

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

Project name	Seven Sisters Country Park Visitor Infrastructure Uplift
Responsible Upper Tier Local Authority	East Sussex County Council
Organisation responsible for project delivery	South Down National Park Authority
Federated Board	East Sussex
Project description	<p>Seven Sisters Country Park - 280ha of rolling chalk downland, iconic coastline and wetlands just outside Eastbourne - attracts over 500k visitors per year, was run-down, with a very limited engagement and retail offer. The barn used as a welcome point was closed from October-April and had poor accessibility. With SDNPA taking over responsibility for the Country Park in summer 2021, a complete review and new business plan is being implemented. This project represents a comprehensive refresh of the visitor offer, including upgraded physical and intellectual access, new toilets and 233 sqm of new retail space for local businesses. In addition, it will refurbish 3 dilapidated properties increasing the local tourism provision and providing on site accommodation for a Site Warden. The project has already allowed us to open 364 days per year and further investment will allow us to showcase products from local producers and makers, signpost visitors to local attractions and businesses and provide an accessible welcome for visitors with a year-round events programme. Income generated will be reinvested in the ongoing protection of this designated landscape within the South Downs National Park and in supporting a vibrant rural economy. The project has already created 7.8 FTE and is expected to create a further 6.5 FTE over the next year.</p>
Existing GBF allocation	£200,000
GBF spent to date	£54,840.41
GBF committed to date	£200,000
Additional GBF sought	£84,100

**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.***

When we submitted our original SELEP application for £200,000 in early January 2022 we were basing our costs on contractor returns received in 2020/21. Due to the success of our SELEP application, we repackaged the Foxhole cottages and Pump Barn into a new phase, securing a new contractor.

However, over the last year there have been significant challenges to the construction industry with implications on supply and demand, labour costs, the impacts of Covid and Brexit, as well as rising inflation and transportation costs, which have caused a significant increase in construction costs. In addition, a number of unforeseen construction challenges during phase 1, have resulted in additional work required to meet the business plan (increasing the overall budget from £2,175,000 to £2,650,000). Whilst we have secured funding to cover these internally (through contingency etc), it means we have no further funding for the inflationary element, which totals £84,100 (derived from comparing the original 20/21 costs with the new contract).

When we tendered for the new phased works, we received 4 tender returns and awarded the contract on the basis of 40% cost and 60% quality. This resulted in us selecting the lowest cost tender. Despite this, the new contract costs for the construction works are significantly higher resulting in a shortfall of £84,100 from our projected project costs and total secured income (For example, the cost of roofing and cladding has increased by 100% due to supply and demand issues related to Brexit and Covid, whilst the cost of doors, both external and internal, have gone up by 50% due to a multitude of factors impacting the price of timber. Similarly, the price of sanitaryware has also increased by 50%). We are looking for private funders that may meet this gap but these are not guaranteed resulting in us needing to do a further value engineering exercise with a related reduction in benefits.



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

The implications for the project if additional funding is not awarded are that we will need to value engineer elements of the capital project, resulting in reduced outputs. For example, the rising costs of refurbishing the three cottages and the pump barn, intended to become a farm shop, will mean we cannot fit these out fully, leading to a reduction in tourism opportunities and negative impact on the spend per head outlined in our business case. In addition, less units will be ready and available for some local businesses, meaning a reduction in the number of enterprises supported by the project. Thereby impacting the predicted project outputs.

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

The main risks are as follows:

Risk of COVID-19 lockdown causing delays to project delivery	High	High	Discuss with contractor early on the approach for delay with lockdown/ delay/ costs
Main contractor insolvency	High	High	Undertake due diligence before appointing.
Difficulty obtaining materials due to COVID-19, supply chain and market demands	Medium	High	Identify early in the programme which materials might be on a long lead in. Contractor to regularly liaise with supply chain.
Construction costs significantly higher than expected due to volatile construction market	High	High	Detailed contractor discussions and contingency allowances. Use contract management for cost variations and scope change
Delay in appointing contractors affect ability to complete works by end of Sept 2022	High	Medium	Early engagement with contractors and tender prior to funding award to ensure contractor ready for April 2022.
Ecology onsite due to extreme weather changes may result in delays or license changes	Medium	Medium	Ecologist onsite observing all works to reduce risk of disturbance.
Delayed start in pump barn as listed building	High	High	Listed building consent due in end Oct which will mean a delayed



consent required for log burner and 'fitted' furniture work			completion of this part of the project by December 2022.
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Whilst most of these remain manageable, the rising costs of construction associated with inflation will impact on our ability to deliver all the outputs we proposed. The delayed supply chain of materials could also impact on the overall project completion date. Where materials cannot be provided within the existing programme alternatives are identified but sometimes there is a cost implication to the change in specification.

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

If the additional funding requested is provided we will be able to deliver all of our outputs. The only remaining barrier will be completing works by the end of September 2022. Though we anticipate to spend the current SELEP grant by the September deadline, the completion of works has moved back to December 2022.

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?

Yes

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
Seven Sisters Country Park (SSCP) Design and cost optioneering for Phase 1 scope	July 2020 COMPLETED
Planning Application	October 2020 COMPLETED
SSCP Ownership	July 2021 COMPLETED
Phase 1 construction	June 2022 COMPLETED
Phase 2 Detailed scope of works and Tender preparation	February 2022 COMPLETED
P2 Contractor Tender Period	March 2022 COMPLETED
Award Notice	May 2022 COMPLETED
P2 Contractor Award and mobilisation	May-June 2022 COMPLETED
P2 Contractor on site	July 2022 COMPLETED
Completion all works	October 2022 Foxholes cottages and December 2022 Pump Barn
Final Evaluations	December 2022

What was the value of the Benefit Cost Ratio included in the original Business Case approved by SELEP?

We have a Value for Money exemption as scheme is below financial value required.

What is the expected impact on the Benefit Cost Ratio of the additional GBF funding sought?
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.

The business case has been reviewed and budget updated to account for changes in inflation. Provided we receive the additional funding from SELEP, we can deliver the original benefits. This slight increase in costs has a marginal impact on the VFM, meaning it still presents an excellent overall outcome.

Summary of project benefits

Safeguard 7.8 FTE (6 F/T and 4 (P/T) and an unknown number of local construction jobs.

Create 6.5 FTE (2 F/T and 9 P/T) jobs.

Create 1 x 1 bed flat for onsite warden.

2,000 learners assisted per annum

233 high foot fall retail space (72 in original plan with this late funding allowing us to add in 131)

2 new superfast Broadband connection

104 enterprises supported (4 onsite and 100 through the new retail space)

4,523 annual reduction (kgCO₂/annum) for the heat pump. We are unable to make an estimate for the electric boilers at this time.

Increase in average spend from 38p to £3.90 per visitor (as assessed by MAI Arts and Heritage Commercial Dev. Consultant through their retail report)

Increase in footfall through the visitor centre from 65,000 to 100,000 in year one, rising thereafter.

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

The project benefits haven't changed except for the fact that some will be reduced (see next question) if we do not receive any additional funding, for the reasons outlined in this application.

As highlighted elsewhere, our project has a Value for Money exemption.

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.

Should funding not be secured then there will be the following impacts on the proposed project benefits:

The 104 enterprises supported would likely decrease to approximately 79. Additionally, our research of similar business models suggests that if you lose certain key products (local meat, local wines) then other product sales suffer.

The above would knock-on to spend per head, likely reducing by around 25% of the target to £2.93.

We would not expect to see the same increase through the visitor centre and pump barn. This would likely be most noticeable during the low season (October – March) and thus have a knock-on effect to the sustainability of existing employment and would also reduce the demand for additional employment. This is estimated to be around 0.75 FTE reduction from original proposal.

The mitigation of this reduction would be the additionality therefore achieved through the £84,100 request.



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				£200,000			£200,000
SDNPA			£1,700,000				£1,700,000
Grant-funded			£275,000				£275,000
Total			£1,975,000	£200,000			£2,175,000

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 (including additional request)				£284,100			£284,100
SDNPA			£1,700,000	£370,900			£2,070,900
Grant-funded			£275,000	£20,000			£295,000
Total			£1,975,000	£675,000			£2,650,000



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 East Sussex County Council 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	Ian Gutsell
Signature	
Date	10 October 2022

Senior Responsible Officer

Name	Trevor Beattie
Signature	
Date	23/8/22