

Template for additional funding ask for Getting Building Fund (GBF) projects

| | |
|--|---|
| Project name | Enterprise Centre for Horizon 120 Business and Innovation Park |
| Responsible Upper Tier Local Authority | Essex County Council |
| Organisation responsible for project delivery | Braintree District Council |
| Federated Board | Success Essex |
| Project description | <p>The provision of an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth as well as businesses aiming to stabilise and consolidate their activities.</p> <p>This is a new 3,100 m2 Enterprise Centre building with a variety of office spaces but no workshops and no laboratories or industrial use. There will also be a flexible conference space that can be transformed into smaller units.</p> <p>It is a purpose built physical and virtual environment designed to drive collaboration, encourage idea generation and underpin problem solving.</p> <p>As the focal point for Horizon 120 Business Park, the building will provide accommodation and support to germinate employment, interest and occupation.</p> <p>It will forge the character and setting for the Horizon 120 Business & Innovation Park aspiration as outlined in the Design Code of the Local Development Order.</p> |
| Existing GBF allocation | £7M, out of a total project cost of £16M. |
| GBF spent to date | £7M |
| GBF committed to date | £7M (all spent) |
| Additional GBF sought | £907,124 |

**Why is additional GBF investment required?
*This should clearly explain how the COVID-19 pandemic, Brexit or current high inflation levels have impacted on the project.***

Additional costs for construction, security and supply chain issues as a result of COVID

This is broken down into three elements. The first element relates increased security costs incurred for a 35 week period as a result of the delayed start to the Horizon scheme due to construction and supply chain delays. The second element relates to a 10 week delay during construction, as a result of supply chain issues, which subsequently incurred an additional cost. The final element relates to a spoil mound of 5,000 cubic metres on the Plaza (Horizon) site. The mound was never able to be removed, due to the lack of available contractors to do so during COVID, and It is estimated that the cost of removal is £40 per cubic metre.

The combined cost for these elements is £641,924

Enabling works for the extension of the existing car park

To better enable the optimisation of existing facilities, it will be necessary to further increase the availability of car parking spaces at the Horizon 120 site. We propose to complete enabling works for an extended car park, which would facilitate development of additional parking spaces, allow for a higher utilisation of the networking space and meeting room facilities, particularly during periods of peak usage within the rest of the building.

The enabling work would generate additional GVA for the project.

The cost of this amounts to £265,200.

What are the implications for the project, and its' ability to deliver in accordance with the Business Case, if additional funding is not awarded?

This should set out whether the project will be able to proceed without additional GBF investment. It should also be clear as to whether elements of the project scope set out within the Business Case will not be able to proceed and the associated impact on forecast project benefits

As a demonstration of our commitment to this project, the Council has absorbed the additional costs to date, but this will inevitably impact negatively on:

1. The opportunity to undertake further development on the wider business park, such as the Zone A area, immediately adjacent to the Horizon Enterprise Centre. This would impact on a development which, it is estimated, would further support an additional 99 net additional ongoing jobs, driving a further £3.9m per annum GVA into the local economy.
2. Funds available for other employment related projects, such as Hatfield Road (Witham), an £8M scheme where land has been acquired under a S.106 agreement, to be developed as an Enterprise Centre, with an estimate of 18 commercial units and 49,000 sq ft, aimed at start ups and SMEs (Add additionality). This has the potential to generate 182 total net workplace effects, with a £15.28M GVA, plus 182 additional jobs, with a GVA of £13.4M.

What are the main project risks impacting the ability of the project to proceed?

Horizon 120 has achieved practical completion and the building is being commissioned to open for business in September 2023.

If additional funding is awarded to the project, are there any remaining barriers to project delivery?

There are no remaining barriers to project delivery.

If additional funding is awarded to the project, will it be possible for the GBF funding to be spent in full by 31 March 2023?

Braintree District Council is confident that, with regard to the COVID impact elements of this bid, we will be able to submit a claim for funding within one calendar month of this application being approved, as the costs have already been incurred.

With regard to the Car park enabling works elements of this bid, Braintree District Council is confident that we will comfortably be able to complete the necessary works and submit a claim for this element of funding before 31st March 2023.

Please provide the most up to date delivery programme for the project, ensuring that this covers all elements of the project as set out in the Business Case.

| Milestone/Activity | Expected Completion date |
|---|---|
| 1. Horizon 120 open for business | 26 th September 2022. |
| | |
| | |
| | |
| | |
| | |
| | |
| What was the value of the Benefit Cost Ratio included in the original Business Case approved by SELEP? | The Benefit Cost Ratio in the original (approved) business case was 9.331:1 |
| What is the expected impact on the Benefit Cost Ratio of the additional GBF funding sought? <i>This should also take into account the impact of any other public sector funding which has been added to the project budget since Business Case approval.</i> | There is a marginal change in BCR, to 9.865:1, including all public sector funding. |
| Summary of project benefits | <p>Overarching project Benefits are:</p> <ul style="list-style-type: none"> • Jobs created- 496 (4 years x 124) • Additional Construction jobs – 70 fte • Jobs safeguarded – 150 • Sq. Metres Commercial floorspace (2,845m²) • Number of businesss/institutions assisted (200) |

Have the project benefits changed since the original Business Case was approved by the Accountability Board?

If yes, please state the nature of these changes and the likely impact on the Value for Money offered by the project

There have been no changes to project benefits since the original case was approved by the Accountability Board.

Please detail the additionality which will be achieved through the award of additional GBF funding.

This should include reference to any elements of the original project scope which it will not be possible to deliver without additional GBF funding or any additional work that needs to be completed to facilitate realisation of the forecast project benefits outlined in the Business Case.

The funding requested within this bid will generate the following **additional** benefits to those stated in the original business case:

- Additional Jobs created - 32 (4 years x 8 additional jobs)
- Additional Construction jobs – 87 fte.

Please note that the original calculation of 70 fte construction jobs was taken from the reference case and not the preferred case. As such, this was a significant under-estimation and did not reflect the additionality calculation within the original business case (149 jobs). The new additionality calculation calculates 157 additional construction jobs and, therefore, the additional construction jobs included is the difference between 157 – 70 originally stated.

- Jobs safeguarded – unchanged.
- Sq. Metres Commercial floorspace - 100m2.
- Number of businesss/institutions assisted – unchanged.



Original funding breakdown (as per the original Business Case) (£m)

| Funding source | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024 onwards | Total |
|-----------------------|---------|---------|---------|---------|---------|--------------|-------|
| Getting Building Fund | - | £1.2M | £5.8M | - | - | - | £7M |
| Matched contributions | - | £1.3M | £4.5M | £3.2M | - | - | £9M |
| Total | - | £2.5M | £10.3M | £3.2M | - | - | £16M |

Updated funding breakdown (including additional GBF funding request) (£m)

| Funding source | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024 onwards | Total |
|-----------------------|---------|---------|---------|-----------|---------|--------------|-------------|
| Getting Building Fund | - | £1.2M | £5.8M | £0.907124 | - | - | £7.907124M |
| Matched contributions | - | £1.3M | £4.5M | £3.2M | - | - | £9.M |
| Total | - | £2.5M | £10.3M | £4.107124 | - | - | £16.907124M |



Sign off of additional funding ask– required from lead County/Unitary Authority

Dear Colleague,


In submitting this project application for additional GBF, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this application is accurate and complete as at the time of writing.
- The application states all substantial project risks known at the time of 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 GBF Service Level Agreement with the SELEP Accountable Body and SELEP Ltd.


I note that the information presented in this application will be presented in the public domain as part of the Strategic Board's prioritisation of projects. Any information presented in this application which is considered commercially sensitive and confidential has been highlighted as such within this application.

Yours Faithfully,

S151 Officer (for County/Unitary authority)

| | |
|-----------|---|
| Name | Phil Myers |
| Signature |  |
| Date | 25.08.22 |

Senior Responsible Officer

| | |
|-----------|---|
| Name | Dominic Collins |
| Signature |  |
| Date | 25.08.22 |



Our ref:
Your ref:

Ask for: Phil Myers
Dial: 01376 552525
Ext: Phil.myers@braintree.gov.uk
E-mail:
Date: 24th August 2022

Corporate Director
Causeway House
Braintree
Essex CM7 9HB
Tel: 01376 552525
Fax: 01376 552626

www.braintree.gov.uk

Nicole Wood
Executive Director Corporate Services
Essex County Council

Dear Nicole,

Letter of Representation

With respect to the Braintree District Council bid for additional funding from the Getting Building Fund, the details of which are included in the Council's submission, and which will contribute to and be included in SELEP's pipeline of additional projects, I confirm that:

1. The information provided which forms the basis for the project proposal, including the specific information that will be submitted to SELEP, is accurate and complete based on the latest information available to me at the time of making this representation;
2. All spend required to complete the project is expected to be incurred before 31 March 2023;
3. Funding for any costs incurred in excess of the total spend set out in the bid, will be borne by Braintree District Council;
4. The liability and funding for clawback risk lies with Braintree District Council;
5. Resource has been identified and allocated for project delivery and ongoing monitoring and evaluation of the project; and
6. This bid is not dependent upon any third party funding.

I confirm to the best of my knowledge and belief that the above representations are true.

Yours Sincerely

Phil Myers
Head of Finance and s151 Officer

