 high GVA jobs and up to 101,000m<sup>2</sup> of commercial space.
- Alongside the core infrastructure, which is currently funded by LGF, the Runway Park will attract future occupants.
- The project will encourage businesses to occupy the site where they can benefit from being within an Enterprise Zone due to the reinvestment of rates. Investment will support enhanced land values and unlock further phases of delivery of high-quality commercial space and high GVA jobs. The marketing consultants will be actively marketing the site from July 2021 or from announcement of funding award, whichever is sooner.

Initial benefits will be realised by 2022, with the vision that in the long-term the site will deliver a thriving innovation park.

The Runway Park will quickly establish itself as the forum for collaboration, bringing businesses and individuals together in the public realm to foster an innovative spirit, as well as enabling businesses to interact with the wider community. The high-quality open space will be key to attracting investors within the engineering and scientific fields who are looking to build their own premises and retain skilled staff, making the site more marketable.

Medway Council's vision for the IPM sees rapidly growing, cutting edge businesses establishing themselves on the site, offering the local labour force opportunities to become part of a highly skilled workforce.

IPM will become a hub for specialist high GVA businesses, which will significantly strengthen the local economy. The presence of these businesses within the North Kent Enterprise Zone will generate a significant level of business rates which will allow for further investment in the site, leading to the creation of further jobs.

In addition to the direct benefits delivered by this project it is expected that these wider gains will also be realised:

- Development of the IPM will encourage uplift in investment in surrounding industrial estates in Medway. Investment in these sites will prevent the buildings falling into disrepair and will as a result safeguard jobs which already exist in Medway.
- Through the creation of an innovation park focussing on scientific and engineering industries it will be possible, due to available employment offer in highly skilled industries, for Medway to retain a higher number of graduates from the local universities.
- Creation of additional jobs within the private sector will reduce the reliance of Medway's economy on the public sector. In 2019, the public sector represented 24% of local employment, a significantly higher percentage than that seen in Kent at 17% and across the South East region at 19%. Development of this site will provide private sector job opportunities in high value sectors which are comparatively less well represented in Medway.
- IPM will contribute towards the development of the Thames Gateway through accelerated delivery of growth in jobs.

## 2.2 Location description:

Rochester Airport is a general aviation aerodrome in one of the largest conurbations in the South East outside of London and sits on the boundary of Medway Council and Tonbridge & Malling Borough Council. The site has excellent connectivity links and sits approximately 2.2 miles to the south of Rochester and Chatham town centres and 35 miles east of Central London. It is located approximately 0.9 miles north of Junction 3 of the M2 motorway and 3.5 miles north of Junction 6 of the M20 motorway, linking the site with London, the M25 motorway and Continental Europe, thereby making the site an attractive location for business.

Rochester Airport is bounded by the A229 to the east and the B2097 to the west. These roads meet to the south of the site at the Bridgewood roundabout interchange, with the A229 continuing to the south via a grade-separated flyover and a signalised roundabout. The site is well-connected to the surrounding road network. Emergency access points are located at the south-western, eastern and western site boundaries.

The majority of the existing pedestrian and cycle facilities are found to the east of the airport with limited facilities in the vicinity of the B2097. There are no footways on a section of the B2097 to the south of Laker Road. Existing pedestrian facilities include a signalised crossing on the A229 providing access to the housing estate and southbound bus stops on the A229. There is a cycle route along the A229 consisting of both on-street and off-street paths.

The area is served by several bus routes that run via the A229 to Maidstone in one direction and Chatham and Gillingham in the other direction. On the western side of the site, a further service runs from Chatham out to Kits Coty/Blue Bell Hill Village via the B2097. The Innovation Park Medway masterplan proposes to encourage public transport into the site with a dedicated bus

access point, and the site will have three access points, two on the B2097 for access to the northern site and the other on the A229 for access to the southern site.

A Transport Assessment carried out as part of the Innovation Park Medway Masterplan has concluded that expected car traffic will remain within predicted parameters, and that the site benefits from good bus, pedestrian and cycle provision. A Travel Plan document supporting the development of the masterplan will promote a range of measures with the overall objective of reducing the number of single occupancy vehicle journeys to and from the site and building on the existing bus routes which provide good north-south links, opportunities for public transport services to penetrate the site will also be considered.

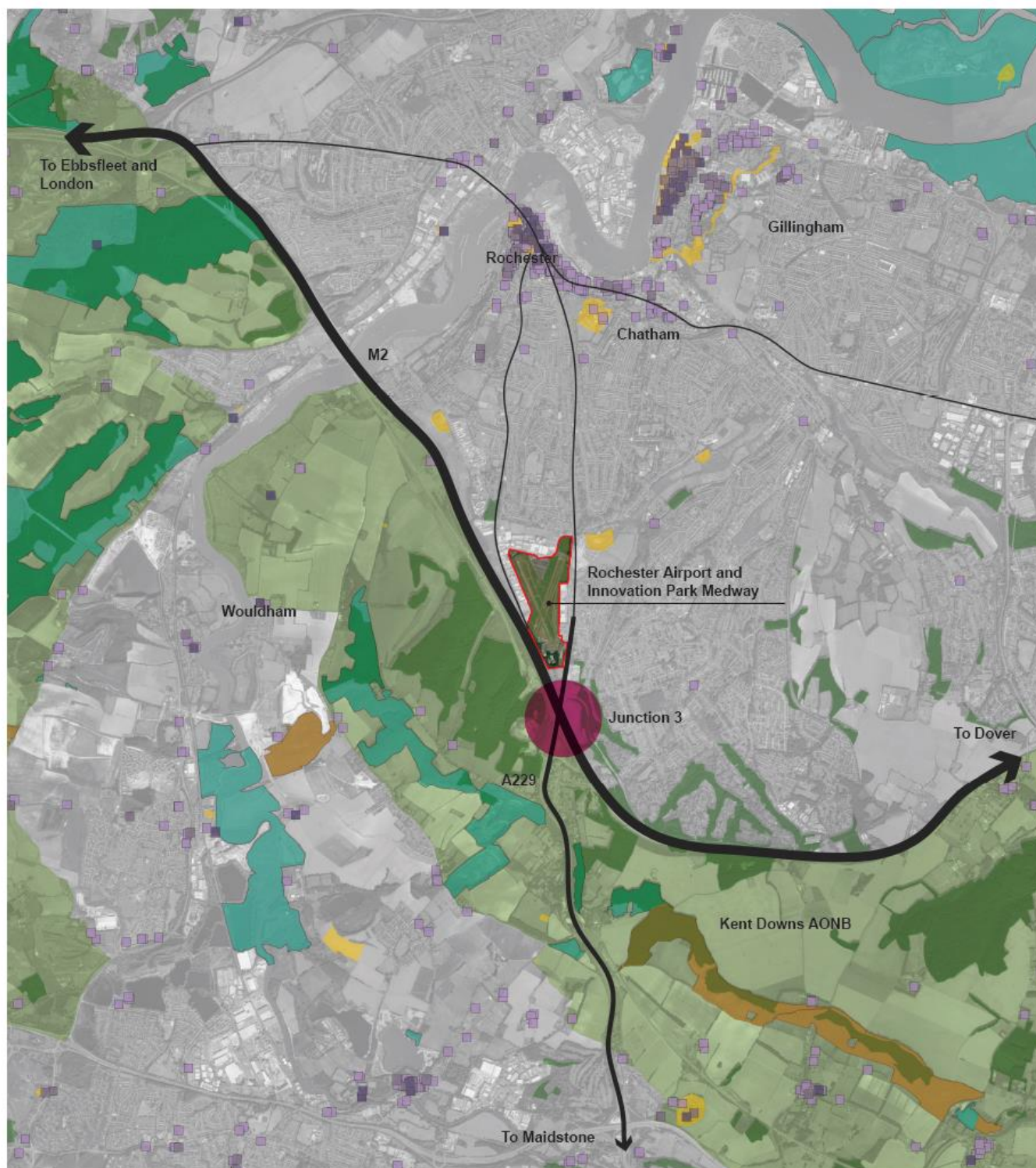
A Monitor and Manage approach has been agreed with Highways England and KCC. Alongside conditions, this allows Medway and T&M to begin delivering the infrastructure and public realm works whilst a Monitor and Manage Mitigation Strategy is finalised.

Southeastern Javelin Trains that make use of High Speed 1 mean Rochester is just 37 minutes from Central London, whilst Eurostar services to Europe can be accessed from Ebbsfleet and Ashford International Stations. Strood is also 34 minutes from St Pancras. The nearest stations in Chatham and Rochester are both located approximately 3 miles from the airport site and would require onward travel to get to the site. There are bus services that link the stations to the airport. Adjacent to the airport, to the west of the M2, is the Kent Downs Area of Outstanding Natural Beauty (AONB), a landscape made up of diverse special characteristics and qualities which together distinguish it as a landscape of national importance.

In close proximity to the Airport are a number of noteworthy employment areas including the BAE Systems Rochester Campus, Rochester Airport Industrial Estate and the Innovation Centre Medway which opened in 2009. The Airport has been in use since the early 20th Century developing a significant history and forming an integral part of the local community. To ensure the Airport remains fit for purpose into the 21st Century, proposals for the site's refurbishment have been developed as part of the Rochester Airport Masterplan (2014).

In recent years, innovation in the local area has been supported by its excellent transport links, both within the region and in terms of its connection to London and continental Europe, its close proximity to four local universities and a diverse and proactive business community. Significant progress has been made with regard to average wage levels, workforce skills and employment and productivity rates in Medway, and further improvements can help raise performance regionally and nationally. Capitalising on its industrial legacy, and the consequential local sector strength in manufacturing and engineering, is key to delivering further economic growth and innovation.

Figure 4 – Location plan



### 2.3 Policy context:

The importance of development at Rochester Airport has been identified in several local and regional documents, supports recent development at the periphery of the site, such as the highly successful and fully occupied Innovation Centre Medway and aligns with a number of SELEP's Economic Recovery and Renewal Strategy objectives. Medway's Employment Land Needs Assessment 2015 has identified a future requirement of 90 hectares in order to meet demand and provide jobs for the fast-growing population during the plan period up to 2037. The airport site is the largest, centrally located holding in the area and will help meet a significant element of the identified demand.

IPM is situated within the nationally recognised Thames Gateway regeneration area, which is an area identified by Government as a location for growth. This project will accelerate development within the Thames Gateway, focusing on innovation and growth in knowledge-intensive sectors, aligning well with priorities set out in the Government's Industrial Strategy White Paper and emerging thinking on SELEP's Economic Recovery and Renewal Strategy as well as the existing Strategic Economic Plan (SEP -chapters 2 and 4). As part of the North Kent Enterprise Zone, Innovation Park Medway is also a strategic priority for the Kent and Medway Economic Partnership (signified by their endorsement of the Memorandum of Understanding with Government to support delivery of the Enterprise Zone).

The project is also fully supported by Medway for Business, a private sector led advisory group.

The ambitions for Innovation Park Medway are:

- Attract high GVA activities
- Improve the number and quality of jobs
- Add value by retaining and increasing the local skills base
- Establish Innovation Park Medway as a preferred destination and partner for regional businesses
- Promote the region's brand and image

Innovation Park Medway targets locations where high value employment will boost land values and confidence to support housing delivery, by helping provide impetus to commercial growth and creation of high value jobs. It will improve the productivity of the economy, raising GVA and investor confidence and strengthening linkages between business and the higher education sectors, both through on-site provision and governance arrangements.

Medway's current Local Plan 2003 (Policy ED1) states that the airport site 'has the potential to become an employment centre of the highest quality'. The policy indicates that on the airport site development will only be permitted for Business (Class B1), general industry (Class B2) and storage and distribution (Class B8) uses.

An emerging Local Plan is currently being developed which also references the development of IPM. The emerging Local Plan outlines the ambitions for Innovation Park Medway:

*'the ambition is to develop a very high-quality commercial environment for predominantly B1 and B2 uses, including workspace for advanced manufacturing, engineering, R&D and prototyping.'*

Development of IPM will significantly contribute to the Medway Council Plan 2016/17 to 2020/21, (the Council's strategic business plan) by supporting the strategic priorities of *'maximising regeneration and economic growth'* and *'supporting Medway's people to realise their potential.'*

The Council is committed to transforming the area through bringing about positive change with new jobs and homes in major regeneration sites at Rochester, Chatham and Strood, working in partnership with the private sector and Homes England.

Policy E1: Economic Development, within the emerging Local Plan, sets out the Council's commitment to increase the productivity of Medway's economy, as measured through GVA, through support for higher value employment. This will include the designation of specific employment sites as suitable for higher value employment. In addition, the council and its partners will promote growth of employment sectors that have the best potential for higher value jobs.

The emerging Local Plan is supported by Medway's regeneration and economic development framework – Medway 2035. Medway 2035 has the stated objective:

*'Medway Council will lead by example in championing, and policy-protecting, high value employment opportunities at Innovation Park Medway.'*

The project also directly supports five of Medway 2035's six stated priorities:

- Put Medway on the map as a smart and sustainable waterfront university city
- Increase high-value businesses and expand high quality employment
- Continue to support business creation and growth
- Provide the right infrastructure for business success
- Enhance a strong mixed economy

This project will help to achieve the following outcomes listed in the Council Plan:

- *A 'strong diversified economy' through business investment.*
- *'Residents with jobs and skills' through creating job opportunities for Medway residents on the site.*

In January 2014 Medway Council adopted the Rochester Airport Masterplan which sets out the vision for the Rochester Airport site. The vision includes supporting high value business, employment and skills opportunities at the site. An updated Masterplan for the site was adopted subject to Highways England in March 2019 and formally adopted in December 2020.

This project meets the key strategic priority around business resilience and growth in the Economic Recovery and Renewal Strategy and aligns with the objectives of the SEP and 4 of the seven key objectives:

1. **Support business innovation** – IPM provides businesses with the opportunity to deliver bespoke business space to facilitate innovation, focused on specific innovative use classes
2. **Drive trade and growth** – Supporting the growth of the advanced manufacturing sector (an area in which Medway has, anchored by major employers such as BAE Systems, which is adjacent to the site, Borg Warner and a large base of medium-sized, cutting edge manufacturing and engineering companies and supply chains). Contributing to the North Kent Enterprise Zone by offering businesses the opportunity to realise the benefits offered to companies locating within the Enterprise Zone due to reinvestment of business rates in the site. Investment will significantly enhance IPM land values and unlock further phases of delivery.

3. **Deliver a skilled workforce** - Delivering employment growth, particularly within higher-skilled occupations, helping to close the GVA gap currently experienced by Medway. Providing employment opportunities for local graduates from the Medway University Technical College and the Universities at Medway, adding value by keeping young people in the area.
4. **Put clean growth at the heart of what we do** - Sustainability of development is a key element of the IPM Design Code and Local Development Order with BREEAM requirements and air quality mitigation targets in addition to requirements for sustainable travel.

Creation of high GVA jobs will undoubtedly contribute to the delivery of the SELEP Skills Strategy.

### **National Planning Policy Framework**

The National Planning Policy Framework (NPPF) forms the basis of development plan making in England and is a material consideration in planning decisions. The NPPF details the Government requirements for the planning system, as well as providing a framework within which councils and local communities should produce planning documents, reflecting the priorities and needs of the relevant community.

A core theme of the NPPF is the delivery of sustainable development and it confirms the three dimensions to sustainable development as economic, social and environmental. Paragraph 14 emphasises this by stating "At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development".

Development of IPM will support the emerging Skills and Employability Plan for Medway 2035, whose vision for skills, including STEM skills, and employability is encapsulated in four priorities which promote growth for all:

- Matching Business Demand with Skills Supply
- Developing Medway's Talent Pool
- Establish Routes to Employment
- Transforming NEETs (Young People Not in Education, Employment or Training) to EETs (Young People in Education, Employment or Training)

The Skills and Employability Plan for Medway 2035 celebrates the focus and strengths of Medway's training and education providers. It recognises, and respects an intricate local, regional and national skills context. In doing so, it seeks to unite and add value to existing initiatives, and to create exciting new opportunities for all.

## **2.4 Need for intervention:**

The requirement is for funding for the development of one section of the Runway Park identified in the plans at figure 3, to promote IPM as a prime business location. This will maximise job creation across the whole of the IPM site and generate further productivity gains in Medway as an additional number of high value businesses are able to locate in the area sooner than if GBF was not awarded, increasing the number of businesses with the potential to realise EZ benefits.

Considerable interest has already been expressed in the IPM site before any formal marketing activity; not delivering at pace risks the loss of these businesses to other locations. Over 30 serious enquiries have already been received; to accommodate all of these, the public realm is needed up front across the entire site.

The use of GBF would ensure that this part of the development would be carried out at the same time as the infrastructure works and would be complete in March 2022, removing the need for further demobilisation/mobilisation costs and realising economies of scale. Overheads also benefit from economies of scale as project management resource is already in place and GBF works can be managed under the same team. Costs can be referenced in section 5.3.

Innovation Park Medway is located within the Kent Innovation Corridor. Extending from Discovery Park Enterprise Zone in East Kent to The Nucleus in Dartford, the corridor comprises a chain of strategic sites offering a mixture of start-up, incubation, expansion, office and workshop spaces complemented by conferencing and other business support facilities bringing together businesses in advanced technology sectors including life sciences, pharmaceuticals, ICT, digital media and specialist engineering.

In 2015, the North Kent Enterprise Zone was awarded Enterprise Zone status, operating across three locations: Ebbsfleet Garden City, Kent Medical Campus in Maidstone and Rochester Airport in Medway. The North Kent sites offer specialisms in key sectors such as medical and healthcare research, training and practice, advanced manufacturing, engineering and digital technologies. It is within this regional context that the Innovation Park Medway needs to attract investment and build local value chains.

IPM has a clear agenda and ambitions (as detailed above) and a focus on increasing skills and attracting quality jobs. The success of an Enterprise Zone is in part dependent on the environment it operates in, and the development of IPM will offer opportunities to promote innovation, economic growth and skilled jobs.

The project will promote IPM as a prime business location. This will lead to job creation and productivity gains in Medway, as high value businesses are able to locate in the area, helping to alleviate key economic problems including:

- **Gross Value Added (GVA) per head** – The latest data from the Office of National Statistics (ONS) was published in December 2019 for 2018 provisional data shows that the GVA per head for Medway is £20,068. This figure is below that of Kent as a whole at £22,972, and even further below the wider South East average of £30,356. The next release, which we expected in December 2020 has been delayed by the ONS until May 2021.
- **Low Economic Base** – Medway's economic base is currently focussed on lower value, less knowledge-intensive activity. This is despite Medway accommodating four universities, a state-of-the-art Further Education College and a newly opened University Technical College. Medway produces skilled employees that largely go elsewhere because the economic makeup of the local area is not able to support these skilled people into employment.
- **Over-reliance on the public sector** – In 2019, the public sector represented 24% of local employment, a significantly higher percentage than that seen in Kent at 17% and across the South East region at 19%. Traditionally the public sector has generated low levels of GVA per head. Medway is less well represented in areas such as financial and other business services and information and communication, which offer a higher GVA per head. It is important to re-balance the local economy with business and jobs that can generate high-level output and add value by providing opportunities for local residents, particularly students with the necessary qualifications, to remain in the area. Medway Council is committed to addressing this issue and reducing the relative level of economic

deprivation in the area. One of the key mechanisms to help achieve this is by making commercial land available that will support higher value businesses and employment.

- **Unemployment** - Medway has higher unemployment levels when compared with the South East in 2020. Over the past year, claimant volumes due to Covid-19 means we are seeing a drastic change in claimant rates (e.g. Latest published data for December 2020 is 115.4% higher than December 2019).

Medway is already home to several best-in-class high technology companies, including BAE Systems), Borg Warner, Geku, Aeromet, Hochiki and Transnordic. The area also has leading companies in specialist fields such as medtech laboratory construction (Clean Room Construction), software development (Dovetail Games) and hearing protection systems for the healthcare, music and security sectors (Puretone). The presence of such companies, their investment in R&D and local supply chain networks provide strong foundations for further growth and clustering of related sector specialisms.

However, industrial areas in Medway's urban locations are limited and largely operating at capacity. This includes sites such as Strood Business Park, Medway City Estate and Gillingham Business Park. Whilst all are popular, Gillingham Business Park represents the last of these particular sites to be developed almost 30 years ago as an Enterprise Zone. Notwithstanding the development of the Innovation Centre, a standalone initiative developed by Medway Council in 2009, the private sector has been slow and reticent to develop new commercial business stock due to a lack of well-located land designated for employment.

Therefore, the quality of the area's commercial stock is slowly deteriorating in addition to the issues related to this burgeoning demand. Recent changes by the Government to the National Planning Policy Framework make it easier for developers to convert commercial sites into residential uses, which is adding to the capacity constraint.

Medway Council commissioned GVA Bilfinger in 2015 to produce its Strategic Housing & Economic Needs Assessment (SHENA) and updated the Employment Land Needs Assessment in December 2020 as a constituent part of this. This study identified that there is 'a need to deliver a mix of industrial and warehousing stock to enable the borough to capitalise on the economic opportunities. These are an increase in local demand for office space due to London's increasing prices and Medway's connection with London, and existing high value engineering economic activity. The strategic role of Medway Council as the key stakeholder that can facilitate the space and the infrastructure required was highlighted.

The current Covid-19 pandemic has presented an opportunity to consider the changing market and the potential impacts on both the commercial space and across the site as a whole, using this situation to our advantage.

The following opportunities and benefits have been identified to date:

- A proportion of the site allocation is for B2 uses such as advanced manufacturing and engineering. This is not a use that could solely move towards increased homeworking, and there will therefore still be a demand for physical space.
- Increased homeworking in B1 office uses could enable more jobs to be delivered through the IPM site. If a larger proportion of staff at each business across the site move towards homeworking, a larger number of jobs could be enabled within a smaller floorspace. This

also has environmental/transport benefits as trips could reduce as a result of increased homeworking.

- Consultants working on the design of the gateway building at IPM have identified opportunities for changing work environments to suit the post covid-19 office workspace. This could include 'touchless' facilities, segregated ventilation, etc. which is not readily available in the market currently. This gives IPM an advantage over sites that have already begun to come forward pre covid-19, as IPM could deliver fit for purpose space in the post covid-19 working environment.

*\*please note that this Business Case refers to B1 and B2 however in the updated class uses this has been changed to E(g) and B2.*

## 2.5 Sources of funding:

It is key to encourage growth on the IPM site as quickly as possible in order to realise Enterprise Zone rates reinvestment, and public sector funding within the timeframe allowed is the only way the development can achieve this.

Other funding sources considered include: -

- **Private sector funding** – consideration was given to private sector funding, but if the Runway Park is to be developed at pace to take maximum advantage of the benefits on offer and achieve the objectives, it is unlikely the programme of works under private sector investment will be quick enough for IPM to maximise the opportunity to deliver the jobs, apprenticeships and reinvestment of business rates.

We have to scope and procure the Runway Park at risk in order to work within decision/delivery timescales. If this bid is successful, the Runway Park works can be delivered by March 2022, following this private companies will need to carry out their own premise construction, and occupation is not likely to start until 2022. Should the project be reliant on the private sector, marketing and allocation of plots to private companies will need to take place before the works can commence.

If successful with the GBF this would enable the public realm works to be carried out for the whole of the northern site within the same time period that is currently planned for LGF works, and so more jobs, apprenticeships and business rates can be achieved.

- **Borrowing** – consideration was given to borrowing funds from the Public Works Loan Board, however, this was not considered to be a viable option due to the repayment requirements. The Public Works Loan Board lending arrangements indicate that the first repayment must be made within 6 months of the advance of funding. In this instance, this was considered to be impractical as works will not be complete within this time period and the site will not generate receipts quickly enough for this to be viable. If we wait until we expect receipts within 6 months to borrow from the Public Works Loan Board, we will decelerate outcomes, and reduce marketability. In addition, Medway Council would be required to pay both interest and fees on any borrowing from the Public Works Loan Board, which has an impact on the viability of the proposal.
- **Growing Places Fund** - There is already an established GPF pipeline which IPM is not on, and which exceeds funds available. Waiting for a new round of GPF would delay project delivery and therefore outcomes.

- **Other loan routes open to public sector** - Interest and fees affect viability and offer less value to the taxpayer.
- **Medway Council to fund the works** –The capital additions approval, as set out in the Delivery and Investment Plan, recognises the strategic importance of the project but we must be cognisant of the changes Covid-19 is driving to our MTFS, and the widening gap in Local Authority budgets. Whilst we have approval for some capital investment at the IPM, further external investment is required to fully achieve the ambitions of the site. IPM is of undoubted regional benefit, so it would not be fair for the investment burden to fall wholly on Medway taxpayers.

Unfortunately, the steep decline in government grant over a sustained period has meant that the council has been compelled to draw on scarce reserves in the short term, in order to protect frontline services and does not therefore have sufficient balances to support the delivery of this scheme. In addition to Government grants the council has, in previous years, injected considerable sums into the capital programme mainly from capital receipts and prudential borrowing. The council's robust approach to managing an ideal property portfolio restricts the availability of capital receipts so there is very limited capacity for using this source of funding.

Local Authority borrowing is regulated by CIPFA's Prudential Code which requires that the local authority shall ensure that all of its capital and investment plans and borrowing are prudent and sustainable. In doing so, it will take into account its arrangements for the repayment of debt (including through the MRP / repayment of loans fund) and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. The current policy is that any service wishing to avail itself of prudential borrowing in order to fund capital investment must be able to demonstrate that it can afford the repayments and interest incurred on the loan from its revenue budget.

The commercial premises delivered at IPM would generate Business Rates for the local authority, however the growth in rates delivered by Enterprise Zones must be reinvested in local economic growth.

## 2.6 Impact of non-intervention (do nothing):

If the funding bid is unsuccessful the development of the site will be significantly slower in coming forward, and it will not be possible to proceed with these works on a timescale that aligns with Medway Council's vision for IPM to maximise the opportunities. This will result in fewer high GVA jobs and skills opportunities available in the short-term and reduce the window of opportunity for business rates reinvestment as part of the Enterprise Zone incentives.

An early opportunity to de-risk the site for both the local authority and/or a development partner will be missed, leading to reduced site value and interest. There is the potential for the site to be sold as a whole to the private sector; however, this raises concerns regarding deliverability of future phases of the project and presents a risk to the quality of the appearance of the site, the type of businesses which may locate on the site and the calibre and density of jobs they provide.

Delay in bringing forward development of the Enterprise Zone would likewise delay generation of business rates that could then be reinvested in the site. Furthermore, if this site is not brought forward at pace, companies may seek alternative employment locations outside the South East, the anticipated jobs will not be created and there will be fewer opportunities for local people to gain employment and training within a highly skilled industry, such as the scientific or

technological fields. This will impede the retention of a skilled workforce, which will have a negative impact on the local economy and reduce the gap in the rate of unemployment between Medway and the wider South East region.

Failure to provide employment opportunities in highly skilled industries is likely to lead to increased out-commuting from Medway and the surrounding area, which will in turn have negative implications on the environment. It could also impact on the ability to garner interest from the Higher Education sector as the vision of the development is to create a technology or science park environment with a critical mass of interest to foster business and skills collaboration.

## 2.7 Objectives of intervention:

### Project Objectives

Objective 1: Creation of a knowledge-based employment hub from 2022.

Objective 2: Encourage reinvestment on neighbouring industrial estates with the creation of the technology park.

Objective 3: Link labour market skills development with the proposed physical developments by creating partnerships with local universities and further education facilities.

Objective 4: Create high GVA skilled jobs.

Objective 5: Retain and increase the local skills base.

Objective 6: Establish Innovation Park Medway as a preferred destination and partner for regional businesses.

### Problems or opportunities the project is seeking to address

Problem 1: Low Gross Value Added (GVA) per capita

Problem 2: Poor retention of local skilled workforce and new graduates

Problem 3: Over-reliance on the public sector for employment

Problem 4: High unemployment compared to the rest of the South East.

Opportunity 1: maximise the number of businesses locating on the Innovation Park Medway, resulting in the creation of more jobs sooner, earlier receipt of business rates, and reinvestment of business rates into the Enterprise Zone

	<b>Problems / opportunities identified in Need for Intervention section</b>				
	<b>Problem 1</b>	<b>Problem 2</b>	<b>Problem 3</b>	<b>Problem 4</b>	<b>Opportunity 1</b>
Objective 1	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 2	✓	✓✓	✓✓✓	✓✓✓	✓✓
Objective 3	✓	✓✓✓	✓	✓✓✓	✓
Objective 4	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 5	✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓
Objective 6	✓✓	✓✓	✓✓✓	✓✓	✓✓

## 2.8 Constraints:

### **Planning Constraints**

The preferred approach for delivering IPM through the planning system is to use a Local Development Order (LDO). The LDO mechanism demonstrates a positive and strategic approach to planning, supporting business and encouraging economic growth.

An LDO promotes and communicates a clear planning framework for IPM and ensures the delivery of a successful place by giving developers greater certainty on what they are able to build. There was risk of objection to the adoption of a LDO, however this has now been adopted. As part of the assessment and development of the LDO, Medway consulted with experts in the appropriate fields to mitigate the risk of objection and encourage public support to minimise delay as much as possible.

We have made the decision to scope and procure the Runway Park at risk in order to work within decision/delivery timescales. This ensures that should the Business Case for GBF be successful mobilisation can commence immediately and the works programme will be delivered efficiently to meet the March 2022 deadline.

### **Financial constraints**

If this bid is successful, the Runway Park works can be delivered by March 2022. Should the project be reliant on the private sector, marketing and allocation of plots to private companies will need to take place before the works can commence.

### **Ecological Constraints**

An Ecological Impact Assessment has been undertaken to inform the masterplanning process; a number of statutory and non-statutory designated sites have been identified as well as a range of species and habitats also present within the site. Overall, based on the nature and location of the proposed development, no adverse effects on these statutory or non-statutory designated sites are anticipated. The proposed development would achieve a net gain in biodiversity, in line with guidelines set out in the National Planning Policy Framework, and although some semi-improved neutral grassland will be lost, this loss will be compensated through re-provision off-site. An Ecological Management and Enhancement Plan has been produced to provide prescriptions for the mitigation measures.

## **2.9 Scheme dependencies:**

### **Joint Local Authority Partnership**

The site falls within both Medway Council and Tonbridge & Malling Borough Council boundaries. The success of the IPM project is dependent on the collaboration of Tonbridge & Malling with Medway and their joint agreement of the scheme objectives. To date Medway Council and Tonbridge & Malling Borough Council have worked closely on the adoption of the Local Development Orders and Masterplan which set the context and ambition for the site. It is therefore considered this is unlikely to impact deliverability of the scheme.

### **Financial Dependencies**

As mentioned in section 2.6 the implementation of further zones is dependent on funding being available. Medway Council is not currently in a position to be able to fund the development of the full Runway Park in addition to the existing funding commitments already made; however, the intention is to re-invest any income received from the development of the northern site to progress commercial use on the remainder of the site. It is unlikely this poses a significant risk to the deliverability of the scheme based on income modelling and the level of interest from potential businesses to date.

### **Phasing Dependencies**

In order to safeguard the future of the airport, whilst also achieving the objectives detailed previously, Medway Council also submitted a request for LGF funding to bring forward the first two phases of the Innovation Park Medway project.

Phase 1 of the project focussed on the airport infrastructure improvements. Through delivery of these works the future of the airport will be secured, and it has been possible to release the land required for the creation of IPM. The runway has now been closed with the commencement of the LGF2 works due to complete November 2021. Delays on the LGF2 works will not affect the development of IPM now that the runway cannot be used as a result of the works. The phasing of the LGF2 works has been carefully considered to ensure that anything on the critical path for LGF and GBF is prioritised to reduce the risk of impact. These risks have been highlighted in Appendix B.

The award of £778,323 Getting Building Funding (GBF), means that the Runway Park can be delivered in parallel to the LGF works, creating a sustainable 'City of Business', which will deliver 310 new GVA gross operational jobs and a BCR of 5.3.

### **Masterplan and Planning Dependencies**

The Innovation Park Medway Masterplan outlines a scheme that will deliver a high-quality space with flexible plots to encourage a wide range of high value technology, engineering, manufacturing and knowledge- intensive businesses.

A Local Development Order (LDO) was adopted by Medway in December 2020 and Tonbridge and Malling in February 2021. This is the preferred planning framework for the development and offers a more attractive planning process for potential businesses, as it incurs lower costs and offers a speedier planning decision, which means more opportunity to maximise Enterprise Zone benefits.

Infrastructure and public realm, including Runway Park will be delivered in line with the Masterplan and LDO, therefore there is low risk to the deliverability of the scheme.

### **Social Dependencies**

A workforce with the required skills is necessary to feed into the businesses that will be occupying the site. Two of the four universities located in Medway attend the Innovation Park Medway Delivery Board to look at opportunities for local skills provision and commercial research and development, attracting the high value innovative companies that IPM aims to target. Therefore, this dependency poses a low risk.

## **2.10 Expected benefits:**

Medway Council expect to achieve the following benefits through this GBF investment:

- The award of £778,323 GBF will enable the delivery one section of the Runway Park, which will create a sustainable 'City of Business', delivering 310 new GVA gross operational jobs, plus construction jobs which will be delivered in 2021. These jobs will facilitate the upskilling of the local workforce, as well as additional health benefits and a BCR of 5.3.
- Development of the Runway Park will accelerate the delivery of circa 3,000 high GVA jobs and up to 101,000m<sup>2</sup> of commercial space.
- Alongside the core infrastructure, which is currently funded by LGF, the Runway Park will attract future occupants.

- The project will encourage businesses to occupy the site where they can benefit from being within an Enterprise Zone due to the reinvestment of rates. Investment will support enhanced land values and unlock further phases of delivery of high-quality commercial space and high GVA jobs. The marketing consultants will be actively marketing the site from July 2021.

Initial benefits will be realised by 2022, with the vision that in the long-term the site will deliver a thriving innovation park.

In addition to the direct benefits delivered by this project it is expected that these wider gains will also be realised:

- Development of the IPM will encourage uplift in investment in surrounding industrial estates in Medway. Investment in these sites will prevent the buildings falling into disrepair and will as a result safeguard jobs which already exist in Medway.
- Through the creation of an innovation park focussing on scientific and engineering industries it will be possible, due to available employment offer in highly skilled industries, for Medway to retain a higher number of graduates from the local universities.
- Creation of additional jobs within the private sector will reduce the reliance of Medway's economy on the public sector. In 2019, the public sector represented 24% of local employment, a significantly higher percentage than that seen in Kent at 17% and across the South East region at 19%. Development of this site will provide private sector job opportunities in high value sectors which are comparatively less well represented in Medway.
- IPM will contribute towards the development of the Thames Gateway through accelerated delivery of growth in jobs.

Please also refer to section 3.3 of the Economic Case.

## 2.11 Key risks:

The key risks which will affect delivery of the scheme and benefits realisation are:

- **GBF is not forthcoming** – If the funding bid is unsuccessful the development of the site will be significantly slower in coming forward, and it will not be possible to proceed with these works on a timescale that aligns with Medway Council's vision for IPM to maximise the opportunities. This will result in fewer high GVA jobs and skills opportunities available in the short-term and reduce the window of opportunity for business rates reinvestment as part of the Enterprise Zone incentives.
- **Planning consent is not forthcoming** – if planning permission is not granted for development on the site it will not be possible to proceed with the project as currently planned, and opportunities to maximise the Enterprise Zone benefits will be reduced. An LDO promotes and communicates a clear planning framework for IPM and ensures the delivery of a successful place by giving developers greater certainty on what they are able to build. There was risk of objection to the adoption of a LDO, however this has now been adopted. As part of the assessment and development of the LDO, Medway consulted with experts in the appropriate fields to mitigate the risk of objection and encourage public support to minimise delay as much as possible. Site design has been developed in line with the Design Code to mitigate the risk of planning consent being refused.

- **Best value procurement of necessary contractors not achieved** - if best value is not achieved, then the quality and quantity of works may not be achievable, the full extent of the public realm works for the site will not be delivered and the rate at which the objectives and benefits can be achieved will be slowed. A full open competitive tender process has been undertaken to appoint a contractor to ensure best value is achieved. This was assessed alongside the cost plan developed throughout the design process to ensure cost appropriateness and mitigate delivery risk.
- **Under estimation of costs** – under estimation of costs will also slow the rate at which the site is enabled, as the development will be reliant on income and reinvestment from the private sector, which will also take longer as buildout of the site will be slower. This risk now sits with the selected contractor as a full open competitive tender process has been undertaken to appoint a contractor to ensure best value is achieved. This was assessed alongside the cost plan developed throughout the design process to ensure cost appropriateness and mitigate delivery risk.
- **No/fewer private sector businesses are interested in building on the site** – this will delay the realisation of benefits and impact on the council's commitment to increase the productivity of Medway's economy through support of high value employment. This will be mitigated through a comprehensive marketing exercise. There is already a high-level of interest in the site prior to formal marketing.
- **Buildings delivered on site by companies do not tie in with Medway Council's vision for the Innovation Park** – a masterplan for the entire Innovation Park Medway site was adopted in March 2019. As part of this Masterplan, a design code was also delivered which included clearly set out guidelines for businesses interested in developing premises on the site. This design code will minimise the risk that buildings delivered on site by companies do not tie in with Medway Council's vision for the Innovation Park.
- **Ongoing maintenance** – Cabinet and Full Council approved a Delivery and Investment Plan for IPM in June/July 2019 respectively. The report accompanying this document sets out that maintenance and running costs will be covered by the service charges levied on tenants; there is therefore no budget pressure for maintenance costs.
- **COVID-19** – There is a risk of delays to delivery due to Covid-19. There is a moderate risk to the delivery of Capital schemes, however this will be kept under review the programme impact will be mitigated by allowing appropriate float time where possible.
- **Stakeholder awareness** – Comprehensive public consultation has been undertaken on a number of occasions throughout the development of the Masterplan and LDO. This included detailed conversations with statutory consultees where appropriate. Comments received through the consultations fed into the final documents and where necessary altered the site design proposals. The LDO has been adopted and therefore no further consultation will take place as delivery of the scheme must be in line with the agreed/adopted proposals. Stakeholders with an active interest will be kept up to date with the progress of the project.

### 3. ECONOMIC CASE

#### 3.1 Options assessment

##### Potential interventions

Medway Council has prepared a considerable body of work to develop Innovation Park Medway (IPM). Following enabling infrastructure works, the following interventions were considered to ensure the IPM has a business environment attractive to high value sector occupiers:

- **Rainwater harvesting and SUDS:** an efficient stormwater management system will provide long-term protection against flooding.
- **The Runway Park:** extensive landscaping and public realm at the eastern end of the Park providing a focus for leisure, networking, and interaction between different occupiers and visitors (see Figure 3 – Strategic Case).
- **Electric vehicle charging:** EV charging points will prove attractive to potential occupiers as take up of electric vehicles increases.
- **Dispersed public realm improvements:** improvements to footpaths and outdoor furniture across the Innovation Park will provide more leisure opportunities for occupiers.

These various elements were identified as integral parts of the masterplan for the IPM. As such, Medway Council has packaged them into three options for qualitative assessment:

- **Option 1 – Dispersed improvements:** this option would deliver electric vehicle charging and dispersed public realm improvements at an estimated cost of £1.4 million.
- **Option 2 – Runway Park:** this option would deliver the Runway Park only at a cost of £1.0 million (see Figure 3 – Strategic Case).
- **Option 3 – Do Maximum:** this option would deliver all four interventions at a cost of £3.0 million across the entire length of the proposed Runway Park.

The counterfactual option has also been considered for the purposes of HM Treasury Green Book analysis. Under this option there would be no investment to improve IPM's environment.

##### Options assessment

The options have been assessed against their ability to deliver against the following critical success factors:

- **Strategic fit:** how well does the option deliver on the project objectives, including:
  - Deliver improvements to facilitate and support IPM's development. These works will make the site attractive to businesses looking to relocate to Medway, allowing the site to be brought forward more quickly.
  - Bring forward high quality jobs in line with the vision for the site.
  - Demonstrating Medway Council's ongoing commitment to developing a centre for high quality business, science, and technology development.
  - Continuing to attract growth investment in the South East, in line with SELEP's over-arching ambition, by providing innovative workspaces.
- **Potential Value for Money:** is the option likely to deliver social value in terms of costs, benefits, and risks?
- **Affordability:** is the option affordable and can appropriate sources of funding be identified?
- **Supplier capability:** if procurement is required, are there suppliers available to deliver the required services?

- **Deliverability:** how likely is it that the option can be delivered given available organisational capability and skills?

The performance of each option has been ranked against the critical success factors: a score of three meaning the option is more likely to meet the critical success factor, a score of one indicating it is less likely to do so. An aggregate rank has been calculated to rank options in terms of their overall performance.

*Table 1 - Option ranking against critical success factors*

	Counterfactual	Option 1	Option 2	Option 3
		Dispersed Improvements	Runway Park	Do Maximum
Strategic fit	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
It is anticipated that all intervention options will help create an improved business environment attractive to high value sectors. Post-COVID, as businesses plan their operations, access to open green space adjacent to commercial property is likely to be a key consideration.				
Option 3 performs best owing to the scale of interventions proposed. Delivering all four elements is likely to create an environment attractive to potential occupiers. In particular, the pre-installation of EV charging points will be significant as businesses seek to decarbonise operations to meet consumer expectations. Furthermore, the Runway Park offers an innovative open environment which has already received positive business community feedback.				
Option 2 performs second best as it also includes the Runway Park. It is considered that a single concentrated intervention to create a leisure and networking focus, encouraging interaction between different occupiers will have greater impact than dispersed public realm improvements (as in Option 1). Runway Park will create a distinct selling point, offering amenities not readily available in other areas.				
Potential Value for Money	4 <sup>th</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
Option 2 performs highest in this category as it proposes concentrated intervention. This is likely to deliver higher Value for Money than the series of dispersed improvements proposed under Options 1 and 3. There will be lower preliminaries, professional fees, and planning costs associated with a single project. Further, the electric charging proposed under Options 1 and 3 is increasingly being delivered by the private sector as part of contracts for electric vehicle fleets. There may be significant deadweight in using public funds to deliver this. As it represents a greater proportion of Option 1 costs, Option 1 performs poorest.				
Affordability	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>
Medway Council seeks a project contribution of £778,323 from the Getting Building Fund. It will commit the balance of project requirements as co-funding up to £250,000. The counterfactual or do-nothing option has no associated costs and is therefore the most affordable option. Option 2 has the lowest capital cost (£1.0 million) and is therefore scored 2 <sup>nd</sup> , followed by Option 1 (£1.4 million) and Option 3 (£3.0 million).				
Supplier capability	Tied.			
There is no significant difference in option performance in terms of supplier capacity and capability. The scope of work under each is relatively standard and matches the ability of potential suppliers to deliver the required services.				
Deliverability	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
No significant risks to the delivery of any of the options has been identified. There are no physical constraints which impede constructability. The planning process is being managed through a Local Development Order, minimising consenting risk. While there are ecological				

	Counterfactual	Option 1	Option 2	Option 3
		Dispersed Improvements	Runway Park	Do Maximum
constraints within the site, the IPM is expected to result in a net gain in biodiversity. Option 2 has been assessed as the most deliverable of the options as it requires management of just a single scheme. This will result in less complex procurement and legal arrangements than Options 1 and 3.				
Total	4 <sup>th</sup>	Tied 2 <sup>nd</sup>	1 <sup>st</sup>	Tied 2 <sup>nd</sup>

### 3.1 Preferred option

The assessment process above demonstrates that Option 2 – Runway Park is most likely to meet the project's critical success factors. It ranks highest in terms of potential Value for Money, affordability, and deliverability of the intervention options – while ranking 2<sup>nd</sup> in terms of strategic fit and tied in supplier capability. Option 2 has therefore been identified as the preferred option.

### 3.2 Assessment approach

Given the 'shovel ready' objectives of the Getting Building Fund, only the preferred option has been taken forward for a Value for Money assessment. The assessment provides a clear and transparent account of the project's costs and benefits to clearly demonstrate value for money.

As guided by the Project Assessors for previous Getting Building Fund submissions (e.g. Britton Farm Mall), the 10-year quantitative assessment of gross value added includes:

- Short-term construction employment supported by additional sector turnover.
- Long term employment supported by high quality business environment.

Costs and benefits are discounted at the standard 3.5% discount rate as described in HM Treasury Green Book. The model start date is 2021. At the end of the assessment a Benefits-Cost Ratio (BCR) is calculated using present value benefits against present value costs to derive the project's value for money and impact.

Delivery will also induce non-monetised benefits including improved health outcomes and public amenity. These are considered qualitatively in the appraisal summary table.

### 3.3 Economic appraisal assumptions

#### Additionality assumptions

This assessment integrates additionality factors to appraise only those benefits that would not occur in the absence of intervention. The following factors have been considered:

- **Deadweight:** the proportion of benefits on site that would have been brought forward in the absence of intervention.
- **Leakage:** the proportion of benefits which are retained by those living outside the relevant study area.
- **Displacement:** the proportion of project benefits accounted for by a reduction in benefits elsewhere.
- **Multiplier:** an estimation of further economic activity associated with additional income and supplier purchases (i.e. indirect and induced expenditure).

The LEP area additionality assumptions for the project are detailed in the table below.

Table 2 – Additionality Assessment

Factor	Construction	Operation
Deadweight	Represented by the counterfactual. Figures presented in the Economic Assessment are net of this scenario.	
Leakage	40%	30%
	It is expected that some specialist construction skills will be required to deliver Runway Park. For example, the design and build of bespoke furniture and outdoor meeting spaces, may be prefabricated outside the LEP area. A 'low-medium' level of leakage has been applied to account for potential supply chain leakage.	It is expected that a large proportion of the labour force at IPM will be sourced from the Medway / LEP area. Over the next 25 years, Medway Council is expecting significant housing growth to accommodate a growing population and inward migration from London. It is expected that employment sites such as IPM will become vital sources of local employment.  Given the site's strategic connectivity to the M2 some leakage is expected. However, the IPM is c. 3 miles away from Chatham Station, the closest rail station, which may impact on attraction of employees from further afield.
Displacement	30%	70%
	The LEP area has an extensive construction labour market with an estimated 112,000 people employed (Nomis Web 2019 estimate). There is a relatively large construction workforce to support development across the area. However, given the nature of this development and the recent impact on the construction market of COVID-19 and Brexit, it is unlikely that construction firms will forgo other projects in favour of developing Runway Park. Therefore, a 'low-medium' level of displacement has been applied.	The development of modern and attractive commercial real estate, adjacent to innovative and open green spaces in Medway is likely to displace other commercial real estate opportunities in the LEP area. Therefore, a high level of displacement has been applied.
Multiplier	1.82	1.14
	70% of national construction multiplier.	75% of national commercial multipliers.

### Sector productivity

Project benefits have been monetised using the following productivity rates:

- Construction - £78,283 per job.
- Operational - £52,333 per job.

The construction productivity rate is sourced from the ONS Annual Business Survey (2021). The operational productivity is the average GVA per filled job for Medway Council published by the ONS in its subregional productivity in the UK dataset (2020).

The turnover to support a single employee in the construction sector has been assumed at £223,448, also sourced from the Annual Business Survey.

### Employment density

The commercial properties enabled by one phase of the Runway Park are anticipated to be a mix of business and general industry use classes. This assessment has assumed an employment density of 12 sqm. / job for the former and 36 sqm. / job for the latter based on the HCA Employment Densities Guide (2010).

## 3.4 Costs

The preferred option has an estimated capital cost of £1,009,000. Optimism bias has been applied at 44% – the upper bound for standard civil engineering.<sup>1</sup> This reflects the degree of uncertainty around cost estimates at this stage as the Council has not yet procured the works.

Medway Council is applying for £778,323 in grant funding from the Getting Building Fund. The remaining £230,677 will be met by the Council.

## 3.5 Benefits

An economic impact model has been prepared to assess the benefits associated with the preferred option over a five-year appraisal period. All costs and benefits have been discounted according to the Green Book social time annual preference rate of 3.5% (starting 2021).

Delivery of the Runway Park is expected to accelerate the site's commercial development and occupation. In its promotion of the site, Medway Council has reached out to businesses to establish interest in the site. A number of businesses have noted interest in the Runway Park development. Further to this and as noted above, it is expected that greater access to green space adjacent to employment sites is likely to become more attractive in a post-COVID-19 environment.

A Savills property report published in May 2020 noted that the commercial property market in a post-COVID19 environment is likely to see a greater commitment to employee wellbeing. Noting that "Occupiers may look again at building ratings schemes such as LEED and WELL that are focused on creating sustainable spaces and delivering occupant comfort, health and wellbeing."<sup>2</sup>

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<sup>1</sup> HM Treasury (2013). *Green Book supplementary guidance: optimism bias*. Available at: <https://www.gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias>

<sup>2</sup> The impact of Covid-19 on real estate. Available at: <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html>

Furthermore, CoStar data suggests that pre-COVID-19 market & asking rent per sq. ft for offices in the South East with 'outdoor seating' listed as a specific feature were growing faster than offices without. CoStar also forecast that office rents listed with this feature will recover slightly faster too, giving an indication of demand for this type of commercial accommodation in the years ahead<sup>3</sup>.

Therefore, to assess the impact of the Runway Park the economic case examines a parcel of four commercial developments in the northern part of the IPM, directly adjacent to the park itself and totalling 6,800 sqm. GEA of commercial floorspace.

The model has assessed:

- **Construction impacts:** employment and gross value added (GVA) from the construction phase of Runway Park and the follow-on commercial developments.
- **Operational effects:** employment and GVA from the operational phases of the buildings directly influenced by the Runway Park.

### Construction Impacts

The development of one phase of Runway Park and the follow-on developments it accelerates will generate construction sector turnover, sustaining additional jobs over their build periods. This in turn will generate GVA which should be considered as a benefit of the scheme.

Gross construction employment has been calculated by dividing the construction cost by the average turnover required to support one construction worker (£223,448). This suggests that five gross jobs will be supported during Runway Park construction.

The capital cost of building the four follow-on developments has been estimated using Build Cost Information Services average prices published by the Royal Institute of Chartered Surveyors. This suggests private sector investment of £10.1 million, capable of supporting 40 gross construction jobs.

The additionality assumptions presented above have been applied to estimate net construction employment – i.e., those jobs that are additional. This suggests that of the 45 gross construction jobs supported by the project and its outputs, 40 are likely to be net additional. These jobs are anticipated to generate £3.0 million in net present value GVA.

### Operational Impacts

Runway Park is anticipated to generate operational impacts through the follow-on developments it will accelerate. The nature and scale of these impacts will ultimately depend on what kind of businesses locate at the IPM.

This assessment is based on the schedule of land uses in the illustrative masterplan. The developments modelled are a split between Class B1 (47%) and Class B2 (53%). Medway Council is currently undertaking market testing with early feedback supporting the proposed approach and mix of land uses.

Applying the employment densities above to this mix suggests the developments will support 300 gross jobs. After accounting for displacement, leakage, and the multiplier effect, 70 are likely to

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<sup>3</sup> Stantec analysis of CoStar market & asking office rents in SE England with 'Outdoor Seating' feature.

be net additional. This would generate £4.8 million in net present value GVA benefits over the appraisal period.

Table 3 below summarises Runway Park's economic benefits. The project is anticipated to generate £7.7 million in NPV GVA benefits over its first five years.

*Table 3 – Runway Park economic benefits*

Impact	Value
Gross construction jobs	45
Net construction jobs	40
NPV construction GVA	£3.0m
Gross operational jobs	300
Net operational jobs	70
NPV operational GVA	£4.8m
<b>Total NPV GVA</b>	<b>£7.8m</b>

### 3.6 Wider Local impact

The linear park has been designed as part of the IPM masterplan which incorporates a travel plan aimed at promoting sustainable modes of transport and access to the site. The Park will enhance the connection between the Walderslade residential estate and the A1 retail outlets north of Rochester Airport. It is therefore expected that the Park will have wider non-monetised benefits such as local amenity, active travel and associated health benefits to nearby residents and employees on site.

Through its improved connections, enhanced local green space and accelerated levels of development, it is also anticipated the investment may have a positive impact on local land values (commercial & nearby residential). This may help stimulate further commercial development whilst improving the attraction of residential properties in nearby Walderslade.

Finally, the collaborative outdoor meeting spaces are likely to encourage greater levels of networking, and interaction between different occupiers and visitors which might not otherwise have occurred.

### 3.7 Economic appraisal results

The economic appraisal indicates that the preferred option will meet the critical success factors to yield the greatest range of benefits for the local economy. In doing so it will support policy and strategy goals at the local and regional level (detailed in the Strategic Case). The results of the economic appraisal are summarised below:

*Table 4 – Summary of economic appraisal*

	Appraisal Section	Preferred Option
<b>A</b>	Present value benefits	£7.7m
<b>B</b>	Present value Costs inclusive of Optimism Bias	£1.5m
<b>C</b>	Present Value of other quantified impacts (£m)	-
<b>D</b>	Net Present Public Value [A-B+C]	£6.2m
<b>E</b>	'Initial' Benefit-Cost Ratio [A/B]	5.3
<b>F</b>	'Adjusted' Benefit Cost Ratio [(A+C)/B]	5.3
<b>G</b>	<b>Value for Money category</b>	<b>High</b>

Figures have been rounded to the nearest hundred thousand (,000).

Please see Appendix E for a worked example of the economic appraisal.

### 3.8 Sensitivity Testing

The preferred option has been subject to sensitivity analysis to test its resilience against increased project costs and unfavourable economic conditions, post-intervention. The initial test assumes a year's delay to the construction of the follow-on developments.

*Table 5 – Sensitivity test: years delay to construction of follow-on developments*

	<b>Appraisal Section</b>	<b>Preferred Option</b>
<b>A</b>	Present value benefits	£4.4m
<b>B</b>	Present value Costs inclusive of Optimism Bias	£1.5m
<b>C</b>	Present Value of other quantified impacts (£m)	-
<b>D</b>	Net Present Public Value [A-B+C]	£2.9m
<b>E</b>	'Initial' Benefit-Cost Ratio [A/B]	3.1
<b>F</b>	'Adjusted' Benefit Cost Ratio [(A+C)/B]	3.1

Figures have been rounded to the nearest hundred thousand (,000).

The second test models the impacts of Runway Park were all follow-on developments Class B2 (with a lower employment density).

*Table 6 – Sensitivity test: only B2 development in follow-on developments*

	<b>Appraisal Section</b>	<b>Preferred Option</b>
<b>A</b>	Present value benefits	£4.8m
<b>B</b>	Present value Costs inclusive of Optimism Bias	£1.5m
<b>C</b>	Present Value of other quantified impacts (£m)	-
<b>D</b>	Net Present Public Value [A-B+C]	£3.3m
<b>E</b>	'Initial' Benefit-Cost Ratio [A/B]	3.3
<b>F</b>	'Adjusted' Benefit Cost Ratio [(A+C)/B]	3.3

Figures have been rounded to the nearest hundred thousand (,000).

In both cases, Runway Park returns high Value for Money. A list of the Economic Case assumptions can be found at Appendix E.

## 4. COMMERCIAL CASE

### 4.1 Procurement options:

As detailed in section 1.6 Project Summary, the project aims to deliver runway park public realm at Innovation Park Medway.

A design consultancy has been appointed by Medway Council via our own Civil and Structural Engineering Professional Services Consultancy Framework, which was established following a full OJEU compliant process. The scope of work included design for the infrastructure and public realm for both the northern and southern sites of IPM, and RIBA stage 4 design is now complete.

This framework has previously been used to successfully procure consultants for other SELEP funded projects including the design work for the A289 Four Elms roundabout to Medway Tunnel journey time and network improvements project.

There are a number of other procurement options available to the project team including:

#### Highway Infrastructure contract

Following a full OJEU compliant procurement process Medway Council entered into a contract with VolkerHighways for the provision of Highway Maintenance support and delivery of highway related capital projects. This contract can also be used to appoint professional consultants for a number of services including highways related design, traffic engineering, bridge management and design, road safety engineering, asset management and ecology, structural inspections and design, and environmental services. This contract runs from 1st August 2017 for a period of 5 years to July 2022, with the option to extend by a further 5 years.

Use of this contract is a viable option for appointing a contractor to deliver the proposed works contained within this project. Under the terms of the contract, the contractor is required to meet a number of KPI's including the use of local suppliers and local workforce, therefore, benefiting the local economy. Whilst a guideline pricing structure is included within the contract individual projects may need to be priced separately.

Whilst this option has the benefit of expediency in terms of appointment, it will be important to ensure that the works are programmed in at the earliest opportunity to ensure that the resources are available to facilitate project delivery within the required timeframe. It should be noted that there is a risk that operatives via the Maintenance Contract may need to be deployed to reactive maintenance work across the authority at short notice, which could impact the overall delivery period of the capital project. Any items outside the schedule of rates agreed at the start of the contract will need to be quoted for separately. The main risk associated with this approach is that only one quote will be obtained for the works, meaning there is no cost comparison for benchmarking. The Principal Engineer would assess these costs with a Quantity Surveyor prior to the quote being accepted to ensure that all costs quoted are reasonable and deliverable.

The Highways Infrastructure Contract was used to appoint a contractor to deliver the Strood Civic Centre Flood Mitigation Works in 2017/18, and achieved significant efficiencies for Medway Council compared to a contractor from the SCAPE Construction Framework. The full scheme was able to progress, delivering the highest benefits and value for money as a result. This work was of a higher value and different scope compared to the proposed Innovation Park Medway works.

### Open tender

An open tender is considered as a reasonable option and can give opportunity for efficiencies and best value as the route is a competitive process. Open tendering offers the greatest competition and has the advantage of allowing new or emerging suppliers to compete for work and so can facilitate greater innovation. This was apparent for the LGF funded Chatham Placemaking Project, when a cost saving of 15% was achieved by following an open tender procurement route, compared to use of the Highways Infrastructure Contract. The number of companies tendering can be reduced, ideally to a maximum of 6, through a pre-qualification process, and if this uses a standard pre-qualification questionnaire, then the time wasted by unsuccessful applicants and Category Management team at Medway Council can be minimised. If this option is adopted opportunities are posted on the Kent Business Portal and are open for all registered suppliers to tender if they wish. Medway Council uses the open tender process frequently and successfully for a range of construction projects.

Please see Appendix K for the advantages and disadvantages of each option and risk analysis.

## 4.2 Preferred procurement and contracting strategy:

In order to achieve the best outcome for this project, the procurement strategy to be adopted is the traditional approach for construction projects. A consultant has been appointed to deliver the developed and technical designs (RIBA stages 3 and 4) via the Civil and Structural Engineering Professional Services Consultancy Framework. Following a tender process, a contractor will be appointed to deliver the infrastructure works via an open tender, as detailed in section 4.1 above.

A competitive open tender has been chosen to achieve best value, rather than use of the Highways Infrastructure Contract, as the Highways Infrastructure Contract will only offer one price and programme. As the funds available and programme for this project are limited, the open tender process will encourage competitive prices from the market and offer best value. The scope of work also includes high quality public realm, which the Highways Infrastructure Contract may not be most appropriate for.

Contractors are always keen to work with Medway Council, and since the successful event launching the development of the Innovation Park Medway on 18 September 2018, the authority has been contacted by several reputable companies keen to take up the opportunity to work on this project, so the likelihood of a well subscribed, successful competitive open tender process is high.

A number of surveys have already been carried out as part of the masterplanning and LDO development process for the project, and includes contamination survey, ecological impact assessment, flood risk and drainage assessment, landscape and visual impact assessment, noise surveys, transport assessment, travel plan, air quality assessment, archaeological and heritage impact assessment, and utilities assessment. This information has been shared with the design consultancy and programme efficiencies have already been made.

Fully developing the design before appointing a contractor gives the project team greater certainty about design quality, cost, and allow greater flexibility as the masterplan develops. Given the fixed project budget, cost is a key consideration at every stage of the project. All design information is presented to the potential contractor at the start of the procurement process

to reap the most benefit from this approach. Any incomplete information or changes made following the appointment of the contractor will generate additional costs.

Our procurement approach is considered to be low risk, as the contractor is provided with the full scheme design prior to appointment and they are required to submit a price for full project delivery. This requires design work to be completed to a high standard.

The awarded contractor is liable for cost overruns above the quoted price ceiling, if through no fault of the design or tender information. This ensures that the project team have a clear indication of project cost and can budget accordingly.

There are two key risks to Medway associated with following the traditional procurement approach:

- The designer may try to make claims for changes to the design, which could increase project costs. In order to address this risk, we ensured that the scope and objectives of the scheme were clear before progressing to the design phase. This allowed the designer to be procured using a focussed specification. If any change requests are submitted by the design consultant, they will be robustly challenged by the project management team, and the designer will need to justify why the change is required and how the work required varies from that contained in the original specification.
- The design information is incomplete, or design changes are required following procurement of the contractor. Both scenarios could incur additional costs for the project team. The project management team and Principal Engineer. Any design changes and related costs proposed by the contractor once construction works are underway will be reviewed by Medway's project team and will not be progressed until both parties agree.

The construction works will be carried out under a NEC3 Part A contract with a priced activity schedule. The NEC3 contract is based on the fundamental principle of good project management, where the council and the designer/contractor work together in the spirit of mutual trust and co-operation. One of the main principles of this type of contract is that either party may advise the other of a problem or a potential problem through an Early Warning Notice. The purpose is to identify potential problems before they occur, so that they can either be avoided or their effects mitigated rather than waiting until something has happened and then trying to deal with it. This approach promotes collaboration between the Project Manager and the designer/contractor. The submission of an Early Warning Notice results in a meeting where the sole aim is to deal with the problem for the good of the project.

An NEC3 contract offers clarity and simplicity for both parties, with clearly defined roles and responsibilities and established processes to deal with any issues which arise. This type of contract leads to better outcomes in terms of works being delivered to programme, cost and quality requirements. Due to the time constrained delivery programme, it is considered that the NEC3 Part A contract is the most appropriate for this project. This contract will ensure that there is a clear delivery programme for the project, with established industry recognised processes in place to deal with any unexpected issues. It is essential to the success of the project that any potential problems are dealt with or mitigated against before they arise in order to minimise delay to the project programme.

Before a contractor is appointed, the recommendation will be presented to the council's Divisional Management Team, attended by senior council officers and service leads, and

Procurement Board, attended by senior council officers and service leads and elected member portfolio holders.

#### 4.3 Procurement experience:

All procurement is fully supported by Medway Council's Category Management team. Our team has a proven track record of successful project delivery, ensuring the Council achieves quality and value for money within its financial resources and complies with statutory requirements and regulations. They support £230million of expenditure per year. The team received a Highly Commended Award for Innovation or Initiative at the Excellence in Public Procurement Awards 2014, and shortlisted for two award categories in the CIPS Supply Management Awards 2014.

The procurement processes the team undertakes on daily basis enable the Council to deliver its priorities as outlined in the Procurement Strategy 2016-2021. In procuring works, goods and services, the Council continuously seeks to deliver best value and to have a transparent process, which is open to scrutiny at all levels. Medway Council has been listed on the CIPS Corporate Ethical Register as an ethical organisation and the team is trained in ethical sourcing and supplier management.

The team have extensive experience of all the procurement options considered, including setting up the Civil and Structural Engineering framework, the Construction Professional Services Consultancy Framework and leading on the appointment of the term contractor for the Highways Infrastructure Contract. A representative from the Category Management team attends the Programme Steering Group meetings and is therefore always aware of the procurement timetable for all the projects. The Category Management Team has been consulted as part of the process to decide on the preferred procurement and contracting strategy.

The project delivery team confirmed to deliver the Innovation Park Medway works have extensive experience of undertaking public procurement procedures.

#### 4.4 Competition issues:

There are no competition issues within the supply chain. The chosen procurement route will be through competitive open tender to deliver the construction works and project outputs as outlined in section 1.6 Project Summary above.

The Civil and Structural Engineering Framework used to appoint the design team was set up using a full OJEU compliant procedure and the competitive tender process for a works contractor will follow the council's own Contract Procedure Rules which have been established in line with the Public Contract Regulations 2015.

This has addressed any competition issues with the supply chain.

#### 4.5 Human resources issues:

There are no human resource issues relating to the delivery of this project. The Regeneration Delivery Team has a IPM project management team allocated to work on the delivery of the works, with experience of working on the development of the Innovation Park Medway Project for the past four years.

The Principal Engineer from Medway's Highways Team has been appointed to work with the Regeneration Delivery Team on the delivery of the works, and he will also have an administration team to support the completion of all project related documentation for the management of the contract and all reporting requirements.

As part of the mini competition and competitive tender documents, the tendering consultants and contractors will be required to identify their teams who will be working on the Innovation Park Medway project, together with CVs for each team member and an organogram.

Please refer to Appendix J for the proposed project team, the resources from Medway have been confirmed.

#### 4.6 Risks and mitigation:

During the project a clear, costed risk register will be continuously monitored and updated as required by the project and programme management team. A plan for managing significant project risks will be developed at the start of the project and reviewed as the project progresses.

Medway Council, as scheme promoter, will carry the commercial risk associated with this project. This risk will be managed through the procurement process. As part of the open tender process for the construction works strict due diligence will be carried out, and if this not to the required standard the contractor will fail the process.

During the construction process, due to the chosen procurement route, the financial risk of construction will pass to the contractor. The contractor will be presented with the full design at the start of the procurement exercise. This will allow the contractor to work out an accurate price for delivering the scheme. Once the contract has been entered into the financial risk will be with the contractor as they will be required to deliver the scheme within the cost quoted or be liable for the additional costs; this is based on the assumption that no further changes are made to the design post contractor procurement, and during the construction phase there will be a strict change control process followed to manage the cost and programme implication of any changes required. The costs will be scrutinised and verified by a quantity surveyor.

#### 4.7 Maximising social value:

Medway Council has taken steps to ensure that the bulk of procurement within Medway improves the economic, social, and environmental well-being of Medway in accordance with the Social Value Act 2012, and it will ensure that they are drafted in the Invitation to Tender documents, as part of the evaluation criteria and ultimately defined in ways that do not discriminate against any bidders across the UK/EU.

As part of the open tender process, all companies bidding will be required to provide an explanation of the opportunities they would offer in the following areas:

- Apprenticeships for local people.
- Employment opportunities for local people.
- Supply Chain opportunities for local businesses.
- Demonstration of use of sustainable materials and construction methods where possible

These will be reviewed and reported on as part of the project governance process.

## 5. FINANCIAL CASE

### 5.1 Total project value and funding sources:

	Expenditure Forecast						
Funding source	17/18	18/19	19/20	20/21	21/22	22-32	Total
GBF					£778,323		<b>£778,323</b>
Local Authority match					£230,677		<b>£230,677</b>
<b>Total funding requirement</b>					<b>£1,009,000</b>		<b>£1,009,000</b>

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

Medway Council is seeking £778,323 from the Get Building Fund to facilitate project delivery. Expert consultancy has been engaged to assess current infrastructure costs and carry out some site surveys to estimate the funding required to deliver the works.

### 5.3 Costs by type:

	18/19	19/20	20/21	21/22	Total
Cost type	£	£	£	£	
Capital – Pavements and footpaths				£338,700	<b>£338,700</b>
Capital – Planting				£166,902	<b>£166,902</b>
Capital – Street furniture				£281,464	<b>£281,464</b>
Capital – Preparatory ground works				£101,520	<b>£101,520</b>
Capital – Fees				£31,556	<b>£31,556</b>
QRA – 10%				£88,858	<b>£88,858</b>
<b>Total funding requirement</b>				<b>£1,009,000</b>	<b>£1,009,000</b>

Inflation to be applied at 4.1% in 2021/22

Monitoring and evaluation costs will be covered by Medway Council.

Optimism bias has not been applied in the financial case.

All costs for the project have been considered with the information available, and a suite of surveys have been completed already to inform the costs above, which includes quantified risk assessment to cover any unknowns that may occur. We do not expect any further costs to be incurred in delivery of this project.

Overheads to operate the scheme once delivered will be funded through service charges, Capital Receipts and business rates re-invested in the site as part of the ongoing revenue costs associated with the wider IPM site management and maintenance strategy.

#### 5.4 Quantitative risk assessment (QRA):

All the unit costs included in the table above for the enabling infrastructure works have been derived from discussions with external consultants and experts, and Medway's own technical teams.

There is some degree of cost certainty as designs are to RIBA stage 4, although until a tender exercise has been undertaken costs are not fixed. However, through discussions with the experts in the field the costs are deemed to be as accurate as possible at this stage.

In summary the unit costs outlined above have been derived from the following sources:

Construction costs – the design team for the whole site have been developing the design to RIBA stage 4, supported by a QS. The team have substantial experience in delivering schemes of this type and scope and therefore it is considered that these costs can be relied upon to be as accurate as possible at this stage of the project. These costs have been used as the basis for the information provided in the table above.

It is acknowledged that a full procurement process will provide more cost certainty. Subsequently a risk allowance of 10% has been applied to all the elements, to allow for any price fluctuation and any unknown costs that may arise, in-line with the cost plan issued by Medway's Quantity Surveyor at RIBA Stage 4. This included an element of design development risk and construction risk. However, extensive studies and surveys have been carried out on the site as part of the masterplanning process, including ecological and contamination surveys, and these have also been taken into account. Further archaeological de-risking is being undertaken to reduce the risk of cost increases or an effect on programme.

Construction supervision – Medway Council's Highways team has substantial previous experience of delivering projects of this scale and in a number of cases has provided the construction supervision element internally. The project management team will continuously review project costs and will immediately flag any potential issues. Overheads benefit from economies of scale as project management resource is already in place for LGF3, LGF3b and GPF works and GBF works can be managed under the same team. Costs can be referenced in section 5.3.

A detailed project delivery plan will be produced to ensure that all activities are planned and scheduled in the most efficient manner. The contingency is added to account for unexpected changes, delays or variations caused by any of the tasks.

During the delivery phases of the project, a robust costing exercise will be undertaken and reviewed by Medway's QS, to ensure that the project is affordable. An iterative approach to value engineering will be applied during the construction phase, and management of costs through the NEC contract via the compensation event process will mean that cost predictability and certainty will be accurate at any point in the scheme.

An optimism bias of 44% has been applied in the Economic Case to reflect the element of uncertainty around the costs. As the project progresses these costs will be continuously reassessed and if necessary, value engineering will be considered where appropriate to ensure that the project is delivered within budget.

## 5.5 Funding profile (capital and non-capital):

Funding source	Expenditure Forecast						Total
	17/18	18/19	19/20	20/21	21/22	22/23	
GBF					£778,323		<b>£778,323</b>
*Local authority match					£230,677		<b>£230,677</b>
<b>Total funding requirement</b>					<b>£1,009,000</b>		<b>£1,009,000</b>

*\*Cabinet and Full Council approved the local authority match in February 2021, which is ring fenced for this project.*

The capital funding profile has been based on the following approximate delivery timetable:

2021/22 – Appointment of a contractor, completion of project construction works

There is no potential for flexibility in the spend profile as this must be complete by March 2022; the design for the works has been undertaken at risk in advance of the GBF funding decision.

There is some flexibility in the amount of GBF funding being sought. A reduction in the amount of funding would result in some of the outputs not being delivered at this time. This would result in the site being re-visited at a later date, at additional cost, to re-dig the same area to install the remaining outputs. This would lead to significantly higher costs and would ultimately reduce the value for money offered by the project.

As part of the project street lighting will be installed. Maintenance of these lights will need to be covered through future years' revenue budgets. The proposed public realm and green spaces will also incur maintenance costs in future years. Maintenance and running costs will be covered by the service charges levied on tenants, as approved by Cabinet and Full Council in June/July 2019 respectively.

## 5.6 Funding commitment:

Throughout the project programme Medway Council will continuously review the project budget and estimated costs to identify at the earliest opportunity any risk of cost overruns. Wherever possible action will be taken to reduce or eliminate the cost overrun through various measures including value engineering. However, if it is not possible to deliver the scheme in accordance with the Business Case without a cost overrun Medway Council will be liable to cover the cost overrun.

A signed assurance from the Section 151 Officer is provided at Appendix A.

## 5.7 Risk and constraints:

The key funding risk associated with this project is that GBF funding is not forthcoming. It is vital to develop Innovation Park Medway at pace to ensure that there is the greatest opportunity to benefit from Enterprise Zone status. This bid will allow runway park works to be delivered on the second part of the northern site to realise the desired outcomes more quickly.

GBF funding is required by SELEP to be spent by 31 March 2022. The procurement route chosen will promote the earliest construction start date and best value for money, and the current programme shows the work will be complete by March 2022. The project management team will continuously review the programme and address any issues which may adversely impact on the successful delivery of the project.

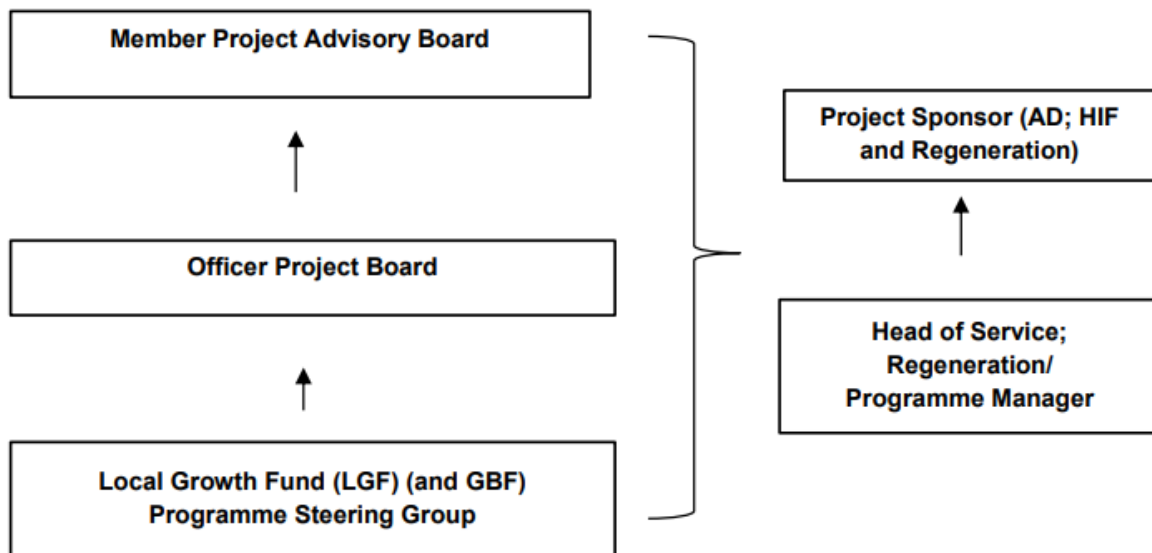
The risk that no private sector businesses are interested in building on the site is considered to be low as there has been considerable interest in the site prior to any active marketing taking place.

The risk of planning permission not being granted is very low as a Local Development Order has been adopted by both local authorities, providing an easier route through the planning process.

There is no risk of revenue implications having an effect on future budget positions as maintenance and running costs will be covered by the service charges levied on tenants, as approved by Cabinet and Full Council in June/July 2019 respectively.

## 6. MANAGEMENT CASE

### 6.1 Governance:



Richard Hicks, Director of Place and Deputy Chief Executive at Medway Council is the Project Sponsor for this project.

Sunny Ee, Assistant Director of Regeneration at Medway Council is the Senior Responsible Officer for this project.

Medway Council has effective governance arrangements in place to ensure successful delivery of LGF projects.

The governance arrangements include the involvement of both Councillors and senior officers of the council. The Local Growth Fund (LGF) (and GBF) Programme Steering Group is a cross-directorate officer group that oversees and coordinates the programme of LGF (and GBF) funded projects. This group brings together officers responsible for project delivery and programme management. The group meet every eight weeks and reviews the latest project dashboard reports to ensure that the programme is being managed to time, budget and agreed specification. In addition, the group review project risk registers to ensure that appropriate mitigating actions are in place and discuss any change management requests that have been submitted by Project Managers. Change management requests which are medium or high risk are referred to the Directorate Officer Project Board for decision.

Project dashboard reports are prepared by Project Managers in advance of the LGF (and GBF) Programme Steering Group meetings. The reports provide an update on project progress, finances, issues, risks and project changes. Project Managers use this report to flag up any areas of concern or decisions which need to be made at a higher level. Following the LGF (and GBF) Programme Steering Group meetings the project dashboard reports are updated if required before submission for consideration at Directorate Officer Project Board.

The Directorate Officer Project Board is a senior officer group which manages all capital projects including LGF funded projects. The Board is responsible for the strategic management of the LGF (and GBF) projects and has authority to commit resources to the project in accordance with the Council's Constitution. An updated dashboard report for each LGF (and GBF) project is a standing item on the agenda. In addition, the Board are asked to consider any change management requests which are considered to be medium or high risk. The Board meets every four weeks, typically a few days after the LGF (and GBF) Programme Steering Group meeting.

The Member Advisory Project Board offers Members an overview of project development and delivery. The Board reviews, analyses and scrutinises progress on the directorate's capital programme and, where relevant, specific large/complex projects. LGF update reports are regularly considered by the Board. The Board meets approximately every three months. The Board membership includes the following elected members:

- The Leader/Portfolio Holder for Finance.
- Portfolio Holder Inward Investment, Strategic Regeneration and Partnerships.
- Portfolio Holder for Frontline Services.
- Portfolio Holder for Housing and Community Services.

In terms of approval to proceed with the project, this decision sits with the council's Procurement Board. This decision has now been made and any subsequent decisions would need a change request taken to Officer Project Board on the recommendation of the LGF and GBF Programme Steering Group. Day to day decisions within the NEC contract process are made by the Project Management Team.

## 6.2 Contract management:

As part of the procurement process contractors and consultants will be required to provide a programme for completing each specific workstream. A clear work specification will be issued prior to appointment which will detail the scope of the work required. When procuring a contractor to build the scheme there will be a clear indication of the quality required when considering the final output. Once a contractor or consultant has been appointed, they will be required to attend regular meetings with the project team to provide an update on progress with the workstream and to give an update on how work is progressing in accordance with the programme. At these meetings the project manager will be able to address any queries regarding the scope of the work and will provide feedback on work completed to date.

The construction works will be delivered via an NEC3 Part A contract with priced activity schedule, which is based on the fundamental principal of good project management. The intent of the Contract is given in the very first clause "The Employer, the Contractor, the Project Manager and the Supervisor shall act as stated in the Contract and in a spirit of mutual trust and co-operation". One of the main principles of the contract is that either party may advise the other of a problem or potential problem; this is done with an Early Warning Notice. The purpose is to identify potential problems before they occur, so that they can either be avoided or their effects mitigated rather than waiting until something has happened and then trying to deal with it. It promotes collaboration between the council and the Contractor. This notification results in a meeting/dialogue with the sole aim of dealing with the problem for the good of the project, and ensuring the outputs are delivered in line with the scope.

If the contractor/consultant needs to make any changes to the information submitted within their tender submission or to their programme they will be required to formally submit the details of the change and any implications in terms of programme or budget to the project manager via email. The project manager will then consider the change being requested and will respond in writing setting out whether the change has been agreed and if there are any alternative solutions to the issue identified which may reduce the impact on the project.

There are also clear key performance indicators (KPI's) which the consultants appointed through the Civil and Structural Engineering framework, and the Construction Services framework will be required to meet. If these KPI's are not being met the supplier will be required to attend a meeting with the project team to explain their failure to comply with the requirements of their appointment. If a solution cannot be found, consideration will be given to terminating the contract and re-appointing from the framework.

### 6.3 Key stakeholders:

The key stakeholders and interest groups associated with this project are:

- SELEP – as primary funding provider (subject to Full Business Case approval).
- Kent and Medway Economic Partnership – federated area board which oversees Kent and Medway LGF project delivery.
- Medway Council – as project delivery lead, financial and operational lead.
- Tonbridge & Malling Borough Council – land falls within Local Authority Boundary, they will have involvement in planning and economic development processes.
- Local HE and FE institutions – as partners in future higher value skills delivery to the site,
- Locate in Kent – as business engagement, project prioritisation.
- Harrisons Chartered Surveyors - Marketing consultants responsible for business engagement and site promotion
- North Kent Enterprise Zone – for business engagement, project prioritisation.
- Local elected members and MPs – members and MPs need to be kept informed of projects which are going to impact on their constituents.
- Local businesses including those based on Laker Road Industrial Estate and BAE – in the long run this scheme could improve the situation for BAE, however, it is important to engage with these companies as in the short-term there will be further delays which could impact on their operation.
- Local population – the project is designed in part to benefit the local population who will have access to jobs, however, they will also be adversely affected during the construction period.
- Private property developers - financial investment in IPM.

Prior to the adoption of the IPM masterplan, public consultation was undertaken. Further consultation was undertaken with public and statutory consultees for the draft Local Development Orders, which was subsequently adopted by Medway Council in December 2020, and Tonbridge & Malling in February 2021.

An interest/influence matrix showing how engagement with stakeholders will be handled can be found in Appendix H. A full stakeholder management and engagement plan will be developed by the Project Management Team prior to the commencement of works on site to ensure the relevant stakeholders are engaged.

#### 6.4 Equality Impact:

A Diversity Impact Assessment has been completed for Innovation Park Medway. This Diversity Impact Assessment considers the enabling infrastructure development for new plots for employment as part of the technology park.

The main outcomes of this assessment are that the works will advance equality for the following protected characteristics groups: Age, Disability and Other. In addition, the Innovation Park Medway project will foster good relations for all ten protected characteristics groups (age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion/belief, gender, sexual orientation and other).

The action plan to improve equality of opportunity and foster good relations focused on the Local Development Order process and indicated that the DIA would be reviewed at each planning stage. The LDO, adopted by Medway Council in December 2020, will be used to provide planning and design guidance for the entire Innovation Park Medway site, which will allow a consistent approach across the whole site. The LDO was adopted by Tonbridge & Malling in February 2021.

The Diversity Impact Assessment can be found in Appendix I.

#### 6.5 Risk management strategy:

At the start of the project, a risk workshop will be held with the project team and the contractor to identify risks, allocate a risk owner, agree mitigation measures, and apply a risk rating and a cost to the risk. Particular consideration will be given to the requirement to maintain close links between the Innovation Park Medway schemes to minimise risks and the Project Management Team will continue to take an overarching view of delivery across all phases. Regular IPM Officer Working Groups are held on a monthly basis and include risk review across the whole programme. Please refer to appendix G. Throughout the lifetime of this project the risk register will be maintained which will reflect all risks associated with project delivery. If any of the risks materialise, they may directly impact on the project delivery programme, unless appropriate mitigating action is taken. Where necessary, an iterative value engineering approach will be applied during the construction phase of the project, aimed at developing the design to deliver the outcomes within the financial limitations, whilst maintaining quality and value for money.

It is acknowledged that there is little flexibility in the project programme as the spend profile runs until the end of the GBF period. However, Medway Council will work closely with the contractor to ensure that risks are identified quickly and that plans are put in place for the management of them, including review and re-profile of the programme if necessary, to keep changes to a minimum. Throughout the construction phase, as part of the NEC3 contract conditions, the programme will be reviewed regularly, and any rescheduling carried out to ensure the final end date is not exceeded.

Moving forward the project will benefit from the knowledge and lessons learnt from LEP funded projects being completed and, as the project progresses the Project Management Team, will be required to provide an updated project budget and risk register for consideration at the monthly Programme Steering Group meetings which are attended by all key personnel. Monthly reporting to the council's Officer Project Board and quarterly to the Member Advisory Project Board also requires risk reporting.

In addition, a project 'deep dive' review will be conducted every six months, which will look in detail at the project outputs, programme, costs and risks.

Prince 2 Project Management methodologies will be used to manage costs and risks.

#### 6.6 Work programme:

A high-level work programme has been developed which will allow delivery of the project within the funding period. There will be progress meetings with the works contractor on a regular basis as the project progresses.

In order to deliver for March 2022, we have decided to scope and procure the project at risk in order to work within decision/delivery timescales.

The LDO was adopted by Medway Council in December 2020 and Tonbridge & Malling in February 2021. Self-certification through the LDO process is on the critical path prior to works commencing on site. Due to the short delivery period of GBF design and procurement of a contractor has been undertaken at risk and instruction of a contractor is subject to funding.

#### 6.7 Previous project experience:

The Regeneration Delivery Team at Medway Council will manage project delivery. They will work in association with other Medway Council departments including Category Management, Highways, Finance, Programme Management, Legal and Property to ensure delivery of the project in accordance with budget, programme, and the terms of the Business Case.

We have selected a Project Management Team to manage the project. Their time is confirmed to work on this project, and they have been working on the project for the past four years.

The IPM Project Management Team has been approved through the Delivery and Investment Plan which was approved by Cabinet and Full Council in June/July 2019 respectively.

It has also been confirmed that the IPM Project Management Team will be supported by the Principal Engineer from the Highways team, who has worked on numerous Capital schemes across Medway; he has over 30 years' experience of delivering infrastructure projects. Two notable examples of projects which he has been closely involved in are:

- Chatham Regeneration
  - o This £12.5m project, consisted of a number of elements which were delivered between February 2007 and December 2014. This scheme consisted of: conversion of Chatham ring road from one way to two-way traffic flow, demolition of Sir John Hawkins Way viaduct and a disused building to allow construction of a new bus route, realignment of Union Street at the junction with the A2 and Chatham Bus Station enabling works and civils.
  - o The overarching aim of this project was to create better traffic flow around Chatham town centre. Prior to this scheme being implemented, Chatham suffered from significant traffic delays, which also impacted on the bus companies' ability to deliver in accordance with their published timetable. As part of these improvements a new bus station was delivered, and bus only lanes were introduced in key locations in the town. Introduction of two-way traffic has eliminated the need for vehicles to travel all the way around the town before reaching their destination.

- The Principal Engineer was heavily involved with all elements of the project, which was delivered within programme and budget.
- **Strood Civic Centre Flood Mitigation Works**
  - This £10m project (£3.5m of which is LGF funded) consists of the installation of a sheet pile wall around the perimeter of the site and then filling the ground by approximately 2 metres, as agreed by the Environment Agency, diverting existing gas main and power cables, and laying new drainage across the site. There are also new footpaths and cycle paths, which will link to existing cycle paths
  - The aim of the project is to protect the site above forecast flood levels, and transform it into an area of prime, high quality residential led mixed-use development with potential for 1,100 housing units. Regeneration of the site will also provide employment land, targeted at SMEs, encouraging local cafes, restaurants, and independent retailers, enabling the creation of an estimated 2,000 jobs.

## 6.8 Monitoring and evaluation:

### Inputs

- The £778,323 GBF and £230,677 Local Authority match will be used to deliver one section of the Runway Park.
- This project will benefit from the skills offered by a range of council departments including Regeneration Delivery, Programme Management, Highways, Category Management, Finance and Property. All these departments will use Medway Council premises and equipment to carry out the required work.

### Outputs (delivering the scheme/project)

- 0.46km of footpath
- public realm improvements including pavements, planting, street furniture, landscaping

### Outcomes (monitoring)

The following performance indicators will be used to monitor the outcomes of the project:

- 310 new gross high GVA jobs
- 6 construction jobs
- 6,800 sqm Commercial workspace

### Impacts (evaluation)

- A 'strong diversified economy' through business investment
- 'Residents with jobs and skills' through creating job opportunities for Medway residents on the site
- Provision of high GVA jobs, and construction jobs will be created over a longer-term period following the completion of the works and the build out of the development
- Increase in the number of jobs created by the private sector
- Number of Businesses onsite will have the opportunity to take advantage of Enterprise Zone incentives with regard to rates reinvestment.
- Re-investment in the Enterprise Zone through receipt of Business Rates. Investment will significantly enhance IPM land values and unlock further phases of delivery

- Apprenticeships created by private businesses occupying the site
- Number of graduates from Medway universities employed by private businesses occupying the site
- % of local employment

A full breakdown of the planned monitoring and evaluation can be found in Appendix D and D(i)

## 6.9 Benefits realisation plan:

The Project Management Team will be responsible for developing a Benefits Realisation Plan prior to the contractor starting on site. This plan will clearly set out the benefits that the scheme is expected to deliver, as detailed in section 2.10 above, along with a process for collecting the required information to allow assessment as to whether the benefits have been realised.

The benefits realisation plan will include the following information:

- The benefits the scheme is expected to deliver and the information that is required to allow assessment of the project outcome in relation to each benefit.
- Milestones for when the benefits are expected to be delivered – some benefits may be delivered over a number of years following completion of the project.
- Planned method of collecting each piece of information needed.
- Clear approach for applying data collected to establish how effectively the benefits have been delivered.
- Timetable for collecting the required baseline data.
- Timetable for collecting data to assess benefit delivery – for some benefits this may commence during the construction process, whereas for other benefits data won't be collected until a year or more post project completion.

In addition, the contractor will be monitored against a range of key performance indicators, including time and cost predictability, defects at completion, health and safety, client satisfaction (both product and service), waste management, employment and skills plan targets, SME engagement, local spend, local employment, apprenticeship opportunities and school visits.

The benefits realisation plan will be closely linked to the monitoring and evaluation plan and baseline reports.

## 7. DECLARATIONS

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

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 E.

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

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

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

Signature of applicant	
Print full name	Richard Hicks
Designation	Director of Place & Deputy Chief Executive   Medway Council

Appendices	
Appendix	
A	Funding Commitment
B	Risk Management Strategy
C	Gantt Chart
D	Monitoring and Evaluation Metrics
E	Economic Appraisal
F	Categories of Exempt Information
G	Medway Council Governance Structure and Organigram
H	Stakeholder Engagement Matrix
I	Diversity Impact Assessment
J	Proposed Project Team Organigram

## 8. APPENDIX A - FUNDING COMMITMENT

Please Contact: Phil Watts.  
Your ref:  
Our ref:  
Date: 4<sup>th</sup> June 2021



**Business Support**  
Medway Council  
Gun Wharf  
Dock Road  
Chatham  
Kent ME4 4TR  
Telephone: 01634 332220  
Email: [phil.watts@medway.gov.uk](mailto:phil.watts@medway.gov.uk)

Dear Colleague,

In submitting this project Business Case, I confirm on behalf of Medway Council 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 (Phil Watts) .....

## 9. APPENDIX B – 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
GBF Funding is not forthcoming	The project will still be delivered at a far slower pace and dependent on the private sector, opportunities to maximise the EZ benefits will be lost	Medway Council	Project management team	3	4	12	Completion of a robust business case with a BCR of 2.1, which gives a high level of certainty that the benefits will be delivered.	Likelihood: 2 Impact: 4 Risk rating: 8
Planning permission is not granted for development on the site due to challenge	Delays to programme as a result of extended planning process	Medway Council	Project management team	2	3	6	A robust LDO has been adopted for Innovation Park Medway. Approval is now through a 28-day self-certification process. This is therefore considered a low risk and the impact is not significant. Please refer to appendix C for a detailed programme.	Likelihood: 1 Impact: 3 Risk rating: 3
Best value procurement of necessary contractors not achieved.	All the outputs will not be able to be delivered, local supply chain and apprenticeship opportunities could be lost, and the final outcomes may be diluted	Medway Council	Project management team, Medway Procurement Team	1	3	3	Use of a competitive open tender, and the experience of the procurement team at Medway Council with a proven track record of securing quality and value for money. Detailed employers requirements are shared with potential contractors. A detailed set of ground condition surveys, ecological and contamination surveys have been carried out, tenders will be reviewed	Likelihood: 1 Impact: 3 Risk rating: 3

							by Medway's QS. An iterative approach to value engineering will be applied during the construction phase, all methodology and sourcing of materials will be reviewed, whilst ensuring quality is maintained and workshops will be held to explore further efficiency opportunities. During the construction phase, management of costs through the NEC contract via the compensation event process will mean that cost predictability and certainty will be accurate at any point in the scheme.	
Under estimation of costs.	All the outputs will not be able to be delivered, local supply chain and apprenticeship opportunities could be lost, and the final outcomes may be diluted	Medway Council	Project management team	1	3	3	Unit costs have been derived from discussions with external consultants and experts, and Medway's own technical teams. A robust costing exercise will be undertaken and reviewed by Medway's QS, in line with the procurement process, to ensure that the project is affordable, undertake detailed preconstruction work, early involvement of utility companies, surveys carried out. An iterative approach to value engineering will be applied during the construction phase, and management of costs through the NEC 3 Part A contract via the compensation event process will mean that cost predictability and certainty will be accurate at any point in the scheme.	Likelihood: 1 Impact: 3 Risk rating: 3
No/fewer private sector businesses are interested in building on the site.	The opportunity to maximise the EZ benefits will be lost, and the site will remain as it is currently	Medway Council	Project management team, Property team	1	5	5	Significant interest has been expressed in the site to date with at least 20 companies making "serious" enquiries, prior to any active marketing exercise taking place; an event to launch the site development took place in September 2018.	Likelihood: 1 Impact: 5 Risk rating: 5

Benefits are not realised	The benefits set out in the business case are not achieved	Medway Council	Project management team, IPM Delivery Board	2	4	8	The benefits have been estimated using best practice guidance from UK Government Departments built on hard evidence from schemes developed previously. The impacts will be monitored closely over time to ensure they are being realised. The team engaged to deliver and manage the works have many years' experience on multiple similar projects, and the construction phase will be closely managed to deliver a quality product that will allow the land to be released to deliver the employment space, whilst providing jobs and learning and skills opportunities. The Project management team will be responsible for developing a Benefits Realisation Plan. This plan will clearly set out the benefits that the scheme is expected to deliver, along with a process for collecting the required information to allow assessment as to whether the benefits have been realised.	Likelihood: 1 Impact: 4 Risk rating: 5
Unknowns when undertaking works	Unexpected delays caused through unknowns such as archaeology, unexploded ordnance (UXO), unmarked utilities, etc.	Medway Council	Project management team, IPM Delivery Board	3	4	12	Detailed surveys and studies have been carried out throughout the design process for all phases of work to identify any risks at an early stage and mitigate these within the programme. A watching brief will be implemented for such risks so that the importance of any finds can be determined quickly to avoid significant impacts to the programme. Early archaeological investigations are being undertaken prior to commencement of works.	Likelihood: 2 Impact: 3 Risk rating: 9
Maintenance costs	Delivery of new infrastructure will incur ongoing	Medway Council	Project management team, IPM	2	3	6	Maintenance costs will be covered by a service charge levied on tenants, as approved by Cabinet in June 2019 and Full	Likelihood: 2 Impact: 1 Risk rating: 2

	maintenance costs for green spaces, urban realm, street lighting, etc. which must be funded or will form a revenue pressure for Medway Council.		Delivery Board				Council in July 2019 as part of the Delivery and Investment Plan and will therefore not pose a revenue pressure for Medway Council.	
Covid-19 risk of delays to delivery	Delays to scheme delivery due to issues with contractor and/or supplier meeting programme	Medway Council	Project management team	4	4	16	Delivery phases can be planned with appropriate Covid-19 recovery measures to enable construction with appropriate social distancing in line with Government guidance.	Likelihood: 4 Impact: 3 Risk rating: 12

\* 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

## 10. APPENDIX C – GANTT CHART

Tasks	Start date	Finish date	2021												2022		
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Planning	Jan 2021	Apr 2021															
Delivery of site infrastructure (LGF)	Jun/Jul 2021	Mar 2022															
Delivery of runway park works	Jun/Jul 2021	Mar 2022															
Disposal of Land	Ongoing																
Plot Development	Mar 2022	Onwards															
Key Milestones/Deliverables																	
Submit self-certification form	March/April 2021																
Appointment of a contractor	May 2021																
Works start on site	June/July 2021																
Works completion	March 2022																

## 11. APPENDIX D – MONITORING AND EVALUATIONS METRICS

*Please note, it is not necessary to report against all the Monitoring and Evaluation Metrics below unless they are relevant to the scheme. There is scope to add further Monitoring and Evaluation Metrics where necessary.*

The GBF funding will be used to deliver enabling public realm works which will unlock and accelerate commercial development. The project will deliver a number of benefits and outcomes which will be monitored as the project progresses. The table below shows the benefits that will be monitored, the point at which realisation of the benefit is expected and how the delivery of each benefit will be assessed.

Category	Key Performance Indicators	Description
<b>High-level outcomes</b>	Jobs connected to intervention (permanent, paid FTE)	45 gross construction Jobs/ 40 net construction jobs.  310 gross operational jobs / 70 net operational jobs.
	Commercial floorspace planned - please state sqm and class	6,800 sqm GEA
	Commercial floorspace constructed to date - please state sqm and class	
	Housing unit starts (forecast over lifetime)	
	Housing unit starts (to date)	
	Housing units completed (forecast over lifetime)	
	Housing units completed (to date)	
<b>Transport (outputs)</b>	Total planned length of resurfaced roads (km)	
	Total completed length of resurfaced roads (km)	
	Total planned length of newly built roads (km)	
	Total completed length of newly built roads (km)	
	Total planned length of new cycle ways (km)	
	Total completed length of new cycle ways (km)	
	Type of service improvement	
<b>Land, Property and Flood Protection (outputs)</b>	Anticipated area of site reclaimed, (re)developed or assembled (ha)	
	Actual area of site reclaimed, (re)developed or assembled (ha)	

	Length of cabling/piping planned (km) - Please state if electricity, water, sewage, gas, telephone or fibre optic	
	Length of cabling/piping completed (km) - Please state if electricity, water, sewage, gas, telephone or fibre optic	
	Anticipated area of land experiencing a reduction in flooding likelihood (ha)	
	Actual area of land experiencing a reduction in flooding likelihood (ha)	
	Follow-on investment at site (£m) - Please state whether Local Authority, Other Public Sector, Private Sector or Third Sector	
	Anticipated commercial floorspace refurbished - please state sqm and class	
	Actual commercial floorspace refurbished - please state sqm and class	
	Anticipated commercial floorspace occupied - please state sqm and class	
	Actual commercial floorspace occupied - please state sqm and class	
	Commercial rental values (£/sqm per month, by class)	
	Anticipated number of enterprises receiving non-financial support (#, by type of support)	
	Actual number of enterprises receiving non-financial support (#, by type of support)	
	Anticipated number of new enterprises supported	
<b>Business, Support, Innovation and Broadband (outputs)</b>	Actual number of new enterprises supported	
	Anticipated number of potential entrepreneurs assisted to be enterprise ready	
	Actual number of potential entrepreneurs assisted to be enterprise ready	
	Anticipated number of enterprises receiving grant support	
	Actual number of enterprises receiving grant support	
	Anticipated number of enterprises receiving financial support other than grants	
	Actual number of enterprises receiving financial support other than grants	
	Anticipated no. of additional businesses with broadband access of at least 30mbps	
	Actual no. of additional businesses with broadband access of at least 30mbps	
	Financial return on access to finance schemes (%)	

## 12. APPENDIX D(i) – MONITORING AND EVALUATION PLAN

### 1. INNOVATION PARK MEDWAY SUSTAINABLE CITY OF BUSINESS

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Innovation Park Medway – enabling infrastructure, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The objectives of the scheme are:

Objective 1: Creation of a knowledge-based employment hub from 2022;

Objective 2: Encourage reinvestment on neighbouring industrial estates with the creation of the technology park;

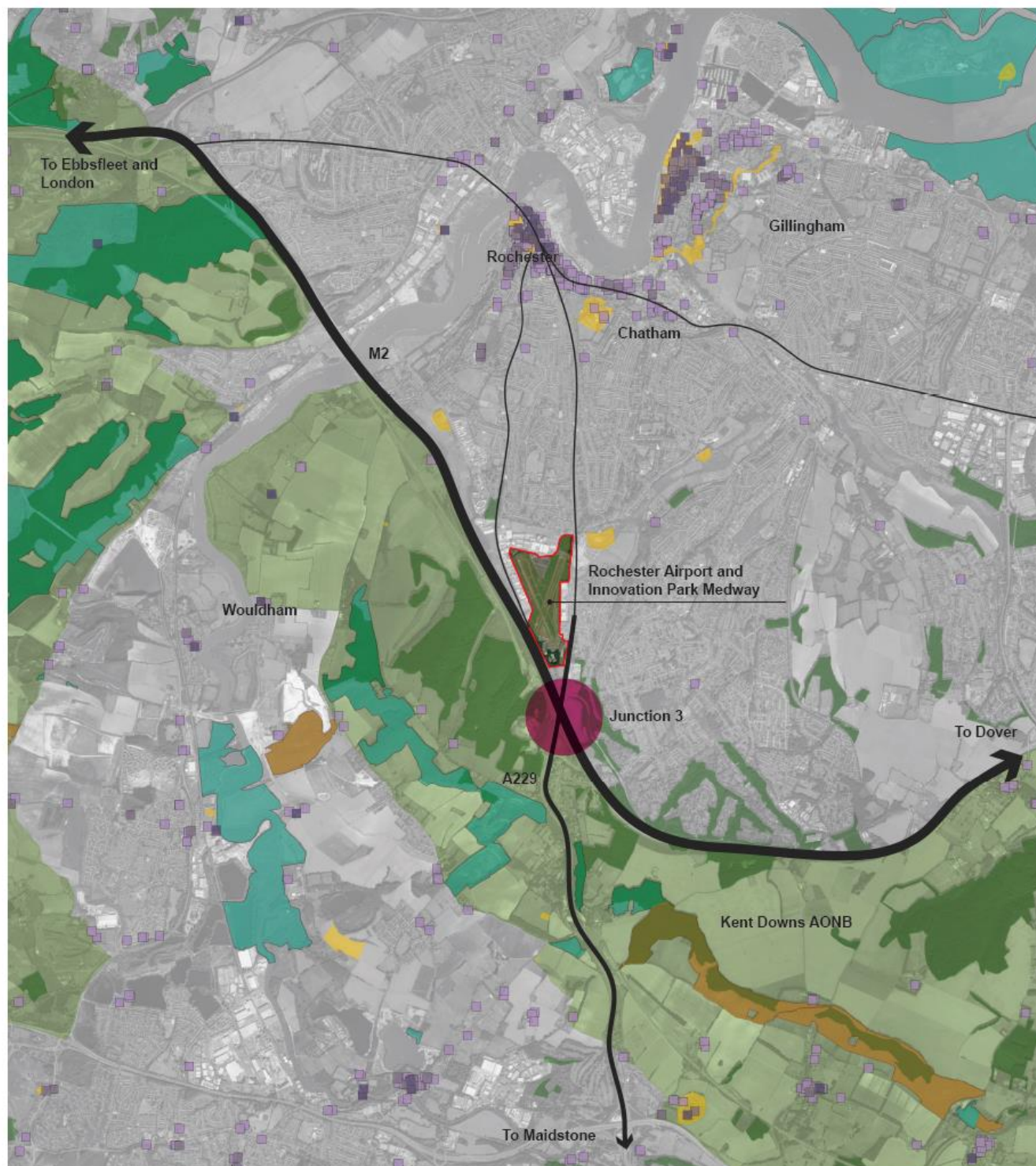
Objective 3: Link labour market skills development with the proposed physical developments by creating partnerships with local universities and further education facilities;

Objective 4: Create high GVA skilled jobs;

Objective 5: Retain and increase the local skills base;

Objective 6: Establish Innovation Park Medway as a preferred destination and partner for regional businesses.

The geography of the scheme is shown in the map below



## 1. INPUTS

ID	Input Desc.	Source of Value	Monitoring Approach	Frequency of Tracking	Source	Year 1 Before Opening [2021/22]				Year 2 (first year opening) [2022/23]			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend GBF	Full business case p43. £778,323	Medway Council budget monitoring and contract management.	Monthly with contractors, quarterly reporting.	Planned/ Forecasted Spend Profile	0	0	0.778	0	0	0	0	0
IN2	Matched Contributions Spend	Full business case p43. £230,677	Medway Council budget monitoring and contract management.	Monthly with contractors, quarterly reporting.	Planned/ Forecasted Spend Profile	0	0	0.050	0.181	0	0	0	0

## 2. INPUT 3: PROJECT DELIVERY AND MILESTONES

Milestone	Planned Date of Delivery
Start of project (start spending LGF or match funding)	June/July 2021
Public Consultation	Complete
Detailed Design	Complete
Full Planning Permission Granted	May 2021
Site Mobilisation Works Commence	June/July 2021
Project Completion / Site Opening	March 2022 Site Occupation March 2022 onwards

## 3. INPUT 4: RISK MITIGATION

Description of Risk	Risk Mitigation
GBF Funding is not forthcoming	Completion of a robust business case with a BCR of 2.1, which gives a high level of certainty that the benefits will be delivered.
Planning permission is not granted for development on the site due to challenge	A robust LDO has been adopted for Innovation Park Medway. Approval is now through a 28-day self-certification process. This is therefore considered a low risk and the impact is not significant. Please refer to appendix C for a detailed programme.
Best value procurement of necessary contractors not achieved.	Use of a competitive open tender, and the experience of the procurement team at Medway Council with a proven track record of securing quality and value for money. Detailed employers requirements are shared with potential contractors. A detailed set of ground condition surveys, ecological and contamination surveys have been carried out, tenders will be reviewed by Medway's QS. An iterative approach to value engineering will be applied during the construction phase, all methodology and sourcing of

	materials will be reviewed, whilst ensuring quality is maintained and workshops will be held to explore further efficiency opportunities. During the construction phase, management of costs through the NEC contract via the compensation event process will mean that cost predictability and certainty will be accurate at any point in the scheme.
Under estimation of costs.	Unit costs have been derived from discussions with external consultants and experts, and Medway's own technical teams. A robust costing exercise will be undertaken and reviewed by Medway's QS, in line with the procurement process, to ensure that the project is affordable, undertake detailed preconstruction work, early involvement of utility companies, surveys carried out. An iterative approach to value engineering will be applied during the construction phase, and management of costs through the NEC 3 Part A contract via the compensation event process will mean that cost predictability and certainty will be accurate at any point in the scheme.
No/fewer private sector businesses are interested in building on the site.	Significant interest has been expressed in the site to date with at least 20 companies making "serious" enquiries, prior to any active marketing exercise taking place; an event to launch the site development took place in September 2018.
Benefits are not realised	The benefits have been estimated using best practice guidance from UK Government Departments built on hard evidence from schemes developed previously. The impacts will be monitored closely over time to ensure they are being realised. The team engaged to deliver and manage the works have many years' experience on multiple similar projects, and the construction phase will be closely managed to deliver a quality product that will allow the land to be released to deliver the employment space, whilst providing jobs and learning and skills opportunities. The Project management team will be responsible for developing a Benefits Realisation Plan. This plan will clearly set out the benefits that the scheme is expected to deliver, along with a process for collecting the required information to allow assessment as to whether the benefits have been realised.
Unknowns when undertaking works	Detailed surveys and studies have been carried out throughout the design process for all phases of work to identify any risks at an early stage and mitigate these within the programme. A watching brief will be implemented for such risks so that the importance of any finds can be determined quickly to avoid significant impacts to the programme. Early archaeological investigations are being undertaken prior to commencement of works.
Maintenance costs	Maintenance costs will be covered by a service charge levied on tenants, as approved by Cabinet in June 2019 and Full Council in July 2019 as part of the Delivery and Investment Plan and will therefore not pose a revenue pressure for Medway Council.
Covid-19 risk of delays to delivery	Delivery phases can be planned with appropriate Covid-19 recovery measures to enable construction with appropriate social distancing in line with Government guidance.

## 4. OUTPUTS

ID	Output Description	
OP1		Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring

	Public realm improvements	<p><b>Value:</b> Public realm improvements including paving, planting, street furniture and landscaping in line with the adopted Innovation Park Medway Design Code guidance.</p> <p><b>Source of Value:</b> Full Business Case page 50</p> <p><b>Future Monitoring Approach:</b> Progress meetings with the works contractor</p> <p><b>Frequency of tracking:</b> Monthly contractor meetings</p> <p><b>Costs Allocated to Monitoring:</b> Time allocated resource as part of the project delivery team including Clerk of Works and contractor, approximately 32 hours per month to monitor progress, delivery of outputs, carry out valuations</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> The baseline is zero, as the output will be new public realm</p> <p><b>Costs Allocated:</b> N/A</p>
OP2	New Footpath	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> 460m new footpath</p> <p><b>Source of Value:</b> Full Business Case page 50</p> <p><b>Future Monitoring Approach:</b> Progress meetings with the works contractor</p> <p><b>Frequency of tracking:</b> Monthly contractor meetings</p> <p><b>Costs Allocated to Monitoring:</b> Time allocated resource as part of the project delivery team including Clerk of Works and contractor, approximately 32 hours per month to monitor progress, delivery of outputs, carry out valuations</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p>

		<p><b>Approach for Collection:</b> The baseline is zero, as the output will be a new footpath</p> <p><b>Costs Allocated:</b> N/A</p>
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## 5. OUTCOMES

ID	Outcome Description	
OC1	6 construction jobs	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> To bring forward 6 new construction jobs by 2021/22.</p> <p><b>Source of Value:</b> Full business case page 50</p> <p><b>Future Monitoring Approach:</b> Liaison with the appointed contractor on construction roles created as a result of the project.</p>

		<p><b>Frequency of tracking:</b> Annually.</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries.</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> Baseline is zero.</p> <p><b>Costs Allocated:</b> None required.</p>
OC2	6,800 sqm commercial workspace	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> To bring forward 6,800 sqm of commercial workspace within the B1 and B2 use classes, in line with the Local Development Order.</p> <p><b>Source of Value:</b> Full business case page 50</p> <p><b>Future Monitoring Approach:</b> Regeneration Team and Economic Development Officer. Information can also be requested through Local Development Order self-certification process.</p> <p><b>Frequency of tracking:</b> Annually.</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries.</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> Baseline is zero.</p> <p><b>Costs Allocated:</b> N/A</p>
OC3		<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p>

	Provision of high GVA jobs	<p><b>Value:</b> To bring forward 310 new gross highly skilled jobs in engineering and technology by 2023/24. These jobs will facilitate the upskilling of the local workforce and construction jobs will be created in order to build the scheme.</p> <p><b>Source of Value:</b> Full business case page 50</p> <p><b>Future Monitoring Approach:</b> As of Q3 2018/19 a new Council Plan measure of 'GVA per job' has been introduced. This data will be gathered and monitored by the Performance and Intelligence Hub within Medway Council.</p> <p><b>Frequency of tracking:</b> Annually</p> <p><b>Costs Allocated to Monitoring:</b> Covered within core Performance and Intelligence hub salaries.</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> Data already available from the Performance and Intelligence Hub.</p> <p><b>Costs Allocated:</b> Covered within core Performance and Intelligence hub salaries.</p>
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## 6. IMPACTS

ID	Impact Description	
IM1		<b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b>

	Continued provisions of high GVA jobs	<p><b>Value:</b> Continued provision of high GVA jobs, and construction jobs will be created over a longer-term period following the completion of the works and the build out of the development</p> <p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> As of Q3 2018/19 a new Council Plan measure of 'GVA per job' has been introduced. This data will be gathered and monitored by the Performance and Intelligence Hub within Medway Council.</p> <p><b>Frequency of tracking:</b> Annually</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries.</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> Data already available from the Performance and Intelligence Hub.</p> <p><b>Costs Allocated:</b> Covered within core Performance and Intelligence hub salaries.</p>
IM2	Increase in the number of jobs created by the private sector	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> In 2013, the public sector represented 23% of local employment, a significantly higher percentage than that seen across the South East region. Medway Council is committed to addressing this issue and reducing the relative level of economic deprivation in the area. One of the key mechanisms to help achieve this is by making commercial land available that will support higher value businesses and employment.</p> <p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> Medway Council's Performance and Intelligence Hub produce twice-yearly 'State of the Economy' reports for Medway, which include the number and percentage of the Medway workforce employed in public sector roles. This report draws on a variety of data sources.</p> <p><b>Frequency of tracking:</b> Annually</p>

		<b>Costs Allocated to Monitoring:</b> Covered within core Performance and Intelligence hub salaries.
		<b>Details: Proposed Method of Collecting Baseline Information</b>
		<b>Approach for Collection:</b> Data already available from the Performance and Intelligence Hub.  <b>Costs Allocated:</b> Covered within core Performance and Intelligence hub salaries.
IM3	Number of Businesses on site.	<b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b>
		<b>Value:</b> Additional businesses will benefit from reinvestment of business rates within the 25-year EZ window across the entire site, above those locating on the site within the first 5 years.
		<b>Source of Value:</b> Full business case page 51
		<b>Future Monitoring Approach:</b> Information received through Local Development Order self-certification process.
		<b>Frequency of tracking:</b> Annually
		<b>Costs Allocated to Monitoring:</b> Within core salaries
		<b>Details: Proposed Method of Collecting Baseline Information</b>
		<b>Approach for Collection:</b> Approach for Collection: The baseline is 11 existing businesses at Rochester Airport.
		<b>Costs Allocated:</b> n/a
IM4		<b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b>

	Re-investment in the Enterprise Zone through receipt of Business Rates	<p><b>Value:</b> Additional business rates expected across the entire site, beyond that accounted for within the first 5 years. This is within the 25-year Enterprise Zone window and these will be reinvested in the Enterprise Zone.</p> <p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> Economic Development Officer to enquire with Medway Council's Head of Revenues and Benefits via email. Reinvestment in-line with EZ Business Rates Strategy to be monitored by Economic Development Officer. Joint monitoring with LGF3 and 3b; business take-up may be distributed across the site depending on the location preference of each business.</p> <p><b>Frequency of tracking:</b> Annually</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> The baseline is Rochester Airport and Woolmans Wood Caravan Site. The rateable value for these two properties is £22,500.</p> <p><b>Costs Allocated:</b> None required.</p>
IM5	Apprenticeships created by private businesses occupying the site	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> We would anticipate each business creates one apprenticeship post per year (figures dependent on number of businesses in IM3).</p> <p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> Skills and Employability Manager and Economic Development Officer. Information can also be requested through Local Development Order self-certification process.</p> <p><b>Frequency of tracking:</b> Annually</p>

		<p><b>Costs Allocated to Monitoring:</b> Within core salaries.</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> The baseline is zero, data will be available from the Performance and Intelligence Hub.</p> <p><b>Costs Allocated:</b> Within Economic Development Officer core salary</p>
IM6	Number of graduates from Medway universities employed by private businesses occupying the site	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> Skills and Employability Plan for Medway 2035 – working with universities to offer opportunities for graduates and encourage graduates to stay in the area, resulting in Higher level skills staying in the area, benefitting Medway’s business and economy</p> <p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> Skills and Employability Manager and Economic Development Officer</p> <p><b>Frequency of tracking:</b> Annually</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> The baseline is zero, data will be available from the Performance and Intelligence Hub.</p> <p><b>Costs Allocated:</b> Within core salaries</p>
IM7	% of local employment	<p><b>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</b></p> <p><b>Value:</b> Skills and Employability Plan for Medway 2035 – we would expect to see an increase in the number of local people employed in Medway. Medway Council is committed to addressing this issue and reducing the relative level of economic deprivation in the area. One of the key mechanisms to help achieve this is by making commercial land available that will support higher value businesses and employment.</p>

		<p><b>Source of Value:</b> Full business case page 51</p> <p><b>Future Monitoring Approach:</b> This data will be gathered and monitored by the Performance and Intelligence Hub within Medway Council.</p> <p><b>Frequency of tracking:</b> The State of the Economy report is published twice-yearly; source data is published annually.</p> <p><b>Costs Allocated to Monitoring:</b> Within core salaries</p> <p><b>Details: Proposed Method of Collecting Baseline Information</b></p> <p><b>Approach for Collection:</b> Data already available from the Performance and Intelligence Hub.</p> <p><b>Costs Allocated:</b> Covered within core Performance and Intelligence hub salaries.</p>
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### 13. APPENDIX E – ECONOMIC APPRAISAL ASSUMPTIONS

<b>Appraisal Assumptions</b>	<b>Details</b>
Discounting	All costs and benefits have been discounted using a standard 3.5% discounting rate as recommended by the Green Book.
Sensitivity Tests	<p>The preferred option has been subject to sensitivity analysis to test its resilience against increased project costs and unfavourable economic conditions, post-intervention. The initial test assumes a year's delay to the construction of the follow-on developments.</p> <p>The second test models the impacts of Runway Park were all follow-on developments Class B2 (with a lower employment density). In both cases, Runway Park returns high Value for Money – 31. And 3.3 respectively.</p>
Additionality	<p>Construction / Operation</p> <p>Deadweight: 0%</p> <p>Leakage: 40%/ 30%</p> <p>Displacement: 30% / 70%</p> <p>Multiplier: 1.82 / 1.14</p>
Productivity Rates	<p>Project benefits have been monetised using the following productivity rates:</p> <ul style="list-style-type: none"> <li>• Construction - £78,283 per job.</li> <li>• Operational - £52,333 per job.</li> </ul>
Construction Turnover	£223,448
Employment Density	The commercial properties enabled by one phase of the Runway Park are anticipated to be a mix of business and general industry use classes. This assessment has assumed an employment density of 12 sqm. / job for the former and 36 sqm. / job for the latter based on the HCA Employment Densities Guide (2010).
Optimism bias	An optimism bias of 44% has been applied to the construction costs for the enabling works

Appraisal period	5 years
Present value year	2021
Sunk costs	None assumed. The project has been designed as part of a wider package for the IPM. These costs have been taken on-board by the Council at risk on the assumption that there may be funding in the future. These costs have been captured in other funding rounds and not here to avoid double-counting.
Wider Non-Monetised Benefits	<p>The linear park has been designed as part of the IPM masterplan which incorporates a travel plan aimed at promoting sustainable modes of transport and access to the site. The Park will enhance the connection between the Walderslade residential estate and the A1 retail outlets north of Rochester Airport. It is therefore expected that the Park will have wider non-monetised benefits such as local amenity, active travel and associated health benefits to nearby residents and employees on site.</p> <p>Through its improved connections, enhanced local green space and accelerated levels of development, it is also anticipated the investment may have a positive impact on local land values (commercial &amp; nearby residential). This may help stimulate further commercial development whilst improving the attraction of residential properties in nearby Walderslade.</p> <p>Finally, the collaborative outdoor meeting spaces are likely to encourage greater levels of networking, and interaction between different occupiers and visitors which might not otherwise</p>

### Economic Impact Worked Example

Infrastructure Construction	Date:	2021	2022	2023	2024	2025
Code	Year:	1	2	3	4	5
A	Public Sector Investment	£1.0m	-	-	-	-
B	Construction Turnover Per Worker	£223,448				
C=((A/B) * Additionality Factors)	Net Construction PYEs (after additionality)	4	-	-	-	-
D	GVA Per Construction Worker	£78,283				
E=(D*C)	GVA	£0.3m	-	-	-	-
F=E Discounted	NPV GVA	£0.3m	-	-	-	-

Infrastructure Investment (Discounted)	Date:	2021	2022	2023	2024	2025
Code	Year:	1	2	3	4	5
G	NPV Total Investment (Plus 44% OB)	£1.5m	-	-	-	-

Operational Construction	Date:	2021	2022	2023	2024	2025
Year:		1	2	3	4	5
H	Floorspace (sqm)	-	5,960	-	-	-
I = H * BCIS	Private Sector Investment	-	£9.3m	-	-	-
J	Construction Turnover Per Worker	£223,448				
K= (I/J)	Net Construction PYEs (after additionality)	-	42	-	-	-
L	GVA Per Construction Worker	£78,283				
M=(L*K)	GVA	-	£3.0m	-	-	-
N=M Discounted	NPV GVA	-	£2.7m	-	-	-

Operational Impact	Date:	2021	2022	2023	2024	2025
Year:		1	2	3	4	5
	Floorspace (sqm)	-	-	5,824	5,824	5,824
O	Floorspace occupied (sqm.)	-	-	-	2,766	5,533
P= (O / Job Densities)	Gross Operational Jobs	-	-	-	145	290
Q= (P*Additionality Factors)	Net Operational Jobs	-	-	-	35	69
R= (Q*GVA Parameters)	GVA	-	-	-	£1.8m	£3.6m
S= R Discounted	NPV GVA	-	-	-	£1.6m	£3.1m

Sector	Density
Office	12
Industrial	36

Code		
T=S+N+F	Total NPV GVA	£7.7m
U=(T/G)	BCR	5.3

#### 14. APPENDIX F - 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.*

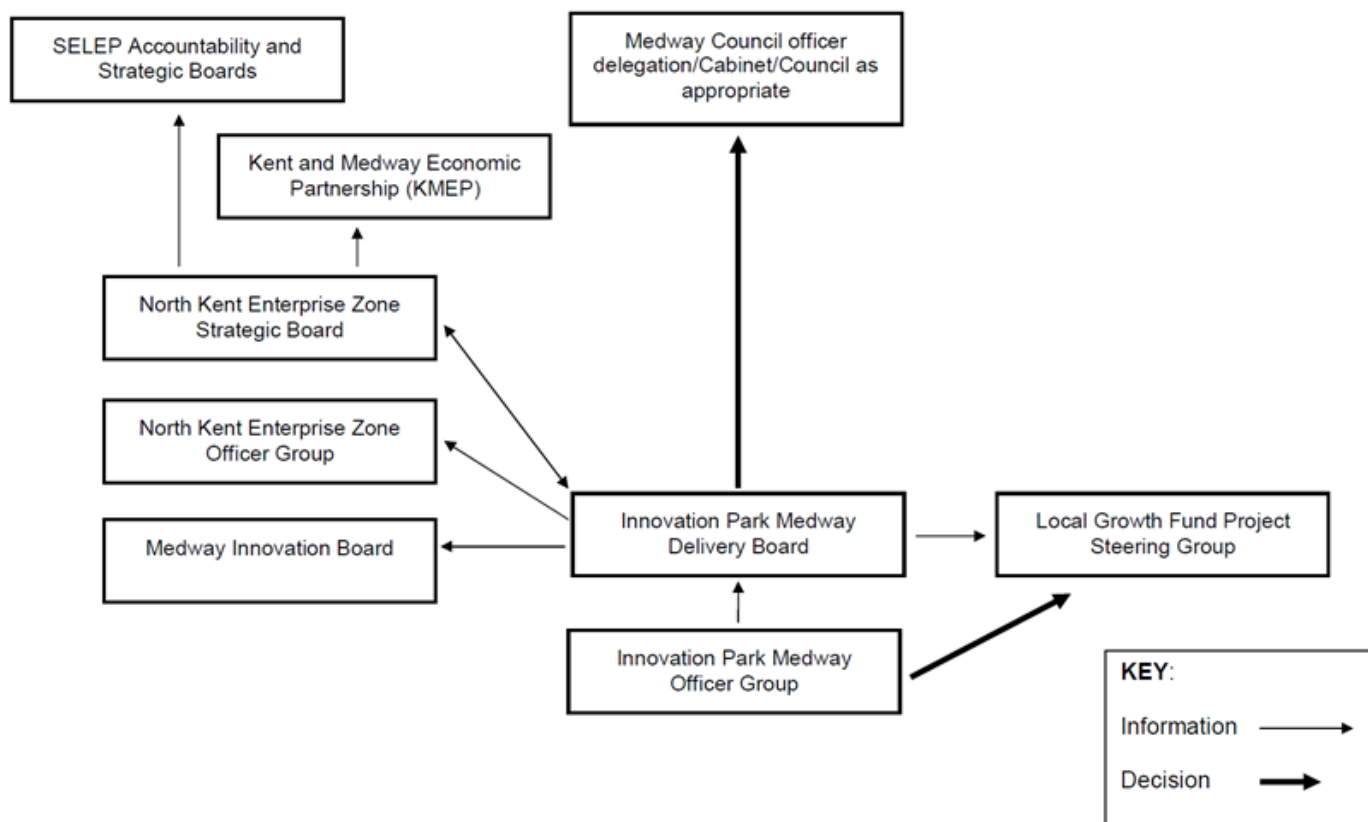
## 15. APPENDIX G – MEDWAY COUNCIL GOVERNANCE AND ORGANIGRAM

Medway Council key management and governance arrangements	
Responsible group or officer	Responsibility
<b>Cabinet</b>	Member group that manages council business including high value/high risk procurement and projects. Cabinet meets every three weeks.
<b>Member Advisory Project Board</b>	Member overview of project development and delivery. The Board reviews, analyses and scrutinizes progress on the directorate's capital programme and, where relevant, specific large/complex projects. Board is chaired by Frontline Services Portfolio Holder.
<b>Innovation Park Medway Delivery Board</b>	Established as a Cabinet Advisory Group to coordinate and oversee progress of the regeneration of Rochester Airport and delivery of Innovation Park Medway. The Delivery Board will drive implementation of the EZ in line with funding streams and appropriate mechanisms.
<b>Innovation Park Medway Officer Working Group</b>	<p>Established as a Cabinet Advisory Group to coordinate and oversee progress of the regeneration of Rochester Airport and delivery of Innovation Park Medway. The Delivery Board will drive implementation of the EZ in line with funding streams and appropriate mechanisms. It is supported by the Innovation Park Medway Officer Group. The remit of the Delivery Board is to:</p> <ul style="list-style-type: none"> <li>• keep under review strategies to regenerate the Rochester Airport site.</li> <li>• coordinate regeneration initiatives, projects and funding streams related to IPM and the Rochester Airport site.</li> <li>• make recommendations on external funding opportunities.</li> <li>• ensure all appropriate development opportunities are appraised and pursued as appropriate.</li> <li>• progress development of Innovation Park Medway as appropriate.</li> <li>• ensure a positive message regarding IPM is effectively communicated.</li> </ul> <p>It will also receive updates on key issues relating to the development of the IPM site / North Kent Enterprise Zone, including planning, finance, procurement, contract management, stakeholder engagement and</p>

	consultation, Local Development Order and Masterplan, branding and marketing.
<b>Procurement Board</b>	Member Board that agrees and scrutinises procurement activity. This Board will consider the procurement strategy for each project, consider submitted tenders and scrutinise outcomes.
<b>Officer Project Board</b>	<p>Senior officer project management of projects.</p> <p>The Group is responsible for the strategic management of the project and has authority to commit resources to the project in accordance with the Council's Constitution. General tasks include:</p> <ul style="list-style-type: none"> <li>• appointing the project manager;</li> <li>• signing off the project brief and business case;</li> <li>• approving the PID;</li> <li>• agreeing project controls;</li> <li>• authorising project start;</li> <li>• authorising variations to expenditure;</li> <li>• managing key risks in the highlighted risk log;</li> <li>• authorising project closure.</li> </ul> <p>An LGF/GBF update report is a standing item on the agenda. The Group meets every four weeks.</p>
<b>Project Sponsor</b>	Independent of the project and provides challenge to ensure project is delivered on time, within budget and achieving the anticipated benefits.
<b>Project Owner</b>	<p>Ensures governance arrangements and Medway project management principles are adhered to.</p> <p>Ensures the project is technically and financially viable and compliant with the organisation's corporate standards and strategic business plans.</p> <p>Owns the Business Case, funding and cost allocation for the project.</p> <p>Provides leadership and direction throughout the project.</p> <p>Is responsible and accountable for ensuring the project remains focussed on achieving its objectives and that the anticipated benefits can be achieved.</p> <p>Attend the directorate Officer Project Board to lead discussions on the project.</p>

	<p>Provides sufficient induction for the Project Manager to ensure s/he has the best understanding of the project.</p> <p>Chair implementation board if required.</p>
<b>Project Manager</b>	<p>Responsible for delivering the project on behalf of the project owner and officer project board.</p> <p>Leads and manages the Project Team with the Authority and responsibility to run the project on a day-to-day basis.</p> <p>Delivers the right outputs, to the required level of quality and within the specified constraints of time, cost, resources and risk.</p> <p>Prepare project information, including PID, Project Plan and Business Case.</p> <p>Identify and evaluate risks, determine and manage actions, and maintain the risk log.</p> <p>Manage and control changes to scope, requirements, personnel etc.</p> <p>Ensure project's resource plans and costs include sufficient, properly skilled support.</p> <p>Monitor and report progress against plans, quality and costs.</p> <p>Liaise with the Project Owner and Officer Project Board for their approval and decisions at key project stages.</p>
<b>Section 151 Officer</b>	<p>Responsible for signing acceptance of the grant and its attached conditions, overseeing financial transactions and challenging where necessary, sign off of financial statements requested from SELEP.</p>
<b>Head of Category Management</b>	<p>Lead on providing procurement advice.</p>
<b>Head of Internal Audit</b>	<p>Lead on providing financial governance advice. Involved in the programme from an early stage.</p>

## ORGANIGRAM FOR INNOVATION PARK MEDWAY GOVERNANCE



## 16. APPENDIX H - STAKEHOLDER ENGAGEMENT MATRIX

Itemised stakeholders to be handled in accordance with interest/ influence matrix		
<b>High</b>  <b>Stakeholder Influence</b>	<b>To be passively monitored:</b>	<b>To be actively engaged and managed:</b> SELEP; Tonbridge & Malling Borough Council; Kent & Medway Economic Partnership; Local elected members; Local businesses based close to Innovation Park Medway; HE and FE institutions; Local in Kent; Local elected members and MPs; Natural England; Highways England;
	<b>To be passively conciliated:</b>	<b>To be actively informed:</b> North Kent Enterprise Zone; Local businesses; Physical Disability Board; Private property developers; Local population;
<b>Low</b>	<b>Stakeholder Interest</b> Low -----> High	

Key political stakeholders are fully aware of the scope and nature of the scheme being developed and are fully supportive of investment to promote Innovation Park Medway as a prime business location. All consultations have been managed by Medway Council and Tonbridge & Malling Borough Council, in accordance with the Statement of Community Involvement.

Early stakeholder engagement is extremely important to the scheme. Early development of all interfaces with the local community will allow the team to mitigate any measures and potential difficulties and provide best solutions for the construction of the scheme.

## 17. APPENDIX I – DIVERSITY IMPACT ASSESSMENT

<b>TITLE</b> <i>Name / description of the issue being assessed</i>	Innovation Park Medway
<b>DATE</b> <i>Date the DIA is completed</i>	23/02/2021
<b>LEAD OFFICER</b> <i>Name, title and dept of person responsible for carrying out the DIA.</i>	Richard Carden, Regeneration Delivery Programme Manager
<b>1 Summary description of the proposed change</b> <ul style="list-style-type: none"> <li><i>What is the change to policy / service / new project that is being proposed?</i></li> <li><i>How does it compare with the current situation?</i></li> </ul> <p>Medway Council has refreshed the Rochester Airport Masterplan (2014) and the Innovation Park Medway Masterplan has been adopted. A Local Development Order (LDO) has also been prepared for adoption; this has been adopted by both authorities (Medway Council and Tonbridge &amp; Malling Borough Council).</p> <p>Enabling infrastructure and public realm is also proposed to be delivered for new plots to bring forward employment as part of the technology park.</p>	
<b>2 Summary of evidence used to support this assessment</b> <ul style="list-style-type: none"> <li><i>E.g.: Feedback from consultation, performance information, service user records etc.</i></li> <li><i>E.g.: Comparison of service user profile with Medway Community Profile</i></li> </ul> <p>An initial screen DIA was carried out on 23<sup>rd</sup> July 2013 on the Rochester Airport Masterplan (consultation draft). The DIA was then reviewed on 1<sup>st</sup> July 2016. This has also been updated in 2018, 2019 and 2021 with revisions to the most recent version to account for the adopted LDO and masterplan, and the proposed infrastructure and public realm works.</p> <p>The Rochester Airport masterplan is a land use and design framework that promotes opportunities for improved airport operations, aviation heritage facilities and new employment. These opportunities are open to all. Formal public consultation took part from 22<sup>nd</sup> July to 20<sup>th</sup> September 2013. Leaflets were sent to 7,300 households and businesses in the local area and 222 people attended an exhibition which was held over two days. During the consultation period a total of 908 responses were received.</p> <p>The Innovation Park Medway masterplan builds upon the Rochester Airport masterplan to set out more detail regarding the proposed employment uses on the site and forms part of the relevant planning policy when adopted as a Supplementary Planning Document (SPD). The masterplan provides a flexible framework that encourages development to come forward within B1 and B2 use classes (replaced with E(g) and B2 in 2020 use classes update). A Local Development Order, Design Code and Environmental Statement have been consulted upon and adopted to provide further resolution on the design and form the planning process by which development can come forward.</p> <p>Consultation on the Innovation Park Medway masterplan took place over a six week period from 17 September to 29 October 2018. 42 responses were received. Two consultation events were held and the draft masterplan was made available at Gun Wharf, Innovation Centre Medway, Chatham</p>	

Community Hub, Rochester Community Hub and Tonbridge & Malling Borough Council's offices as well as online. Consultation was in line with both Medway and Tonbridge & Malling's Statements of Community Involvement.

Consultation on the Innovation Park Medway LDO took place initially from 7 June to 19 July 2019, with a number of responses being received including responses that required further action from Statutory Consultees. A series of amendments and updates have since been made, with a further consultation on the new information in October 2020.

Medway is ranked 93rd most deprived Local Authority of 317 (1st being the most deprived) in England in the 2019 Index of Multiple Deprivation. This is a relatively worse position than the index in 2015, when Medway was ranked 118th most deprived of 326.

In July 2017 Medway's unemployment level was at its lowest for the last ten-year period, indicating a rejuvenation of Medway's economy since the downturn in 2008.

- In the last 5 years (between 2015 and 2019) there has been a 40% reduction in the volume of unemployed (economically active but unemployed)
- In 2019, 82% of the working age population (16-64) were economically active, a 6-percentage point increase over 5 years
- Compared to December 2019 Medway claimant count has increased by 115%

Compared to the South East and Great Britain, Medway has a higher percentage of both economically active people seeking work and economically inactive people that would like to find a job.

Evidence identifies several factors that influence unemployment levels in Medway. Medway has a lower job density than the rest of the South East and Great Britain, meaning that there are fewer jobs per person available. Medway also has lower academic attainment levels than the South East and Great Britain that would result in a barrier to employment opportunities both inside and outside of Medway.

Current population projection figures and low job density levels in Medway indicate that more employment opportunities will need to be generated in Medway over the next 20 years in order to keep future unemployment levels from spiking.

Job density describes the level of jobs per resident aged 16 - 64. The latest data from the Office of National Statistics (ONS) was published in December 2019 for 2018 provisional data shows that the GVA per head for Medway is £20,068. This figure is below that of Kent as a whole at £22,972, and even further below the wider South East average of £30,356. The next release, which we expected in December 2020 has been delayed by the ONS until May 2021.

Latest GVA figures (2018) shows that Medway's economy was worth £5.6bn (caveat – 2018 figures are provisional)

- Medway had the highest increase in GVA (7.2%) from 2017 to 2018 compared to our benchmarking groups (UK, England, SE, Kent NUTS3, all Kent authorities)

- Over 5 years, Medway's GVA has increased by 17.9% exceeding Kent (15.3%), South East (12.4%), England (15.7%) and UK (15%)

Latest ONS figures from 2019 show that Medway has a lower ratio of jobs per individual than the regional and national average. Medway has a ratio of 0.6 jobs per individual aged 16 - 64, compared to 0.9 in the South East and 0.87 in Great Britain.

Estimated figures from the Department of Education identify that the percentage of 16- to 17-year-old NEETs in Medway has increased from 6.9% in 2018 to 12% in 2019. The percentage of NEETs in the South East has also increased from 5.5% in 2018 to 6.4% in 2019.

In 2019 6,300 NEETs were known to Medway (16–17-year-olds).

### 3 What is the likely impact of the proposed change?

*Is it likely to:*

- Adversely impact on one or more of the protected characteristic groups?*
  - Advance equality of opportunity for one or more of the protected characteristic groups?*
  - Foster good relations between people who share a protected characteristic and those who don't?*
- (insert ✓ in one or more boxes)*

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age		✓	✓
Disability		✓	✓
Gender reassignment			✓
Marriage/civil partnership			✓
Pregnancy/maternity			✓
Race			✓

<b>Religion/belief</b>			✓
<b>Gender</b>			✓
<b>Sexual orientation</b>			✓
<b>Other (e.g. low-income groups)</b>		✓	✓

#### 4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

The Masterplan is a land use and design framework that promotes opportunities for improved airport operations, aviation heritage facilities and new employment. These opportunities are open to all. Consideration of specific issues regarding access have been addressed through detailed site design; this will help to advance and foster good relations for equalities. Design considers equalities and encourages good relations with regards to all protected characteristics. The masterplan encourages an open and accessible site for use by all, which is built upon further in the Design Code by recommending material palettes and proposed high level design guidance to be considered in the design of public spaces, buildings and all areas of the site.

These plans assist to advance and foster good relations for equalities in relation to all protected characteristics, as they will be available for all to take advantage of. From the evidence shown above particular groups are the young and those on a low income to improve job prosperity and training opportunities.

#### 5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

There are currently no adverse impacts; equality and access will be reviewed at each stage through subsequent Diversity Impact Assessments (DIA).

#### 6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
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Review DIA at each stage

Project  
team

Ongoing

## 7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- to proceed with the change, implementing the Action Plan if appropriate
- consider alternatives
- gather further evidence

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

To implement the action plan and proceed with the proposed infrastructure and public realm works.

## 8 Authorisation

The authorising officer is consenting that:

- the recommendation can be implemented
- sufficient evidence has been obtained and appropriate mitigation is planned
- the Action Plan will be incorporated into the relevant Service Plan and monitored

Assistant Director

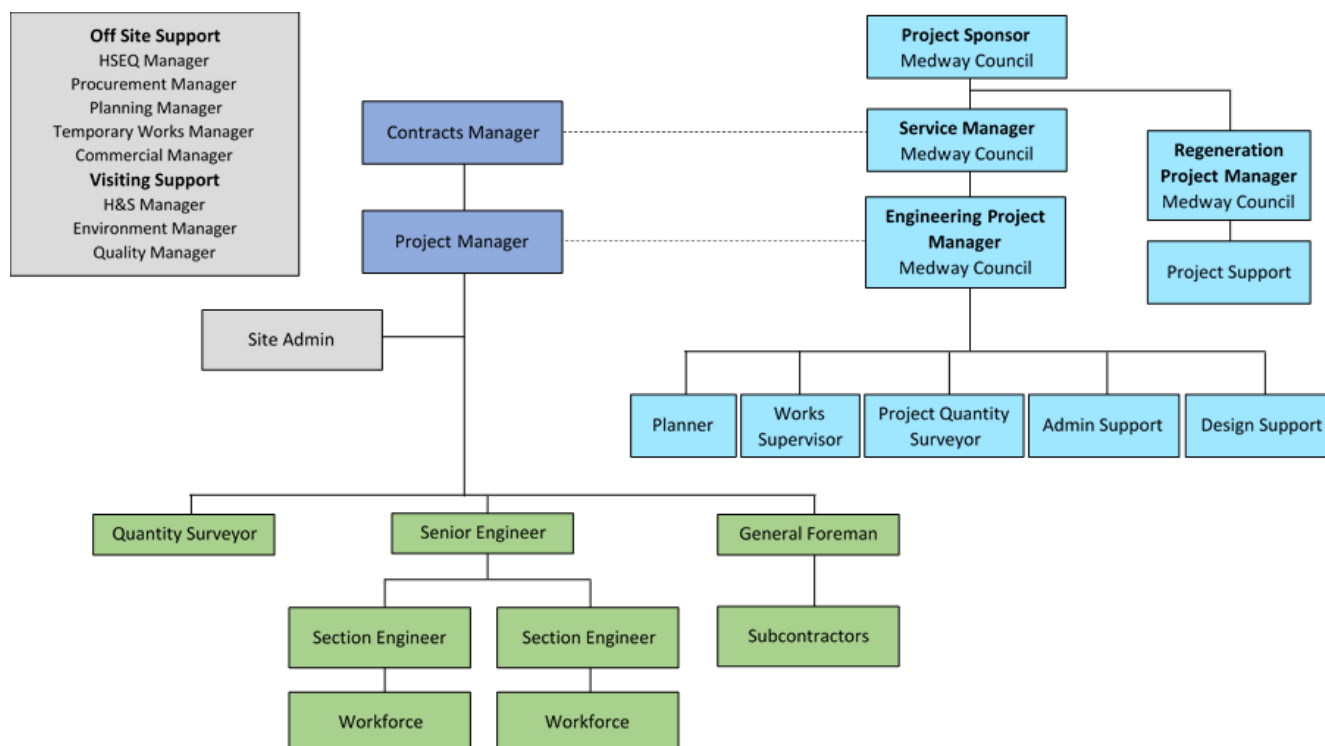
Sunny Ee

Assistant Director - Regeneration

Date

25 February 2021

## 18. APPENDIX J – PROPOSED TEAM ORGANIGRAM



**IPM DELIVERY TEAM STRUCTURE (AS APPROVED IN THE DELIVERY AND INVESTMENT PLAN:  
MEDWAY RESOURCES CONFIRMED) (Regeneration Project Manager and Project support on the above  
works team organigram)**

