

Tech Hub Flexible Workspace

Former WHSmith, St George's Centre Gravesend

31 August 2023



Contents

The Template.....	3
1. Project overview.....	4
2. Strategic Case.....	8
3. Economic Case.....	25
4. Commercial Case.....	38
5. Financial Case.....	42
6. Management Case.....	47
7. Declarations.....	52
8. Appendices.....	53

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 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>

Version control	
Document ID	Tech Hub, Gravesend Full Business Case
Version	1
Author	Gravesham Borough Council
Document status	Final for submission
Authorised by	[REDACTED]
Date authorised	31.08.23

1. PROJECT OVERVIEW

- 1.1. **Project name:**
Tech Hub Flexible Workspace (Heart of High Street) – Gravesend
- 1.2. **Project type:**
Workspace, High Street Regeneration, Collaboration, Innovation
- 1.3. **Federated Board Area:**
Kent & Medway
- 1.4. **Lead County Council / Unitary Authority:**
Kent County Council
- 1.5. **Development location:**
Former WHSmith, St George's Centre, 37 Kempthorne Street, Gravesend DA11 0TA
- 1.5.1. **Project Summary:**
[Provide a summary of the project; max. 0.5 pages.]

The Tech Hub will be new, high quality, flexible workspace to meet the growing needs of small businesses and third sector organisations. This is part of a wider vision for revitalising Gravesend Town Centre and economic development in Gravesham. The Hub will be a focal point for modern, connected and design-led workspace that provides a blend of membership-style co-working options and flexible small offices. Such space does not currently exist in Gravesend Town Centre and this is limiting development and growth in the local economy.

The Tech Hub will be delivered through the refurbishment of a large unoccupied retail unit in the St George's Centre, vacated by WH Smith. This prominent unit within the Centre is owned by Gravesham Borough Council.

The case for intervention

Delivery of the project will offer significant economic benefits to Gravesend Town Centre and in supporting local enterprise. It requires grant support from Getting Building Fund (GBF) to ensure the viability of the project, enabling refurbishment of the unit to take place to a standard which will attract a suitable operator and take-up of space in this location. Without GBF, the unit will remain vacant, with a negative impact on the St George's Centre and ongoing holding costs to the public sector. Diversification of uses within the Town Centre is required given the pressures on the retail sector and the need to support viability and change.

Deliverability

No Planning Change of Use is required. Consents may be required if the changes to the shopfront take place, e.g. Advertisement Consent, but these will not have an impact on the deliverability of the project.

Gravesham Borough Council owns the St George's Centre and is acting as the project proposer alongside prospective delivery partners. Design work is progressing, expressions of interest have been received from existing workspace operators with a track record of delivery in Kent and Sussex and implementation can take place once Getting Building Funding is approved.

1.6. Delivery partners:

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

Table 1.1: Delivery Partners

Partner	Nature of involvement (financial, operational etc.)
Gravesham Borough Council	Freehold owner of the shopping centre and subject empty retail unit to be refurbished. Intention is for an operator to take a lease on the unit, once refurbished.
Reef Group	The Council's development partner for the regeneration of the Town Centre (and our Asset Management partner for the St George's Centre), [REDACTED]
Workspace Operator	To be confirmed following a planned formal selection process early in Autumn 2023, based on a current shortlist of established operators to take a lease or management agreement.

1.7. Promoting Body:

Gravesham Borough Council is the promoting body and owns the freehold of the building and will be responsible for finalising the selection of an established workspace operator to manage / lease the space on completion.

1.8. Senior Responsible Owner (SRO):

Jamie Izzard

Director of Communities & Inclusive Growth, Gravesham Borough Council

Email: jamie.izzard@gravesham.gov.uk Tel: 01474 33 73 24

1.9. Total project value and funding sources:

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

Table 1.2: Funding Sources

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
Getting Building Fund	£370,000	Subject to approval
Gravesham Borough Council	£201,000	Subject to securing GBF match
Private sector match (short-listed operator)	£180,000	Assumes that the vacant retail unit has been refurbished to a lettable standard.
Total project value	£751,000	

1.10. SELEP funding request, including type (LGF, GPF, GBF etc.):

[Specify the amount and type of funding sought from SELEP to deliver the project. Please also confirm that the funding will not constitute State Aid.]

Funding request

£370,000 Getting Building Fund capital.

State Aid

This project, whilst supporting local economic development, does not involve 'state aid' because the applicant is the Council and the GBF funding element will cover the costs of refurbishment to bring the vacant unit up to a lettable standard so that an economically viable lease can be offered to a third-party workspace operator that will run a non-subsidised service.

1.11. Exemptions:

[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2020, Section V3.3]

Paragraph V.3.3.i.b of the 2020 version of the Assurance Framework states that there is an exemption to the value for money requirements set out in paragraph V.3.2 if the project has a funding request of less than £2 million. This is reflected in the guidance in this business case template, which states that a full quantified economic appraisal is not required and that the Appraisal Summary Table in the Economic Case does not have to be completed.

While we note this exemption, we have provided a proportionate analysis of economic costs and benefits, and we have set this out in the Economic Case.

1.12. Key dates:

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

Table 1.3: Key Dates

These milestones are set based on securing a commitment to GBF in January 2024. A detailed Gantt chart including RIBA design stages is available.

Key milestone/ deliverable	Date Completed
Finalise RIBA Stage 4 Technical Design	Jan / Feb 2024
Start of Construction Works	March 2024
Completion of works	September 2024
Opening	October 2024

1.13. Project development stage:

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

Table 1.4: Project development stages completed to date

Task	Description	Outputs	Timescale
St George's Centre Refurbishment	Improvements to Centre as basis for re-use of vacant units	Refurbishment complete	Completed 2020
Initial feasibility	Inception, option selection, feasibility	Consultant Study** Early-Stage Report	Completed Spring 2023
Business Case	Outline business case	Consultant Study** Final Report Draft	Completed Jul 2023
Outline Design	Outline design specification	Consultant Study** Final Report Draft	Completed Jul 2023
Operator Shortlist	Expressions of Interest (Eols) sought	Multiple Eols received	Completed Aug 2023

*** Refers to work commissioned with Augarde Consulting by applicant Gravesham Borough Council and supported with funding from Creative Estuary*

Table 1.5: Project development stages to be completed

Task	Description	Timescale
Operator Selection	Operator confirmed & Heads of Terms agreed	By end of 2023
Approval of GBF	GBF Approved	Jan 2024
RIBA Stage 4 Design & Works Package	Designs and work packages completed	Dec 2023 – Feb 2024
Capital works to vacant unit	Refurbishment of vacant unit	Mar – Sep 2024
Opening	Tech Hub Flexible Workspace open	October 2024

1.14. Proposed completion of outputs:

[Include references to previous phases / tranches of the project (link to the SELEP website) and to future projects to be funded by SELEP.]

Refurbishment of the vacant retail unit will be complete by September 2024 and the Tech Hub will open in October 2024 resulting in a net gain of **7,050 Sq Ft** (779 Sq M) of commercial floorspace. It is forecast that this will support in excess of **60 businesses** and create **40 jobs**.

2. STRATEGIC CASE

The Strategic Case should present a robust case for intervention and demonstrate how the scheme contributes to delivering the [SELEP Economic Recovery and Renewal Strategy](#) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.

The outlook and objectives of the Strategic Case should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.

2.1. Scope / Scheme Description:

[Outline the strategic context for intervention, by providing a succinct summary of the scheme, issues it is addressing and intended benefits; max. 2 pages.]

Scheme summary

The St George's Tech Hub will provide new, high quality, flexible workspace to provide much-needed accommodation to enable the growth of business and third sector organisations, as part of a wider vision for revitalising Gravesend Town Centre. The Hub will be a focal point for modern, connected and design-led workspace that provides a blend of membership-style co-working options and flexible small offices, that does not currently exist in Gravesend and is limiting growth and development of the local and regional economy in north Kent.

The Tech Hub will be delivered through the refurbishment of a large retail unit vacated by **WH Smith** within the **St George's Centre** which is owned by Gravesham Borough Council. The unit occupies a prominent position within the heart of Gravesend Town Centre, that has become emblematic of retail's decline on the High Street.

It will not be limited to 'tech businesses' but based on market research, this sector is expected to be well-represented among the initial take-up and research shows an emerging cluster. It will also match aspirations around boosting **digital adoption** and **cyber security** skills training. The focus on 'tech-related' tenants, creates the opportunity for a visible and accessible 'shop front' for digital and cyber security services, in the high footfall, high business concentration town centre.

Specifically, the St George's Tech Hub project will deliver:

- Retrofitting of a larger town centre retail unit
- **7,050 sq ft (779 sq m)** of cost-effective, flexible, design-led and connected business workspaces across two floors. This has capacity to provide for 60 businesses
- At least two bookable meeting spaces for businesses and organisations
- Dedicated spaces for media production and other niche creative uses (prospectively)
- New superfast broadband connectivity
- Potential for **education** and **training** providers, youth services, Job Centre, council suppliers (social value led) and other community organisations to deliver services and events within this Hub location

Bringing this **large vacant unit** back into productive use will help to diversify uses within Gravesend's core shopping area, increasing footfall within the St George's Centre and improving the general attractiveness and vibrancy of the High Street. It also adds value to refurbishment of the Centre completed in 2019 and complements plans for wider regeneration of the Town Centre.

There is no requirement for Planning Change of Use (Use Class E) for the Tech Hub. Advertisement consent may be required for any changes to the retail frontage, but they are not

seen as an issue for deliverability of the project. Delivery is intended to be through a single-stage design and build contract procured via the Council's development partners, Reef Group.

Visits and expressions of interest have been received from experienced workspace operators with an established track record of delivering flexible workspace elsewhere within Kent & Sussex and the preferred operator will undertake the 'final third' fit out, ensuring that it is designed and equipped to meet their branding and layout expectations, in line with their own business plan.

Gravesham Borough Council will retain the freehold of the Tech Hub and experienced operators have been identified to manage the workspace.

The issues that the project is addressing

The project will address the following need for:

New business workspace in the borough and specifically centrally located within Gravesend Town Centre.

- Gravesham Borough is **the only** Greater North Kent Local Authority that still lacks dedicated (affordable) workspace to meet the needs of start-ups and small businesses.
- A proposal for a Tech Hub/flexible workspace provision has been developed over the past 12 months in conjunction with the tech sector (including a 'local champion'), facilitated through the Council's well-established (500+) member **Gravesham Business Network** and in dialogue with the **Federation of Small Businesses** and Kent Invicta Chamber of Commerce. Soft market testing has indicated that 'startup' and micro businesses would value the collaboration and innovation advantages associated with a central Hub in a higher footfall location.
- Expressions of interest have been received from a series of experienced workspace operators with a track record of delivery in Kent and Sussex. They have visited the Town and viewed the space available.
- The Council has also been working closely with **Creative Estuary**, on a co-ordinated plan for delivery of workspace opportunities, encompassing this and other locations within the Gravesend High Street and Thames Riverside areas. This study has considered a number of vacant or under-utilised assets (in the town centre and connected riverside area) and how these might be brought back into use as part of a co-ordinated effort to establish an eco-system supportive to entrepreneurs, the self-employed and creatives.

Greater diversification of uses and vibrancy within the Town Centre and St George's Centre.

- Experience of relatively **high retail vacancy** figures (13.42% July 2023). Although Town Centre footfall remains below 2019 levels, it has been improving strongly. New Hub will help to animate the Centre and drive additional footfall, as part of kickstarting new uses.
- Gravesend has an attractive and historic Town Centre and Riverside, but like many Towns has seen a decline in retail investment and loss of major retail stores against the backdrop of a rise in online retail and reduction in consumer spending in Town Centres.
- Attraction of alternative uses within St George's Centre – a 1980s open mall, recently refurbished, with a high vacancy rate, e.g. complementing the GBF-funded St George's Arts Centre venue, focussed on creative sector and associated cultural programming.
- Accessible business workspace for a growing and diverse Town Centre population.

A need for **regeneration** of Gravesend Town Centre, complementing:

- Highspeed rail services and upgrading of Gravesend Station
- Refurbishment of the St George's Centre (2019)

- Recent completion, by Kent County Council, of the Gravesend Bus Hub to improve the transport interchange between bus and rail – 3 minutes-walk away from proposed Hub
- Construction underway of 242 Build-to-Rent homes at The Charter
- **Uber Thames Clippers'** acquisition of Town Pier to provide new commuter & leisure trips to and from central London
- A variety of other residential and commercial prospects which require schemes such as this to demonstrate the Gravesend investment prospect.

The Tech Hub will be a physical demonstration of the role that enterprise has within Gravesham's economy and a catalyst for greater collaboration and business activity. It will be a focus for delivery of additional support to enable business growth and improve business survival rates.

Stakeholder Engagement

The Council is very active in its partnership working, particularly through the work of its economic development and strategic regeneration teams.

Preparatory conversations include:

- Building on collaboration with FSB and Kent Invicta Chamber of Commerce in relation to joint networking events in Gravesend, to maximise publicity for a new hub
- Local digital specialist firms, keen to use the space for workshops and training accessible to the wider community
- North Kent College's [REDACTED], in relation to students specialising in business and finance and creative / design / computing subjects being engaged in project work alongside the workspace operator as they establish themselves (soft market testing with operators, has indicated enthusiasm for this)
- University of Kent external affairs and Kent Business School regarding local 'outreach' for their services – a theme of the "university in the community"
- Federation of Small Businesses regarding potential member incentives to use space
- Kent Invicta Chamber of Commerce (Kent & Medway Growth Hub) and Kent County Council, in relation to a physical space within the Hub, for 'in person' business support – to reach under-represented groups and to address historically poor take up
- Maidstone, Medway and Tunbridge Wells councils, regarding reciprocal business networking and business support services across our respective boroughs – transplanting best practice on areas of specialism in business support.
- Enterprise Nation regarding services to provide a 'shop window' to new brands, using a digital monitor and the potential for establishing a local meet-up.
- Two potential anchor tenants who specialise in digital transformation and cyber security, have been in touch with us about using a town centre Hub to create a 'shop window' for digital adoption within the wider business community, as well as for inclusion purposes as part of social value activities

Intended benefits

In summary, and taking these issues into account, the Tech Hub will deliver new business workspace which will:

- Provide for small businesses, demonstrating Gravesham's commitment to enterprise
- Create new opportunities for start-up and growing businesses, by providing space for them to collaborate and grow in appropriate and affordable workspace.

- Opportunity to **co-ordinate business support** provision & networking at a regional level
- Address a lack of **workspace availability** that is reducing **productivity** and output in Gravesham and north Kent, dragging on the sub-regional economy and the prospects associated with the Thames Estuary growth corridor.
- Increase the vitality and vibrancy of the Town Centre and the St George's Centre by increasing footfall, bringing a prominent vacant unit back into use, reducing dependency on retail.
- Act as a **catalyst** for further investment in regenerating the High Street.

Across all of these benefits, the Tech Hub will play its part in a co-ordinated package of regeneration measures. It is an integral part of a wider strategy.

2.2. Logic Map

[Establish a Logic Map using information from Appendix E. This will provide a logical flow between inputs, outputs, outcomes and impacts for the scheme]

Items in **Green** are measurables to be monitored as part of the M&E Plan (at proportionate cost). Those items in **Amber** are measurables to be collected additionally (via qualitative means)

In relation to the Amber items, the Heads of Terms with the workspace operator will include a requirement to collect three pieces of information from new tenants / users:

- i) Registered business / charity (or other) address
- ii) Post code of current / previous trading address (home-based or commercial location)
- iii) (After 12 months) Overview of any formal collaboration(s) with other workspace users that have meaningfully contributed to either the launch of a new product or service OR a contract for new work that could only have been achieved in partnership.

Table 2.1 – Logic Map

Green - measurables to be monitored (at proportionate cost). **Amber** – measurables to be collected additionally (qualitatively)

Inputs	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> Getting Building Fund grant: £370,000 Gravesham Borough Council matched funding: [REDACTED] Workspace operator 'final third' fit out cost: [REDACTED] Operator revenue costs to 2026/27: [REDACTED] 	<ul style="list-style-type: none"> Retrofitting of 1 large Town Centre retail unit (No. 1) 779 sq m of cost-effective, flexible, design-led and connected business workspaces across two floors. Capacity to provide workspace for up to 60 businesses at any one time, though given flexibility of occupation, significantly more businesses could be accommodated. (No. 2) Procurement of an operator creating 1 direct jobs FTE (No. 3) Restored active frontage on High Street New superfast broadband connectivity - output 	<ul style="list-style-type: none"> Employment outcomes: (No. 1) Jobs supported by The Tech Hub (gross): 39 FTE Construction job years: 2 (No. 2) 60+ businesses supported as members/occupiers of Hub Accelerated micro business collaboration and expansion. (No. 3) Increased strategic sub-regional co-operation relating to a clear, common business support offer (funded separately but expressly linked to workspace - Gravesham, Maidstone, Medway, T. Wells) Increased diversity of High Street uses, broadening appeal Improved built environment within St George's Centre and Gravesend Town Centre. More attractive, occupied and vibrant space will increase town centre footfall 	<ul style="list-style-type: none"> (No. 1) Increase in number of businesses starting up, growing and surviving in the Borough (1, 3 & 3+ year business survival rates improve) Environmental benefits arising from reduced commuter / work travel Discernible impact of tech businesses within the local economy (productivity uplift) Future investment in business workspace as market proven Increased attractiveness of the town centre as a place to live, visit & work. Increased TC expenditure (No. 2) Reduced vacancy / higher footfall as opportunity for non-retail uses is increasingly recognised Strengthened viability of future town centre regeneration schemes. New businesses attracted to Gravesend town centre

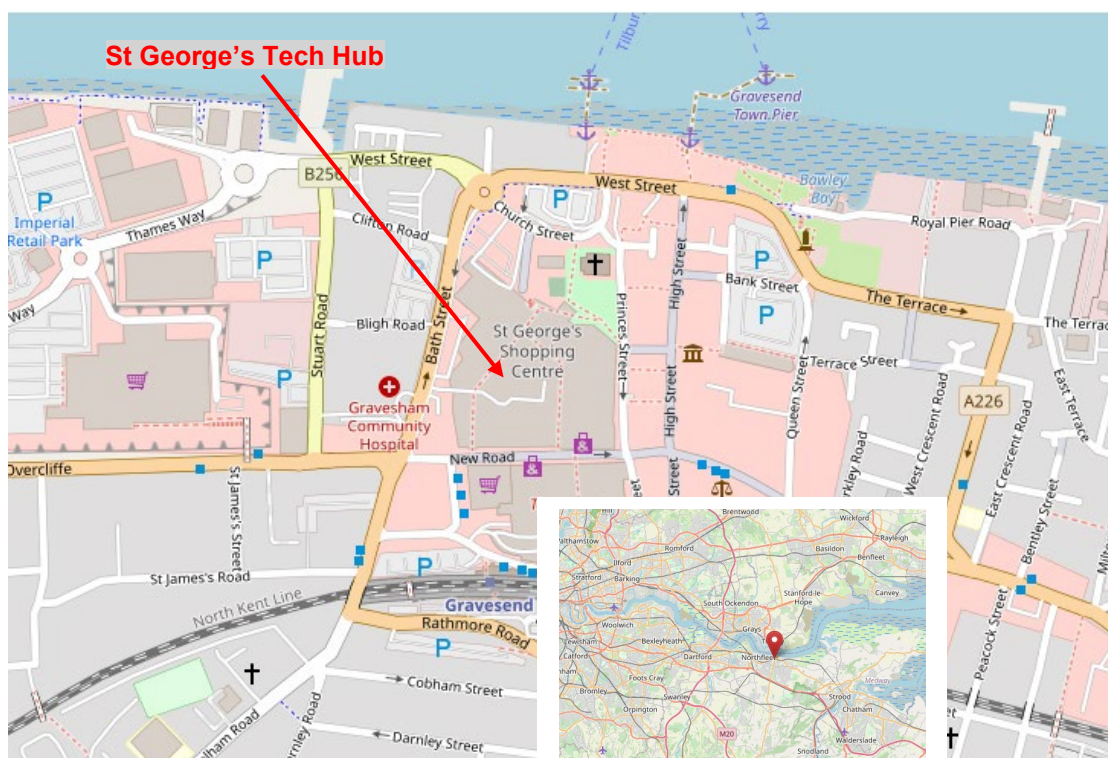
2.3. Location description:

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

General location

The project is located at Unit 37, St George’s Centre, Gravesend DA11 0TA.

Figure 0.1: Location Map



Source: OpenStreetmap

The proposed Tech Hub is a two-level large retail unit located in the council-owned St George’s Centre, within the main shopping area of the Town Centre. The main pedestrian access is from New Road (the town’s main pedestrianised shopping street), with access to St George’s Church and gardens on the north side. The unit is five minutes’ walk from Gravesend Rail Station, with ample public car parking in the vicinity.

There are no site constraints identified that are material to the Business Case, and there is no requirement for planning consent, beyond any consents required for shopfront/advertisement.

Site Vicinity

The site is surrounded by retail and food and drink outlets, St George’s Arts Centre and is situated within a refurbished outdoor shopping centre, as shown below, edged in red:



2.4. Policy context:

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

The St George’s Tech Hub project aligns with national, regional and local policies, in respect of economic development and regeneration objectives.

National policy context

Nationally, there is a strong policy focus on measures to revitalise and repurpose Town Centres within the context of structural changes in the retail market. The Grimsey Review (2013) and Government-appointed High Streets Expert Panel (2018), chaired by Sir John Timpson have made recommendations for diversification of Town Centres, including through increased business, residential and community uses to offset reduced retail floorspace requirements.

A series of Government funding opportunities, including the Future High Streets Fund, Towns Fund and Levelling Up Funding have led to transformation of Town Centre, but Gravesend, despite a compelling case being made, has not been a recipient of large scale funding.

This Tech Hub project is a modest investment relative to such sources of funding, but it will deliver substantive benefits in its own right, contributing to the broader regeneration strategy for Gravesend Town Centre, in line with the Government’s overall policy approach and addresses two features common to the above:

- **There is emphasis on investments that will lead to lasting transformation**, in preference to cosmetic measures or schemes to shore up the existing offer. Introducing

new forms of business and innovation space within redundant retail or large scale office spaces is now established as part of strategies to promote a sustainable mix of new uses.

- **Focussing on specific investments in the context of a wider strategy for the town centre.** The Council is currently working on a series of supporting vision, strategy and action plan documents alongside the High Streets Task Force, Creative Estuary, Augarde Consulting and Levitt Bernstein.

Counter-recessionary policy

A key concern of the Getting Building Fund is the need to create demand in the short term to mitigate the impacts of economic downturn. Capital schemes such as this can deliver quickly and create direct local benefit. The St George's Tech Hub can be delivered quickly and will help to bring forward economic activity directly associated with post-Covid changes to working patterns, with reduced out-commuting to central London and the prospect of greater reliance on self-employment and business start-ups, as structural changes continue to displace employment from the sectors most impacted by the pandemic period and changes in consumer behaviour.

Regional and sub-regional policy context

South East Local Economic Partnership (SELEP)

The South East LEP published *Smarter, Faster, Together*, its Economic Strategy Statement, in 2019. This identifies the need to support and diversify business growth; identifying as a priority, the need to put communities, 'on the front foot in responding to new technology and changing working patterns'. It notes increased demand for flexible work and meeting space and highlights the opportunity to 'repurpose the high street to support modern business growth'.

SELEP Economic Recovery and Renewal Strategy

The proposed project is consistent with and supports and would deliver against three of the strategic aims of this regional strategy:

Strategic Priority 1 - Business Resilience and Growth.

Strategic Priority 3 - Communities for the Future in terms of new ways of working and re-imagining High Streets

Strategic Priority 4 – Coastal Catalyst, through support for the aims of the Thames Estuary Production Corridor and maximising the economic and social benefits of infrastructure projects.

Four of the seven key objectives would also be specifically addressed through this proposed intervention:

1. Support business innovation; 2. Drive trade and growth; 3. Deliver a skilled workforce; and 7. Promote greater resilience in our places.

Framing Kents Future 2022-2026

The proposed project is consistent with and supports and delivers the strategic aims of this strategy.

Priority One

To support the Kent economy to be resilient and successfully adapt to the challenges and opportunities it faces over the coming years.

- Support strategic opportunities for growth through the delivery of sites and premises and support for new investment and business expansion.
- Back SMEs and entrepreneurs to start-up, grow.
- Strengthen Kent's innovation 'ecosystem'.
- Work with District Councils to regenerate town centres and promote independent retail, building on each town's strengths and the needs of the local area to re-establish town centres as economic and community hubs with renewed purpose and identity.

Kent and Medway Economic Renewal and Resilience Plan 2020:

This sets out a medium-term strategy to support economic recovery from the Covid-19 pandemic. The Plan notes the importance of accelerating infrastructure investment as a counter-recessionary measure, where this aligns with the Plan's key principles (Greener Futures; Productive and Open; Better Opportunities, Fairer Chances

Channel 5: Investment: Planning and investing now for a sustainable future has specific reference to GPF.

Accelerating capital projects can be a useful counter-recessionary measure, This includes £37 million investment from the Getting Building Fund, we anticipate that there may be further schemes announced which support innovation and business growth.

The proposed scheme is also consistent with and supports and delivers the strategic aims of this strategy.

Thames Estuary Growth Board

Gravesend is at the heart of the Thames Estuary, a nationally significant area for housing and employment growth. Regeneration in Gravesend town centre will complement major sub-regional developments, which has long been regarded as a strategic priority.

A high-level strategy for the Thames Estuary, The Green Blue, was adopted in 2020. Key action points include **improving infrastructure**, to 'boost economic growth' and 'promoting and enabling digital connectivity in the Estuary'. A further priority is **building partnerships**, to 'bring together the right people with the right skills at the right time.'

Networks of micro business workspace space such as the proposed Tech Hub flexible workspace, would provide a 'soft landing' to new investors as well as local businesses, thereby adding to the Estuary's stock of modern, digitally-connected workspace in which new and existing businesses can collaborate and forge new partnerships to drive local economic growth.

County-wide strategy – refer to section 3.7 Local Impacts, which itemises the details of a strategic collaboration between Kent Local Authorities, to enable a complementary business support ecosystem drawing on sub-regional strengths.

Local policy context

Economic Growth Strategy

- A key priority is enabling the delivery of ‘fit for purpose’ employment space, especially for micro and SME businesses.

Town centre strategy

In 2018, Gravesham Borough Council entered into an agreement with Reef Group to take forward a major programme of development in Gravesend town centre. This involves the refurbishment of the St George’s Centre (which is completed, as set out above), and a series of transformational developments that will see new housing, leisure, commercial and community uses. The extent of these proposals within the town centre is illustrated in Figure 2-2 below.

While the St George’s Tech Hub can obviously proceed regardless of this wider strategy, it represents an ‘early win’ and clearly adds value to the work that has already been completed.

Figure 0-1: Gravesend Town Centre Regeneration programme



Source: Reef Group

2.5. Need for intervention:

[Specify the current and future context and articulate the underlying issues driving the need for intervention referring to a specific market failure, need to reduce externalities, Government redistribution objectives etc.; max. 2 pages.]

Section 2.1 sets out the case for the provision of a new Tech Hub in Gravesend Town Centre on economic development and regeneration grounds.

A: The need for public sector action

1. Supporting high quality, catalytic High Street regeneration outcomes

The St George's Centre was acquired by Gravesham Borough Council in 2018, on the premise that multiple private sector-led proposals to regenerate Gravesend town centre had failed to achieve viability. The strategy hinged on reinvigorating the traditional 'shopping centre' and a programme of public realm investments was completed in 2019, just prior to the global pandemic.

Post-pandemic, the decline of traditional shopping centres and retail vacancies has accelerated above prior expectations. The re-use of large vacant stores such as the former Debenhams and in this case, WHSmith, is hampered by their size. High rental and associated costs, as well as substantial renovation requirements, present significant viability barriers to trailblazing new uses.

Gravesham Borough Council had therefore demonstrated an accepted need for public sector intervention to re-purpose the St George's Centre, to provide a revitalised asset to focus on meeting the needs of the future High Street. The global pandemic provided an unexpected acceleration in the established trend of retail decline, which has left significant unexpected voids owing to retrenchment by large, established brands which has adversely affected the viability of secondary shopping centres like Gravesend and hence the ability to invest in future regeneration.

There is a strong case for public sector intervention to assist with bringing a long-occupied and large flagship retail unit back up to a good standard, viable for letting to an established operator. This is particularly so because the identified operators would be taking a significant risk by investing in a local economy identified by Government as a priority area for regeneration for Levelling Up.

2. The case for specific intervention in the business workspace offer at this location

The need for workspace has been considered by independent consultants, based on a wider review of built assets within Gravesend town centre and matching these to identified market demand for a range of different, flexible spaces to meet the needs of micro businesses, creatives, the third sector, self-employed people and larger employers keen to be part of a wider eco-system.

Research by Augarde Consulting and informal market testing discussions with workspace operators, strongly suggests that to create a viable workspace proposition to meet a critical mass of the diverse needs identified above, requires larger buildings of roughly 8,000-10,000 sq ft. The associated income from users, underpins investment in a 'community manager' role which is commonly regarded as being essential to building connections with other local stakeholders and engaging in the sort of 'community building' required to assist occupying workspace users and create a network of support (an eco-system) to boost their individual and collective success.

The review led to the identification of the former WHSmith's unit within the St George's Centre, as the most suitable location for a flexible workspace facility of this type. As well as its optimal size, this unit is also regularly-shaped and relatively free of internal partitioning on the ground floor.

Set against this, however, the unit had been occupied for many years and needs fairly substantial upgrading to bring it up to a lettable standard. Without this initial investment, a workspace use is considered unviable because the value of a lease would not support the upfront capital refurbishment costs, especially since an operator would also need to invest directly in the ‘final third’ fit out to ensure that the interior design, furnishing and sub-division of the space supports their specific business model.

B: The need for capital grant

The specific need for intervention, via capital grant, is based on the viability of the development.

A strategic business case commissioned from [REDACTED] and a current quote (August 2023) for refurbishment costs, suggest total refurbishment costs of [REDACTED] and an operator fit out of [REDACTED] that would be in line with the selected operator’s design (brand), as well as the specific quantum and layout of fixed or co-working space to meet their operational business model.

Summary costs are set out below.

CONSTRUCTION COSTS	
[REDACTED]	Total Construction Costs
PROFESSIONAL FEES	
[REDACTED]	Professional fees: Contract Admin & M&E
[REDACTED]	Grand Total
[REDACTED]	Operator Fit Out incl furniture & equipment
[REDACTED]	Total Project Value

The consultancy work also included full revenue projections based upon an operator’s likely business model. Based on this analysis, further sensitivity testing has been undertaken, to model a range of more or less optimistic revenue assumptions for an operator; taking into account different pricing structures and occupancy levels. Assuming 50% occupancy in Y1 and average 85% occupancy thereafter (at present values), the payback period for return on the total capital refurbishment and fit out would be between 19 and 20 years (based on optimistic assumptions).

Given the number of business cycles the payback period is likely to extend over and a reasonable likelihood of at least one economic downturn during that period, the sensitivity testing also includes a scenario for a higher level of vacancy, at an average of 75%. In this scenario, payback would extend to over 31 years.

[REDACTED] research and early-stage commercial discussions about operator leases, have indicated that a 10-year lease is typical for flexible workspace of this type and scale. Given that the design life of an initial refurbishment and fit out is likely to match the lease term, beyond this period there are likely to be additional maintenance costs. Flexible workspaces with

significantly higher turnover of members / tenants than conventional office space, are associated with increased costs of making good and redecoration.

When the above is combined with the very long payback period of circa 20 to 30 years, the viability of the project does not match an acceptable risk profile for investment, from either the landlord or the likely operator's viewpoint.

The project is therefore seeking an investment of £370,000 from Getting Building Fund, to be matched by a total of [REDACTED] of public / private funds. This would bring payback down to just over 10 years in the optimistic scenario or just over 14 years in the more pessimistic scenario.

2.6. Sources of funding:

[Promoters should provide supporting evidence to show that:

- *all reasonable private sector funding options have been exhausted; and*
- *no other public funding streams are available for or fit the type of scheme that is being proposed.*

Public funding is regarded as a last resort. Promoters are encouraged to think carefully about and provide strong evidence that the intervention they are proposing has exhausted all other potential sources of funding and there is a genuine need for intervention from the public sector; max. 1.5 pages.]

Proposed sources of funding

The *capital* cost of the project is [REDACTED].

These costs will be funded by:

Getting Building Fund (£370,000)

Gravesham Borough Council ([REDACTED]). To be funded by retained Business Rates associated with the Enterprise Zone.

Workspace operator, taking on management of space ([REDACTED])

The *revenue* costs of the project will be met by the selected commercial operator.

Alternative sources of funding

The analysis in Section 2.5 demonstrates that the scheme is not commercially viable. Alternative sources of funding that have been explored include:

Capital funding from Gravesham Borough Council: The Council is already committed to covering the management costs for the St George's Centre as a whole and this is currently running at a deficit. It has insufficient resources to extend this commitment.

Alternative sources of grant: The Council has not been successful or eligible for other sources of funding which would support a project such as this, including Future High Streets Funding, Levelling Up Funding, Towns Fund.

Subsidised loan finance: The council is currently operating close to its borrowing limit to cover other commitments it is obliged to meet.

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

[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable. The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. 'Do nothing' scenarios where nothing changes are unlikely; max. 1 page.]

In the absence of intervention, the Reference Case assumes that the subject Unit 37 will remain vacant for the foreseeable future. Non-intervention would therefore have the following impacts:

There will be a holding cost to the Council in respect of empty property rates, which will be non-recoverable. This could be mitigated by some form of meanwhile use, although this would incur a cost to the Council in terms of utilities, service charges, etc.

There will be no benefit to the Town Centre in terms of footfall and greater diversity of uses, further weakening the vitality of the St George's Centre and potentially increasing vacancy.

- The market has not delivered on business workspace such as this and therefore the economic development and regeneration benefits that this would bring, will be lost.

It may be possible to bring forward the Tech Hub in a different location, but this would (all things being equal) still require public subsidy because there is no other space of a comparable size and type, within Gravesend Town Centre. The market has not delivered on business workspace such as this and therefore the economic development and regeneration benefits that this would bring will be lost.

2.8. Objectives of intervention:

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

Project Objectives (add as required)

- Objective 1: Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the Borough
- Objective 2: Retention/survival and growth of SMEs
- Objective 3: Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall
- Objective 4: Support the longer-term economic development of the Borough and Town Centre

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

Please see chart below.

Mapping Objectives and Issues				
	Objective 1 Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the Borough	Objective 2 Retention/ survival and growth of SMEs	Objective 3 Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall	Objective 4 Support the longer-term economic development of the Borough and Town Centre
Falling town centre footfall and lack of diversity of uses...	XXX		XXX	XX
... leading to deteriorating built environment	XXX	X	XXX	X
Changing demand for business space...	XXX	XXX	XX	XX
But market slow to respond, partly owing to viability issues	XXX	XX	XXX	X
Need to co-ordinate regional business support offer, alongside Growth Hub	XXX	X		XX
Ambitious plans for regeneration in Gravesend...	XXX	XXX	XXX	XX
But need 'early wins'	XXX	XX	XXX	XX
Active and innovative Council, investing & taking risks	XXX	XX	XX	XXX
Changing work practices, post Covid	XXX	XX	XX	XX
Lack of commercial viability of proposed scheme	XXX			

2.9. Constraints:

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

There are no significant constraints. Planning permission is not required for a Change of Use (Use Class E) and the Council is committed to bringing this project forward as soon as possible.

Dialogue is already taking place with potential workspace operators who are engaging positively with the council, have visited the premises and have been asked for Expressions of Interest in formally submitting proposals for consideration by the council. There are already a minimum of three workspace operators who have expressed an interest in taking on the space.

2.10. Scheme dependencies:

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

The project does not depend on the completion of any other schemes for its benefits to be realised and there are no highways or other infrastructure works required to enable project delivery.

However, successful delivery will depend on:

Ensuring that the Getting Building Fund grant is committed by January 2024, to ensure that work can be completed to the required timetable, i.e. September 2024.

Selecting a workspace operator that can demonstrate the experience and financial covenant necessary to make the project commercially successful.

2.11. Expected benefits:

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

Building on the earlier analysis in this Strategic Case, the key benefits of the scheme are related to:

Enterprise development and business support:

- Attraction and support of SMEs, especially within the Tech sector (though not limited)
- Increased business and worker productivity
- Expanding collaboration between businesses within a collaborative setting
- Meeting business needs and identifying specific requirements for business support interventions across the wider region (in collaboration with Maidstone, Medway and Tunbridge Wells Local Authorities)

High Street Revitalisation:

- Re-use of a large, flagship vacant retail until and diversification of uses within the St George's Centre to encourage new lets of other vacant space within the centre.
- Increased footfall and economic activity within the wider Town Centre, leading to further diversification and investment, and potentially increasing the demand for associated uses/commercial space within the Town.
- 'Catalytic' contribution to regeneration of the St George's Centre and surrounding area, by supporting the viability of subsequent schemes.
- Wider benefits associated with giving a higher profile to 'business to business (rather than 'business to consumer', primarily) within a central location on the High Street:
 - i) The Hub is 3-minutes' walk from Gravesend Train Station, enabling the local economy to capitalise on Gravesend's connectivity by conventional and high speed rail (London St Pancras / Kings Cross within 23 minutes, as well as the rest of Kent)

- ii) Enhanced visibility of alternative career or enterprise opportunities
- iii) Business services relating to digital adoption and other productivity-enhancing services will be more visible and accessible to other businesses within the concentrated town centre location, helping to drive faster rates of adoption and improved productivity within the wider economy (note that Graveham Borough Council’s long-established business network – supported by both Kent Invicta Chamber of Commerce and the Federation of Small Businesses – will support networking events at the Hub, to promote the space and services available)

2.12. Key risks:

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

Key risks are set out below. Mitigation and scale of risk is set out in Annex C and in the relevant chapters:

Table 2.3: Key Risks

Ref	Risk	Mitigation
1	GBF grant does not receive final approval	Early engagement with SELEP and Independent Technical Advisor
2	Change in interest rates resulting in a higher cost of capital	The match funding is drawn from capital already held by the Local Authority and the risk is very low in respect of capital to be matched by the workspace operator, who will also be signposted to zero per cent or low interest loans
3	GBC is not an experienced landlord or operator of workspace	A workspace operator will be selected to take a lease and operational responsibility. Partnering with GBC’s joint venture partner, Reef group, to procure and manage the capital project, will ensure that the right experience is deployed, reducing risk.
4	Unable to identify or finalise an agreement with an experienced workspace operator.	Early engagement with operator interests undertaken, supported by visits and request for Expressions of Interest to understand their requirements. Three received, at the point of application. A formal selection process will be undertaken during the remainder of 2023, comfortably prior to a decision being taken on Getting Building Fund.

5	Lack of demand for workspace	Realistic take-up projections (as described in section 2.5 above); early engagement with businesses via existing networks and raising the profile of the project. Consultancy work has identified more than 417 registered businesses in the Creative, Digital and Cultural sector locally.
6	Further retail closures impact on wider footfall in St George's Centre.	Use not dependent on the retail footfall in the same way as another retail use. The council is proactive with its partners to attract uses into vacant units.
7	Capital costs exceed budget	Single stage design and build procurement route. Realistic client contingencies in place

Stakeholder awareness

There are no risks associated with stakeholder awareness. Engagement has taken place with workspace operators, business groupings including the Federation of Small Businesses, Invicta Chamber of Commerce and via the Gravesham Business Network. The demand for space has also been tested in conjunction with the Creative Estuary work undertaken by [REDACTED] [REDACTED] which has included soft market testing with groups of prospective end users.

Consultation has also taken place in relation to the Planning status of the project, which confirms that the proposed use is in conformity with the existing permitted use class.

In relation to learning and development, for digital adoption and cyber-related skills, engagement has taken place with **North Kent College** and the intention is to build on an established relationship with **Digital Kent**.

3. ECONOMIC CASE

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

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

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

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

3.1. Options assessment:

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

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

Long list of options considered:

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

Options assessment:

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

Short list of options:

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

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

Options assessment process

The key objectives of the project are:

- Objective 1: Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the borough
- Objective 2: Retention/survival and growth of SMEs
- Objective 3: Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall
- Objective 4: Support the longer-term economic development of the Borough and Town Centre

In addition to these objectives, other considerations included:

- The need for any option for business workspace is complementary to and does not duplicate other business workspace in the area.
- The need for any option to be deliverable, in terms of time and resources. More recently, with reference to Getting Building Fund, any proposal needs to deliver outputs and spend by the end of March 2022.

At this stage, the options assessment process is theoretical: the Council has made a commitment to the business workspace in anticipation of GBF funding, and GBF funding itself is predicated on schemes being ‘shovel ready’. The long-list assessment of options below therefore reflects the range of options that were considered at the start of the process.

Options long-list

The following options were considered at long-listing stage:

Table 0.1: Options long-list: Summary

Option	Headline description	Shortlisted?
Do nothing	No additional business workspace in the Town Centre. The unit in the St George’s Centre remain vacant	Yes. This does not meet the objectives above, but ‘doing nothing’ is the default option if funds are not available: it is the status quo and is used as our Reference Case.
Refurbishment of unit for retail let	Unit refurbished for re-let to commercial occupier	No. This does not meet the enterprise objective above. There is also limited commercial demand, and new (perhaps temporary) retail would not diversify the Town Centre offer
Refurbishment of unit as a Tech Hub	This is the preferred option, set out in this Business Case	Yes. This option would meet all our objectives. With grant, it is financially viable.
Development of Tech Hub in an alternative location	Provision of the preferred option in an alternative Town Centre location	Yes. Other options were considered from among a ‘long list’ of alternative locations with St George’s, as well as heritage and core High Street locations. However, other locations elsewhere within the core retail and wider heritage area, are sub-optimal in terms of size and configuration of space. They also lack the advantage of being within a fully managed ‘shopping centre’.
Dispersed capital investment in existing facilities		No. The capital requirement is for additional capacity in a new and accessible location.

Shortlist of options

From this long-list, three options have the potential to be delivered (subject to funding) in the current circumstances. These are:

- **‘Do nothing’:** the St George’s Centre units remain vacant, with a continuing liability to the Council.
- **‘Preferred option’:** Refurbishment of the units as a Tech Hub
- **‘Modified preferred option’** Re-purposing of an alternative location as a Tech Hub.

The table below considers this shortlist in more detail against four shortlisting criteria, identifying where each option has a strong, moderate or weak alignment to:

- Strategic fit: how far does the option meet our objectives?
- Achievability: how far can the option be practically delivered, bearing in mind physical constraints and delivery timescales?
- Acceptability: how far is the option compatible with planning policy and local community interest?
- Affordability: how far is there a funding gap, and can it be bridged?

Table 0-2: Options shortlist

Criteria	Description of alignment
Option 1: Do nothing	
Strategic fit	Weak. Does not meet any of our strategic objectives.
Achievability	Moderate. This is the status quo option, so it can obviously be ‘delivered’ in the short term. But the prospect of securing commercial interest of a value sufficient to justify refurbishing the unit to a lettable standard, is limited, so the do-nothing option is likely to result in continued vacancy.
Acceptability	Weak. Keeping the units vacant is detrimental to the quality of the retail offer and public realm and does nothing to achieve our wider objectives.
Affordability	Moderate. This option is not cost-free: there is a holding cost of at least the business rates for the unit, while at the same time there is no opportunity for return.
A variant of this option would involve some form of meanwhile use. This might involve use of the space for gallery purposes without refurbishment, while a commercial occupier is sought. This would help to avoid a vacant unit and could drive some footfall. However, it would be difficult to plan a coherent cultural programme around a temporary facility, and an un-refurbished retail is unattractive and it would be difficult to secure the public and creative engagement needed.	
Option 2: Preferred option	
Strategic fit	Strong. This option meets all our objectives in bringing forward additional workspace and supporting activity in the town centre.

Criteria	Description of alignment
Achievability	Strong. There are no permissions required and the units are owned by the Council.
Acceptability	Strong. The option contributes to both the Council’s economic development and regeneration objectives for the wider town centre.
Affordability	Moderate. The scheme is not viable without grant funding. With GBF grant and external revenue sources, the option is affordable within Council budget constraints, but it is not envisaged that it will reach a stage where subsidy is not required.
Option 3: Modified preferred option (Re-purposing of an alternative location as a Tech Hub)	
Strategic fit	Strong. This option also meets our objectives in bringing forward additional workspace and supporting activity in the town centre.
Achievability	Weak: Other options are not of sufficient scale and internal configuration, to ensure viability. They would also involve extended timescales to negotiate with third party property owners. The preferred option related to property owned by the Council.
Acceptability	Moderate. Other options, particularly in heritage locations, would require planning permission to be granted, introducing uncertainty as well as extended timescales. More premium pricing may impact commercial viability.
Affordability	Moderate. As preferred option (note that a 100% workspace facility is likely to require ongoing subsidy, unless reconfigured to focus on a more generic co-working offer, which is outside the scope of our objectives).

3.2. Preferred option:

[Describe the Preferred Option and identify how the scheme aligns with the objectives. Include evidence of stakeholder support for the Preferred Option either through consultation on the scheme itself or on the strategy the scheme forms part of; max. 1 page.]

The preferred option is described above and in the Strategic Case. It is our preferred option because:

It meets all our strategic objectives and performs well against all of our success criteria

Consultation

Conversations at the council’s regular series of Business Networking touch on the need for business workspace, including a cluster of tech businesses. Similarly, consultation has been undertaken with the following:

Kent Invicta Chamber of Commerce
Federation of Small Businesses

Locate in Kent, in respect of ‘soft landing’ style workspace for investors associated with major projects and Thames Estuary investment propositions
Creative Estuary

North Kent College (project and other learning opportunities)
Digital Kent
Reef Group

3.3. **Assessment approach:**

[Describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used, and specify the Do Minimum and Do Something scenarios. The assessment approach should be a proportionate application of the DCLG guidance; max. 1.5 pages.]

The guidance for projects with a GBF grant request of less than £2 million states that there is no requirement for a quantified appraisal of the scheme (and therefore no requirement to complete Section 3.4 or the Appraisal Summary Table).

However, it is helpful to quantify benefits where it is possible and plausible to do so: while this necessarily has to be based on estimates and assumptions, it can be useful in thinking through the specifics of what the benefits are likely to be and how they might be realised.

Given the size of the grant request, we have taken a proportionate approach to assessment, which has involved identifying those benefits which can reasonably be quantified and monetised, which we have supplemented with those which should be considered as 'narrative only'¹. In line with this, quantifying the benefits should be seen as a 'thinking' exercise, rather than a detailed economic study, and the benefit: cost ratio that results should be considered as indicative.

Benefits that we have attempted to quantify and monetise are:

- Direct employment (and therefore GVA) as a result of the Tech Hub
- Benefits arising from the refurbishment capital project element
- Footfall and visitor spend
- Refurbishment phase benefits
- Business support leverage

Based on the shortlist of options that we identified, we have only quantified the costs and benefits of the preferred option. This is because it is obvious that in Option 1 there are no benefits and the only costs are holding costs. Option 3 would clearly generate a lower BCR because the benefits of providing the same space within a different location would be the same (or very similar) but would require additional costs to acquire and potentially reconfigure a property not already within the Council's ownership.

Our approach to all of these is considered in more detail in Section 3.6 below.

3.4. **Economic appraisal assumptions:**

[Provide details of the key appraisal assumptions by filling in the table in Appendix A, expand if necessary. Discuss key appraisal assumptions as set out in Appendix A providing justification for the figures used and any local evidence, where appropriate (different from the standard assumptions or the ones with the greatest influence on the estimation of benefits). Explain the rationale behind displacement and deadweight assumptions.

¹ Note that we have not undertaken a land value based assessment of benefits, as it is not relevant in this case.

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

We note that we are not required to complete this section. However, in line with the approach set out in Section 2.3 in order to provide a 'broad indication' of value for money, key assumptions and parameters shaping the analysis of costs and benefits are as follows:

An appraisal period of 10 years is used for employment benefits, starting in 2024/25. While the existing unit to be refurbished has a remaining economic life beyond this, we consider this shorter period to be appropriate, given the fast-moving nature of the market for business space and the innovative nature of the work hub proposition. Given this, it would seem unreasonable to forecast work hub-derived benefits beyond the next decade, although (as set out in the Strategic Case) the evidence suggests that there is likely to be rising demand for these types of facility.

All costs and benefits are stated in **2023 prices**

Costs are presented **exclusive of VAT**

We assume that the **impact area** is primarily local (i.e. the Borough of Gravesham), although wider impacts are envisaged in terms of capacity to respond to regional opportunities, especially associated with co-ordination of business support across the wider Kent & Medway (separately-funded).

3.5. **Costs:**

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

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

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

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

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

Capital costs

The capital cost of the scheme is £[REDACTED] and there are no sunk capital costs included in the economic appraisal.

Costs will be met by the GBF grant of £370,000, with the balance committed by the Council, from retained Business Rates (Enterprise Zone) and a privately run, established workspace operator.

The total cost of the capital works is broken down in the table below and equates to approximately £[REDACTED]/m². The compares with BCIS data for high end office accommodation in Kent, that indicates a range of £[REDACTED] to £[REDACTED]/m² (2021). There are two reasons for the lower cost. It reflects:

1. The nature of this type of flexible workspace, which does not presume the same level of fit out as high-end office spaces
2. A focus on achieving value for money

Cost Plan Summary:			Refurbishment Cost (1)	Operator Fit Out Cost (2)
Surveys and Inspections:			[REDACTED]	
Space Planning and Design:			[REDACTED]	
Statutory Approvals:			[REDACTED]	
Health and Safety:			[REDACTED]	
Strip Out & Demolition:			[REDACTED]	
Wall Linings:			[REDACTED]	
Partitioning (Solid):			[REDACTED]	
Making Good			[REDACTED]	
Doors and Frames:			[REDACTED]	
Carpentry & Joinery:			[REDACTED]	
Suspended Ceilings:			[REDACTED]	
Decorations:			[REDACTED]	
Floor Finishes:			[REDACTED]	
Air Conditioning:			[REDACTED]	[REDACTED]
Ventilation:			[REDACTED]	
Public Health Services:			[REDACTED]	
Power and Distribution:			[REDACTED]	[REDACTED]
Lighting:			[REDACTED]	
Fire Alarm/Sprinklers:			[REDACTED]	
Sundries:			[REDACTED]	
Windows - Provisional Item:			[REDACTED]	
Site Preliminaries:			[REDACTED]	
Services Upgrade:			[REDACTED]	
Isolated damp treatment:			[REDACTED]	
Shopfront Upgrade:			[REDACTED]	
Risk Items/Options				
	Asbestos Removal - To uplift all asbestos containing floor finishes	item	[REDACTED]	
(1) Grand Total Cost of Refurbishment Works:			[REDACTED]	
(2) Total Cost of 'final third' Fit Out Works:				[REDACTED]
(3) Professional Fees (Refurbishment Works):	Contract Admin & M&E Design @6.5%		[REDACTED]	
(4) Grand Total Cost of Fit Out, net of (2) above:	(inclusive of fees)			[REDACTED]
Grand Total (1+2+3+4):				[REDACTED]
			Total Sq Ms:	[REDACTED]
			Cost / Sq M:	[REDACTED]

The scope and procurement of the works packages, will be designed to ensure maximum efficiency.

Revenue costs

Revenue costs will be the responsibility of an operator. However, a business plan has been prepared by Augarde Consulting as part of an earlier strategic business case (July 2023), which has been used as a basis to inform the case set out here and includes projected costs based upon independent market research with operators. See chart below.

Gross income has been estimated according to a range of more or less optimistic scenarios for occupancy and mix of revenue streams, as described in section 2.5 above. It presumes a mix of

fixed office suites available on a conventional basis and ‘co-working’, comprised of ‘fixed’ and ‘hot’ desks available on a flexible basis.

The business plan presumes an average 50% occupancy in year one, and a waiver of service charge. This could be included as an additional revenue contribution by the Council but since the unit is currently unoccupied, it is a notional contribution and treated as an ‘opportunity cost’.

It also includes a projection of net income that would fund a rental payment to the Council, which demonstrates the extended return on investment, considerably beyond the 10-year appraisal period.

Tech Hub Flexible Workspace	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Gross income generated												
Total Gross Income												
Expenditure - Revenue												
Service charge - Tech Hub only												
Business Rates - Tech Hub only												
Buildings insurance - Tech Hub only												
Utilities & Broadband - Tech Hub only												
Maintenance / Decs / Marketing												
Staffing												
Operator Overhead & Profit (OHP)												
Total Expenditure (incl. OHP)												
Net income (rent)												
Capital costs												
Refurb and Fitout												
Total												

3.6. Benefits:

[Provide details of the benefits of the scheme identifying the ‘initial’ and adjusted benefits that were used to calculate the ‘initial’ and ‘adjusted’ BCR.]

‘Initial’ Benefits

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

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

'Adjusted' Benefits

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

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

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

A. Initial quantified benefits

As set out above in section 2.1, initial quantified benefits include:

- Direct employment (and therefore GVA) as a result of the Tech Hub

As set out above, we have based our analysis on a series of broad assumptions, reflecting a proportionate approach to estimating the economic impact.

Direct employment and GVA benefits as a result of the Tech Hub

The work hub ought to have a positive impact on business starts and growth, leading to increased employment. The 'route to impact' is likely to work in four ways:

- First, **through the physical facility itself**, as start-ups that would otherwise have been based at home are able to use better facilities and have the physical space to employ additional staff who can operate some of the time from the work hub.
- Second, **through the opportunities for collaboration** that the work hub enables, as SMEs are better able to network with like-minded firms, share ideas, work together on projects, and so on
- Third, **through access to business support**, both informally on a 'peer-to-peer' basis, and through the support offer that is embedded within the work hub model in the early years, and which could be made available via support organisations such as Kent Invicta Chamber of Commerce as the scheme becomes established.
- Fourth, **through the opportunities that the work hub presents for people to work remotely**. Not all the benefits of this will be captured in additional employment and GVA, but some will (for example, where the need to commute may have prevented people from taking employment in other circumstances, due to caring responsibilities, etc.).

To identify the benefits that could result from the work hub project, we have worked through the following steps:

- **Step 1:** A 2017 Work Hub Report by Sevenoaks District Council noted that the ‘Workbox’ scheme in Penzance (comparable as a model for the Tech Hub) ‘created’ 53 jobs (gross) in four years, exceeding the output target set by the Regional Growth Fund at the start of the project. For Gravesend, based on the assumptions relating to the Meeting Point in Swanley, the following benefits are anticipated:
 - 1 FTE ‘direct jobs’ (community manager)
 - 64 new jobs created by members and work hub users over time. It should be noted that these jobs are not derived from an employment density calculation, since the proposition is that total user numbers will greatly exceed the capacity of the facility at any given time.
- **Step 2:** The job numbers quoted in the Work Hub Report are gross. Obviously, some jobs may have been created ‘anyway’, or the work hub itself may have been a marginal factor. Without reviewing the Work Hub Network’s underlying data (or the basis for the job outputs reported on the quoted comparator site in Penzance), we do not have a firm basis for adjusting the outputs for deadweight, displacement, leakage and substitution – and in any case, the numbers are quite small.

Instead, to provide a rough estimate of additionality, we have applied the composite additionality measure used within Oxford Innovation’s Jobs Modelling tool, which has been used to estimate jobs and GVA on several innovation centre schemes, including the LGF-funded Basildon Innovation Warehouse and the ERDF-funded Kent Medical Campus centre at Maidstone).

This assumes estimated additionality of 60%, equating to 39 net jobs in steady state.

- **Step 3:** We assume that job creation ramps up with occupancy (i.e. 50% of steady state in Year 1, average of 85% in Year 2 and onwards).
- **Step 4:** To estimate GVA, we apply GVA per filled job at the Kent and Medway average (£52,340).
- **Step 5:** We apply 25% optimism bias to the GVA estimates, reflecting the inherent uncertainty associated with a new proposition and the limited hard, local evidence of job outcomes.

Bringing all of the above together results in net GVA from employment-derived benefits (less optimism bias) within a range of £10-12 million over the appraisal period.

B. Adjusted benefits

Construction

In addition to the benefits above, the construction phase will result in additional employment and supply chain benefits. Frequently, these are excluded from the calculation of overall economic benefits, since it can usually be reasonably assumed that the construction industry is buoyant, and that construction jobs could be absorbed somewhere else. However, construction activity is

showing some signs of a downturn currently. We have therefore considered the benefits arising from this.

The Homes and Communities Agency identified a 'labour coefficient' for construction in 2011. This estimated that 10.7 job years were created for every £1 million of construction spend. Adjusting this to 2020 prices gives a labour coefficient of 8.4.

Applied to total construction spend for the Hub, suggests 06 FTE job years, generating gross GVA of approx. £314,000.

This GVA benefit should be substantially discounted, given the likelihood of leakage (given the national construction market) and displacement. Applying 50% leakage, 50% displacement and a composite regional multiplier of 1.5 yields benefits of c. £118,000.

Bringing it together

The table below brings together the range of quantified benefits:

Benefit	Net local effects over appraisal period (£m)	
	(Low)	(High)
Jobs created at work hub	10	12
Construction Jobs	0.118	0.118
Total	10.118	12.118

Likely sector composition of job creation

The workspace is intended to have a 'tech' or digital focus because this is where initial indications of demand, are focussed. This would likely stretch across the breadth of the Creative and Digital Sector (CDS), especially those sub-sectors that value access to high-speed digital connectivity (an itemised spend within the bid) and co-location with other small businesses. Digital specialists, graphic designers, marketeers, back-office service providers, security specialists and so on.

However, we anticipate a fairly even split with a range of other business and professional services who are likely to be attracted to a flexible workspace of this kind, with high quality meeting space and visibility with clients. There is a modest but discernible national trend towards such businesses moving to more visible high street locations with footfall, as retail rents have softened.

This analysis is supported by market research and desktop analysis conducted by consultants, Augarde Consulting.

C. Non-quantified impacts

In addition to these quantified benefits, there are several other impacts which it is not possible to monetise at this stage, but which are nevertheless significant.

Benefits related to the work hub

As well as employment benefit, there will be benefits in terms of new business start-ups and expansion rates (which will obviously help to drive the jobs outputs). Other benefits include:

Increased worker and business productivity, as firms make better use of equipment and IT than they would have had they been home-based, and collaboration between businesses increases. A survey of members at the Cornwall Workbox facility quoted in the Work Hubs Report found that 22% of respondents' total turnover was "a direct result of" Workbox membership.

- Environmental benefits, as commuters choose to use the work hub for part of the time, reducing the need to travel.
- Individual private benefits as commuting time saved is converted into leisure time and the disbenefits of home working are addressed.
- Benefits associated with 'proving the market' for a new type of business support offer. The work hub will present an innovative new product to businesses in Gravesend – as it demonstrates success, we might expect interest from the private sector in setting up grow-on space or offering complementary initiatives.
- Learning and development benefits relating to digital adoption and cyber security. The focus on 'tech-related' tenants, creates the opportunity for a visible and accessible 'shop front' for digital and cyber security services, in the high footfall, high business concentration town centre.
- Productivity and growth benefits for startups, social enterprises and other users of the space, associated with enhanced business support offer and collaborations between workspace users.

Benefits related to the scheme as a whole

The scheme will lead to increased footfall and economic activity on the High Street, driving further diversification and investment. It should also have a 'catalytic' contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes included within Gravesham's regeneration programme.

The scheme will also seek to deliver environmental benefits, through measures integral to the design, to ensure the highest environmental standards.

3.7. Local impact:

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

The direct impact of the scheme will be primarily local, with two exceptions:

1. By plugging a gap for modern, flexible workspace within a central north Kent location within the **Thames Estuary**, as recent collaborative events with **Creative Estuary** have demonstrated, there is a sub-regional demand for workspace that is associated with strategic economic growth and major projects.

The Tech Hub flexible workspace, will enable new investment prospects to be accommodated as part of a network of similar facilities already in place across Kent (with the exception of Gravesend).

2. There are additional outcomes and impacts (funded outside of the subject project of this bid) in relation to regional business support and networking benefits across Local Authority areas

The collaborative efforts of the local authorities of Gravesham, Maidstone, Tunbridge Well, and Medway to foster an entrepreneurial ecosystem in Kent are intended to be demonstrated through a series of strategic initiatives and coordinated actions. Their collective goal is to strengthen the innovation ecosystem and to generate strategic benefits for Kent and Medway by promoting collaboration, networking, and complementary business support.

This collaborative approach will result in the creation of an '**entrepreneurial crescent**' spanning across North, Mid and West Kent i.e. Gravesham, Maidstone, Medway and Tunbridge Wells.

1. **Joint Entrepreneurial Events and Workshops:** The local authorities can organise joint entrepreneurial events, workshops, and seminars that bring together startups, entrepreneurs, investors, and experts from different areas. These events will provide opportunities for networking, knowledge sharing, and collaboration among businesses from Gravesham, Maidstone, Tunbridge Wells and Medway.
2. **Complementary Business Support Services:** Each local authority location can specialise in certain aspects of business support while complementing each other's offerings. For example, there might be dedicated provision focussing on specialized training programs, access to funding opportunities, marketing and branding support, and tech and research collaboration.
3. **Regional Investment Network:** The local authorities can create a regional investment network that connects local investors, venture capitalists, and angel investors with startups and innovative businesses from all four areas. This network will provide a broader pool of funding options for startups and facilitate cross-area investment.
4. **Collaborative Research and Innovation:** The authorities can encourage collaboration between businesses, universities, and research institutions across the different areas. Joint research projects and innovation initiatives will promote knowledge exchange and technological advancement.
5. **Unified Branding and Marketing:** The local authorities can work together to promote the entire 'entrepreneurial crescent' as a unified region with a vibrant innovation ecosystem. This coordinated branding and marketing effort will attract attention from potential investors, businesses, and talent.
6. **Joint Policy Advocacy:** Collaboration in advocating for policies that support innovation and entrepreneurship at the regional level can lead to more favourable regulatory environments and incentives for businesses in the 'entrepreneurial crescent.'
7. **Data Sharing and Insights:** By sharing data and insights on local business trends, challenges, and successes, the local authorities can make informed decisions and tailor their support services to the evolving needs of the entrepreneurial community.

In summary, Gravesham, Maidstone, Tunbridge Wells and Medway can effectively work together by implementing these strategic initiatives. Through collaborative efforts, they will create an 'entrepreneurial crescent' that spans the length and breadth of Kent, nurturing a thriving innovation ecosystem that benefits startups, entrepreneurs, and the region as a whole.

3.8. Economic appraisal results:

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

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

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

We note that there is no requirement to complete the Appraisal Summary table below, given the scale of the grant request.

4. COMMERCIAL CASE

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

4.1. Procurement options:

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

Gravesham Borough Council has an adopted [Procurement Strategy](#). This is regularly reviewed and updated.

In 2018, the Council entered into a joint venture with Reef Group to take forward the regeneration of sites in the 'Eastern Quarter' and 'Western Quarter' of Gravesend Town Centre. The first phase of works in the Western Quarter comprised the refurbishment of the existing St George's Centre. These were completed in 2019.

Through the joint venture agreement, the construction project will be procured and managed by Reef Group, in accordance with the existing Asset Management Agreement for the St George's Centre.

As a prospective tenant, the workspace operator will be identified by Reef Group on behalf of the Council as landlord but the selection process will specifically include involvement and consent from the internal team managing the Hub project.

4.2. Preferred procurement and contracting strategy:

[Define the procurement strategy and contracting strategy (e.g. traditional, (design and build, early contractor involvement) and justify, ensuring this aligns with the spend programme in the Financial Case and the project programme defined in the Management Case; max. 2 pages.]

Preferred strategy

The adopted procurement strategy is a single stage design and build contract because this will bring greater cost and programming certainty to the Council.

Based on the recommendations of the [REDACTED] [REDACTED] [REDACTED] this will involve:

- Evolution of designs by [REDACTED] [REDACTED] [REDACTED] [REDACTED] in consultation with the selected workspace operator (at pre-determined intervals, up to RIBA Stage 4 / 5), to ensure integration with the latter's 'final third' fit out.
- Single stage design and build contract for the construction and refurbishment works, is envisaged at this stage.
- Gravesham Borough Council to be fully consulted at key stages of the procurement process.

4.3. Procurement experience:

[Describe promoter (and advisor) experience of the proposed approach including any lessons learnt from previous procurement exercises of a similar scale and scope; max. 0.5 pages.]

Gravesham Borough Council has experience of procurement through a variety of routes, including direct procurement, the use of frameworks and working with development partners.

██████████ is a national property developer, with extensive experience of procuring works of this nature. This includes the refurbishment of the St George's Centre in 2018 (designs for which were also completed by ██████████

██████████ advisor and Employer's Agent, is a leading property consultancy, with wide experience in managing the procurement of refurbishment and construction projects for arts and culture related initiatives. These include theatre refurbishments for the Chichester Theatre, Bristol Old Vic and Liverpool Everyman; and refits for a range of museums, including the Science Museum and the Ashmolean.

The St George's Tech Hub is a small project in that context (and comparatively straightforward, given that it is in a relatively modern and unconstrained building).

Specific recent experience has included a comparable refurbishment of a unit within the same shopping centre building, St George's Creative Hub (a previous scheme, part-funded by GBF) which required a complete strip-out of a former retail unit, services upgrade and Cat A fit out with kitchen and high quality gallery space with new lighting. The specification for the proposed Tech Hub flexible workspace will require upgrading of digital connectivity, including provision of secure wi-fi. Albeit the nature of occupation is different, this was a learning point from the St George's Creative Hub project, where connectivity was added later.

A further learning point from the above project, was building in sufficient contingency within a refurbishment project (in the same shopping centre location, owned by the Council, where we have previously procured and managed the above, very similar project, just two years ago). We sought current quotes in August 2023 and have considered areas where value engineering could be undertaken, towards the back end of the project.

The Charter is a pioneering development between Rosherville (GBC's wholly-owned company) and ██████████. Reef deliver the project, working directly with the contractor, Employer's Agent and team. Rosherville oversee development, supported by Project Monitors, with ██████████ overseeing quality and accuracy of valuations.

The council has recently launched a tender process to find a new operator for the Borough Market. This process is led by our internal team, supported by our Procurement services (shared service with Medway council). The tender was launched through the Kent Construction Portal and will be evaluated imminently. The council has also recently procured a design team via the Pagabo framework for the Cascades leisure centre project. It is likely a framework route is selected for the delivery of this project, subject to further internal governance approvals. This is likely to be based on a design and build contract.

There are a number of lessons learnt from recent procurement that are summarised below:



- **Evaluating the procurement route early in the process** is beneficial to establish a robust project programme and understanding the quality, time and cost pros and cons of each approach. This also is helpful to determine the most appropriate route in terms of risk and compliance with internal governance protocols and procedures. Risk assessments are typically drafted alongside this to chart and quantify key risks.
- **Robust cost planning** is undertaken in advance of procurement to provide clarity on expected budgets and to mitigate the risk that tenders come in over budget, which can add significant delay to programme. Contingencies are built-in to budgets, which are typically prepared by specialist Quantity Surveyors.
- **Legal review and compliance;** before entering a procurement process legal and procurement officers are engaged to prepare associated documentation or to review proposed contracts. Relevant Officers are mobilised swiftly and early in the process to review this information in advance of tender milestones, to mitigate delay on processes.
- **Monitoring;** Project monitors have been used by the council, especially when working on design and build contracts, to monitor project quality to ensure this meets Employers Requirements as set by the tender documentation. This project monitoring process also extend to review of project valuations to ensure that works undertaken are appropriately valued to map to project progress.
- **Finding the right partner;** An effective procurement process not only assesses the value for money aspects of a proposal but the prospective tenderer's ability and track record to deliver similar projects. Having effective evaluation criteria that draws this out, is essential.

4.4. Competition issues:

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

The construction and refurbishment works required are conventional. The market is competitive, with a large number of contractors and sub-contractors. We do not envisage any competition issues significantly impacting on delivery, and in any case a contractor has been engaged.

4.5. Human resources issues:

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

Human resource issues relevant to the delivery of the project following completion are set out in the Management Case. With regard to the capital build phase, [REDACTED] has experienced project managers and established relationships with [REDACTED] acting as their agents.

It should be noted that there is substantial construction and development work underway in London and Kent, and pressures on labour supply in the construction workforce are frequently cited. These are not however anticipated to have a major impact on project delivery.

4.6. Risks and mitigation:

Specify the allocation of commercial risks (e.g. delivery body, federated area, scheme promoters) and describe how risk is transferred between parties, ensuring this is

consistent with the cost estimate and Risk Management Strategy in the Management Case; max. 1 page.]

The main risks identified in the project Risk Register that will have a bearing on the commercial viability of the project are summarised in the table below. All risks are borne by [REDACTED] (with regard to landlord refurbishment works) and the operator will manage the final fit out including furnishing.

Table 4.1: Key Commercial Risks

Ref	Risk	Mitigation
	Capital costs exceed budget due to factors including construction market tender disinterest, tender risk cover pricing.	Single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality. Robust change control process in place. Contract includes administration by Employers Agent.
	Impact of inflation	Current prices (August 2023) used for build-up of cost plan, to minimise risk. Contingency in base assumptions also takes account of inflation risk
	Cost overruns due to delays and unforeseen issues	Experienced project management within [REDACTED] and risks mitigated through design and build contract
	Weaker than anticipated demand impacts on workspace revenue	Strong market research is in place. Active engagement with the business community, through the Council's long-established Business Network and a host of engaged partners, including a leading 'business champion' in the tech sector as well as FSB and Chamber of Commerce – to mitigate.
	Pressure on Council budgets impacts on viability of ongoing revenue subsidy	Capital costs identified, subject to GBF funding. Revenue costs covered by operator and provision has been made to discount service charge in early operational stage, to minimise revenue risk.
	Lack of operator interest	Early engagement with potential operators. Three active Expressions of Interest secured.

4.7. Maximising social value:

[Where possible, provide a description of how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the

procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses); max. 0.5 page.]

Construction and refurbishment

A requirement for opportunities to be made available to local SMEs was included in the agreement with [REDACTED] for the refurbishment of the St George's Centre. This has been applied in the case of the Tech Hub.

Operation

Beyond the capital phase, there are extensive opportunities to build wider social value into the project: indeed, the project explicitly aims to achieve social and community inclusion objectives. Opportunities for additional social value include:

- Designing work experience opportunities and projects to assist event management, marketing and administration related to the operation of the Centre and associated business support activity (initial discussions held with North Kent College and other training providers).
- Hosting Digital Skills Training and Cyber Security seminars and events, working with the likes of Digital Kent.
- Delivery of education and learning programmes, with the aim of ensuring participation from a diverse range of residents
- Opportunities for work experience, within the gallery/ exhibition space element of the Hub and via freelancers and small businesses in the co-working space
- Engagement with voluntary and community sector organisations.

5. FINANCIAL CASE

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values².

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

5.1. Total project value and funding sources:

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

Capital

The total capital value of the project is ██████████, to be funded by £370,000 Getting Building Fund (subject to approval) and by ██████████ contributions via Gravesham Borough Council. The funding profile is set out in Section 5.5.

Revenue

Getting Building Funding is sought for the capital element of the project only. Delivery of the project after completion will incur revenue costs that will be borne by the workspace operator.

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

[Specify the amount and type of SELEP funding sought to deliver the project. This should align with the SELEP funding requirement described within the Project Overview section.]

The project requests Getting Building Fund grant of £370,000.

5.3. Costs by type:

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

² Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

Capital costs

The cost of the capital build is broken down in the table below. All the expenditure will be incurred prior to the end of the 2024 financial year.

There are no sunk costs included (although initial design costs were incurred earlier in 2023 as part of the Augarde Consulting study referred to elsewhere).

Overhead and uplift have not been separately itemised at this stage but the finalised procurement will split these out in full.

Optimism bias has not been included in the Financial Case.

Any costs in excess of those set out above will be borne by Gravesham Borough Council and their development partners, Reef Group.

Inflation & contingency – the costings have been prepared on the basis of a quote for near-Cat B refurbishment, with just key finishing and furnishing / equipping, to be carried out by the operator at their cost. In seeking competitive quotes for the finalised package of works, with design input from the selected workspace operator, it is fully expected that the costs of the project bid for here, could be reduced in scope by 10 to 15% owing to value engineering and this would allow for inflation risk and contingency as a normal multiplier of the residual costs (12% as shown in table 5.1 below). The current cost plan upon which these costs are based, is also fixed until the end of December 2023.

A provisional sum had been included for the uplift and removal of floor finishes presumed to contain asbestos. Previous experience strongly suggests, however, that these floor finishes would not need to be removed and could be professionally dealt with in situ, at minimal cost. As with the value engineering referred to above, this significant cost item would likely be mitigated through the procurement process to be initiated on approval of funds.

Furthermore, with inflation in works and materials costs having dropped from its peak, we are comfortable that inflation and a provision for normal contingency prior to going into a fixed price contract in Q1 2024, can be determined as part of a finalised cost plan.

Table 5.1

Cost Plan Summary:			Refurbishment Cost (1)	Operator Fit Out Cost (2)
Surveys and Inspections:				
Space Planning and Design:				
Statutory Approvals:				
Health and Safety:				
Strip Out & Demolition:				
Wall Linings:				
Partitioning (Solid):				
Making Good				
Doors and Frames:				
Carpentry & Joinery:				
Suspended Ceilings:				
Decorations:				
Floor Finishes:				
Air Conditioning:				
Ventilation:				
Public Health Services:				
Power and Distribution:				
Lighting:				
Fire Alarm/Sprinklers:				
Sundries:				
Windows - Provisional Item:				
Site Preliminaries:				
Services Upgrade:				
Isolated damp treatment:				
Shopfront Upgrade:				
Risk Items/Options				
	Contingency / Inflation Risk @12%	item		
(1) Grand Total Cost of Refurbishment Works:				
(2) Total Cost of 'final third' Fit Out Works:				
(3) Professional Fees (Refurbishment Works):	Contract Admin & M&E Design @6.5%			
(4) Grand Total Cost of Fit Out, net of (2) above: (inclusive of fees)				
Grand Total (1+2+3+4):				
			Total Sq Ms:	
			Cost / Sq M:	

Revenue costs

The operational expenditure model will be the responsibility of the selected operator.

Indicative operational costs have been projected to 2033/34, to give clarity around rental income assumptions to the Council as landlord, as part of the return on investment calculated.

The headline costs are as set out below, which represent more detailed assumptions.

Table: Revenue costs for the preferred option, £

Table 5.2

Tech Hub Flexible Workspace												
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Gross income generated												
Total Gross Income												
Expenditure - Revenue												
Service charge - Tech Hub only												
Business Rates - Tech Hub only												
Buildings insurance - Tech Hub only												
Utilities & Broadband - Tech Hub only												
Maintenance / Decs / Marketing												
Staffing												
Operator Overhead & Profit (OHP)												
Total Expenditure (incl. OHP)												
Net income (rent)												
Capital costs												
Refurb and Fitout												
Total												

The income shown, is based on assumptions about the split between licence fees for fixed offices and ‘membership-style’ co-working space comprising ‘fixed’ and ‘hot’ desks.

No uplift has been applied to either the revenue or cost projections, for inflation beyond year one.

The revenue side (rent) would be linked to turnover or a similar metric, to take account of future inflation. Upward-only rent review is not deemed appropriate but there will need to be a contractual mechanism in place to ensure a viable uplift in rent during the period of the lease or management agreement.

5.4. Quantitative risk assessment (QRA):

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

Quantitative Risk Assessment

Risks on the capital phase are considered low at this stage because costings are current and the programme is relatively short.

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

[Where possible, explain the assumed capital and non-capital funding profile, summarise the total funding requirement by year, and funding source (add rows / columns as appropriate). Please note, not all sections of the table may require completion. Also, explain the external factors which influence/determine the funding profile, describe the extent of any flexibility associated with the funding profile, and describe non-capital liabilities generated by the scheme; max. 1 page.]

Capital and revenue funding profiles are set out in the accompanying workbook.

Funding profile summaries

The summary capital funding profile is set out below:

Table 5.3: Capital Funding Profile

Funding source	Expenditure Forecast					
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000
Getting Building Fund	■	■				
Gravesham Borough Council	■	■				
Workspace operator	■	■				
Total funding requirement	■	■				

5.6. Funding commitment:

[Provide signed assurance from the Section 151 officer to confirm the lead applicant will cover any cost overruns relating to expenditure and programme delivery, as per the template in Appendix B. Please also confirm whether the funding is assured or subject to future decision making.]

A funding commitment statement is attached in Annex B.

5.7. Risk and constraints:

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

The main risks identified in the Risk Register that will have a bearing on the Financial Case are summarised in the table below:

Table 5.4: Summary of funding risks

Ref	Risk	Mitigation
1	<p>a) GBF capital funding is not approved.</p> <p>b) GBF capital funding is not fully defrayed by the end of January 2025.</p>	<p>Early engagement with SELEP and Independent Technical Advisor taking place to ensure full business case meets the required standard.</p> <p>Without GBF funding, this project is not viable.</p> <p>The programme for what is a relatively modest refurbishment scheme, will allow for completion well within the funding window and is considered to be an advantage of the scheme.</p>
2	GBC capital funding	Specific budget has been identified with Finance Team and committed by s151 officer.
3	Capital costs exceed budget due to factors including construction market tender disinterest, tender risk cover pricing.	Single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality. Robust change control process in place.

		Contract includes administration by Employers Agent.
4	Impact of inflation	Current prices (August 2023) used for build-up of cost plan, to minimise risk. Contingency in base assumptions also takes account of inflation risk
5	Cost overruns due to delays and unforeseen issues	Experienced project management within [REDACTED] and risks mitigated through design and build contract
6	Weaker than anticipated demand impacts on workspace revenue	Strong market research is in place. Active engagement with the business community, through the Council's long-established Business Network and a host of engaged partners, including a leading 'business champion' in the tech sector as well as FSB and Chamber of Commerce – to mitigate.

6. MANAGEMENT CASE

The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.

6.1. Governance:

[Nominate the project sponsor and Senior Responsible Officer, explain the project governance structure (ideally as a diagram with accompanying text) and describe responsibilities, project accountability, meeting schedules etc.; max. 1 page.]

Capital delivery

Key roles

The Project Sponsor for this project is [REDACTED]

The Senior Responsible Officer is [REDACTED]
[REDACTED]

Project management is carried out on the Council's behalf by [REDACTED]

Project governance

An officer project working group has been established to oversee the delivery of the project, in liaison with [REDACTED]. This consists of:

[REDACTED]

Regular reports on progress will be made to the Council's Management Team, Cabinet and other Committees where appropriate.

[REDACTED] is an experienced and fully qualified Architect specializing in regeneration. [REDACTED] has prior experience of Development Management within the real estate sector. As such, the team will expedite processes and exercise judgement consistent with being a 'good client' (with joint venture partner, [REDACTED], providing client side project management services).

Ongoing management

Arrangements are being made to select an experienced workspace operator, with whom to enter into a 10-year agreement, to manage the Tech Hub.

6.2. Approvals and escalation procedures:

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

Approvals and escalation procedures reflect the governance structure outlined above. Oversight of the operational management of the project will be the responsibility of the D [REDACTED], reporting to the [REDACTED] and the Council's decision-making and overview arrangements.

Reporting of progress, budget position, issue logging and variations will be tracked on at least a monthly basis.

6.3. Contract management:

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

The project management and governance processes set out in section 6.1 above will be used to ensure that project outputs are delivered within the scope, timescale and quality expectations of the project.

An allowance for contract administration has also been made within the capital budget, which will be managed through [REDACTED].

6.4. Key stakeholders:

[Describe key stakeholders, including any past or planned public engagement activities. The stakeholder management and engagement plan should be provided alongside the Business Case; max. 0.5 pages.]

Key stakeholders

In addition to the Council, Reef Group and its contractors, key stakeholders include:

The local business community
Gravesham Business Network
Invicta Chamber of Commerce, Federation of Small Businesses
North Kent College and other training providers
Job Centre Plus,
Creative Estuary
Kent County Council
Neighbouring retailers in the St George's Centre
Digital Kent
The general public

Engagement

Engagement on the concept of the Tech Hub has taken place with business organisations and potential workspace partners. The principle of expanding workspace for small businesses and supporting the digital and creative sectors is reflected in the council's Economic Development Strategy, which was subject to public consultation in Summer 2021.

There is an opportunity to engage with other high education and training providers, to provide local ‘touch points’ with businesses and town centre users generally, including use of meeting / event space.

Complementary ‘business support’ facilities such as use of a nearby videography and pod cast recording studio, will be pursued through discussions with an operator about local facilities that ‘add value’ to the town centre proposition as a hub for small businesses and agglomeration benefits.

6.5. Equality Impact:

[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered as part of the project’s development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the Accountability Board; max. 0.5 pages.]

An Equalities Impact Assessment has not yet been completed but will be undertaken before the end of 2023.

6.6. Risk management strategy:

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

The initial risk register for the scheme is attached in Appendix C.

This risk register will be kept ‘live’ and regularly updated by the Project Manager and will also used as the basis for weekly discussion with the main contractor.

6.7. Work programme:

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

The high-level work programme for the scheme is set out in the table and Gantt chart in Appendix D. In summary the key milestones are:

Table 6.1: Key Milestones

Key milestone/ deliverable	Date completed
Stage 4 designs completed	February 2024
Identify preferred workspace operator	September 2023
Appointment of workspace operator	November 2023
Start of works	March 2024
Completion of works	September 2024

Full opening	October 2024
--------------	--------------

We are not anticipating there to be any resource issues that will significantly impact this project. Project management resources are in place, and the scheme is well advanced. The majority of resources to deliver the scheme will be externally procured, and the design and build approach substantially mitigates resource availability issues for the Council.

6.8. Previous project experience:

[Describe previous project experience and the track record of the project delivery team (as specified above) in delivering projects of similar scale and scope, including whether they were completed to time and budget and if they were successful in achieving objectives and in securing the expected benefits; max. 0.5 pages.]

██████████ is a national developer, with extensive experience of procuring works of this nature. This includes the refurbishment of the St George's Centre in 2018 (designs for which were also completed by ██████████ development of The Charter, Gravesend and works to bring the St George's Arts Centre into place.

██████████████████████ advisor, is a leading property consultancy, with wide experience in managing the procurement of refurbishment and construction projects for arts and culture related initiatives. These include theatre refurbishments for the Chichester Theatre, Bristol Old Vic and Liverpool Everyman; and refits for a range of museums, including the Science Museum and the Ashmolean. The St George's Tech Hub is a small project in that context (and comparatively straightforward, given that it is located in a relatively modern and unconstrained building).

6.9. Monitoring and evaluation:

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

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

The logic map is completed below along with the M&E Plan template and Baseline Report template. Items in **Green** are measurables to be monitored as part of the M&E Plan (at proportionate cost). Those items in **Amber** are measurables to be collected additionally (via qualitative means).

In relation to the Amber items, the Heads of Terms with the workspace operator will include a requirement to collect three pieces of information from new tenants / users:

- a) Registered business / charity (or other) address
- b) Post code of current / previous trading address (home-based or commercial location)

- c) (After 12 months) Overview of any formal collaboration(s) with other workspace users that have meaningfully contributed to either the launch of a new product or service OR a contract for new work that could only have been achieved in partnership.

As the Tech Hub is relatively small and is a component part of Gravesham's wider economic development **and** regeneration strategy, we anticipate that evaluation should take place at the programme level, rather than at the level of a single project element. However, we will work with SELEP to ensure an evaluation process as required.

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> • Objective 1: Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the Borough by repurposing an empty town centre unit to create 779 sq m of new floorspace and a base for business support providers • Objective 2: Improve retention / survival and growth of SMEs by measuring how many occupiers grow in revenue terms, their origin (geographic and prior accommodation) and destination when their occupation ends • Objective 3: Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall • Objective 4: Support the longer-term economic 	<ul style="list-style-type: none"> • Getting Building Fund grant: £370,000 • Gravesham Borough Council matched funding: £ [REDACTED] • Workspace operator 'final third' fit out cost: £ [REDACTED] • Operator revenue costs to 2026/27: £ [REDACTED] 	<ul style="list-style-type: none"> • Retrofitting of 1 large Town Centre retail unit • (No. 1) 779 sq m of cost-effective, flexible, design-led and connected business workspaces across two floors. • Capacity to provide workspace for up to 60 businesses at any one time, though given flexibility of occupation, significantly more businesses could be accommodated. • (No. 2) Procurement of an operator creating 1 direct jobs FTE • (No. 3) Restored active frontage on High Street • New superfast broadband connectivity - output 	<ul style="list-style-type: none"> • (No. 1) Employment outcomes: Jobs supported by The Tech Hub: 39 FTE Construction job years: 2 • (No. 2) 60+ businesses supported as workspace members • Accelerated micro business collaboration and expansion. • (No. 3) Increased strategic sub-regional co-operation relating to a clear, common business support offer (funded separately but expressly linked to workspace - Gravesham, Maidstone, Medway, T. Wells) • Increased diversity of High Street, broadening appeal • Improved built environment within St George's Centre and Gravesend Town Centre. • More attractive, occupied & vibrant space increases town centre footfall 	<ul style="list-style-type: none"> • (No. 1) Increase in number of businesses starting up, growing and surviving in the Borough (1, 3 & 3+ year business survival rates improve) • Environmental benefits arising from reduced commuter / work travel • Discernible impact of tech businesses within the local economy (productivity uplift) • Future investment in business workspace as market proven • Increased attractiveness of the town centre as a place to live, visit & work. • Increased TC expenditure • (No. 2) Reduced vacancy rates / higher footfall as opportunity for non-retail uses is increasingly recognised • Strengthened viability of future town centre regeneration schemes. • New businesses attracted to Gravesend town centre



development of the Borough and Town Centre by reinvigorating the local office / workspace market and retaining resident talent within the local economy, whether as co-workers, remote workers or staff for local businesses				
--	--	--	--	--

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


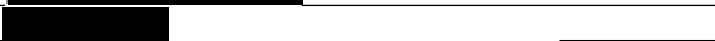

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer, and other public sector bodies who may be involved in considering the business case.

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

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

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

<i>Signature of applicant</i>	
<i>Print full name</i>	
<i>Designation</i>	

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

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

Appraisal Assumptions	Details
QRA and Risk allowance	5% for construction costs
Real Growth	All prices quoted at 2023 values
Discounting	
Sensitivity Tests	Sensitivity testing has been applied to projected operator income, to understand a range of ROI There is no requirement for full economic appraisal (as less than a £2m grant request)
Additionality	Adjustments made for additionality in calculation of benefit of work hub element
Administrative costs of regulation	N/A
Appraisal period	10 years from 2024/25
Distributional weights	N/A
Employment	Explained in economic case
External impacts of development	Explained in economic case
GDP	Explained in economic case
House price index	N/A
Indirect taxation correction factor	N/A
Inflation	Contingency built in to cost plan
Land value uplift	N/A
Learning rates	N/A
Optimism bias	
Planning applications	Existing building refurbishment. No change of use confirmed by Planning Department
Present value year	2024/25
Private sector cost of capital	TBC
Rebound effects	N/A
Regulatory transition costs	N/A

9. APPENDIX B – FUNDING COMMITMENT

*Draft S151 Officer Letter to support Business Case submission **PLEASE SEE SEPARATE LETTER***

Dear Colleague

In submitting this project Business Case, I confirm on behalf of Gravesham Borough 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 GBF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

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

Yours Sincerely,

SRO (Director Level)

S151 Officer

10. APPENDIX C – RISK MANAGEMENT STRATEGY

Description of Risk	Impact of Risk	Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Risk Mitigation	Residual Likelihood/ Impact Scores
GBF grant does not receive final approval	The project will not go ahead	Gravesham Borough Council	[REDACTED]	3	5	15	Early engagement with SELEP/ ITE to discuss application	10
Inability to procure an operator	Crucial to business case	Reef Group	Development Director	4	3	12	Engagement with a range of providers, including social enterprises.	9
Lack of revenue to sustain operation	Crucial to business case	Workspace Operator	[REDACTED]	3	5	15	Proactive approach to external funding and charitable contributions	8
Pressure on Council budgets impact viability of revenue subsidy	Operator may not be secured, if initial operating costs are too high	Gravesham Borough Council	[REDACTED]	3	4	12	Active approach to securing external funding, building on track record. Key occupier costs such as service charge are not currently being met in respect of vacant units, so there is no additional	6

							cost to the Council in year one, of extending these. The risk is manageable therefore because it does not require a growth budget	
Lack of demand for workspace	Insufficient revenue threatens medium term viability of the workspace	Workspace Operator	[REDACTED]	3	3	9	Conservative take-up projections; engagement with potential occupiers; potential to broaden target market if demand weak	4
Capital costs exceed budget	Project completion would depend on additional funding	Gravesham Borough Council / Reef Group	[REDACTED]	1	2	2	Single stage design and build procurement route. Realistic client contingencies in place	1
Lack of interest from delivery partners	Objectives for business support and digitalisation / cyber security not deliverable, diminishing occupation & strategic aims			2	5	10	Active promotion before opening, building on strong existing networks	5

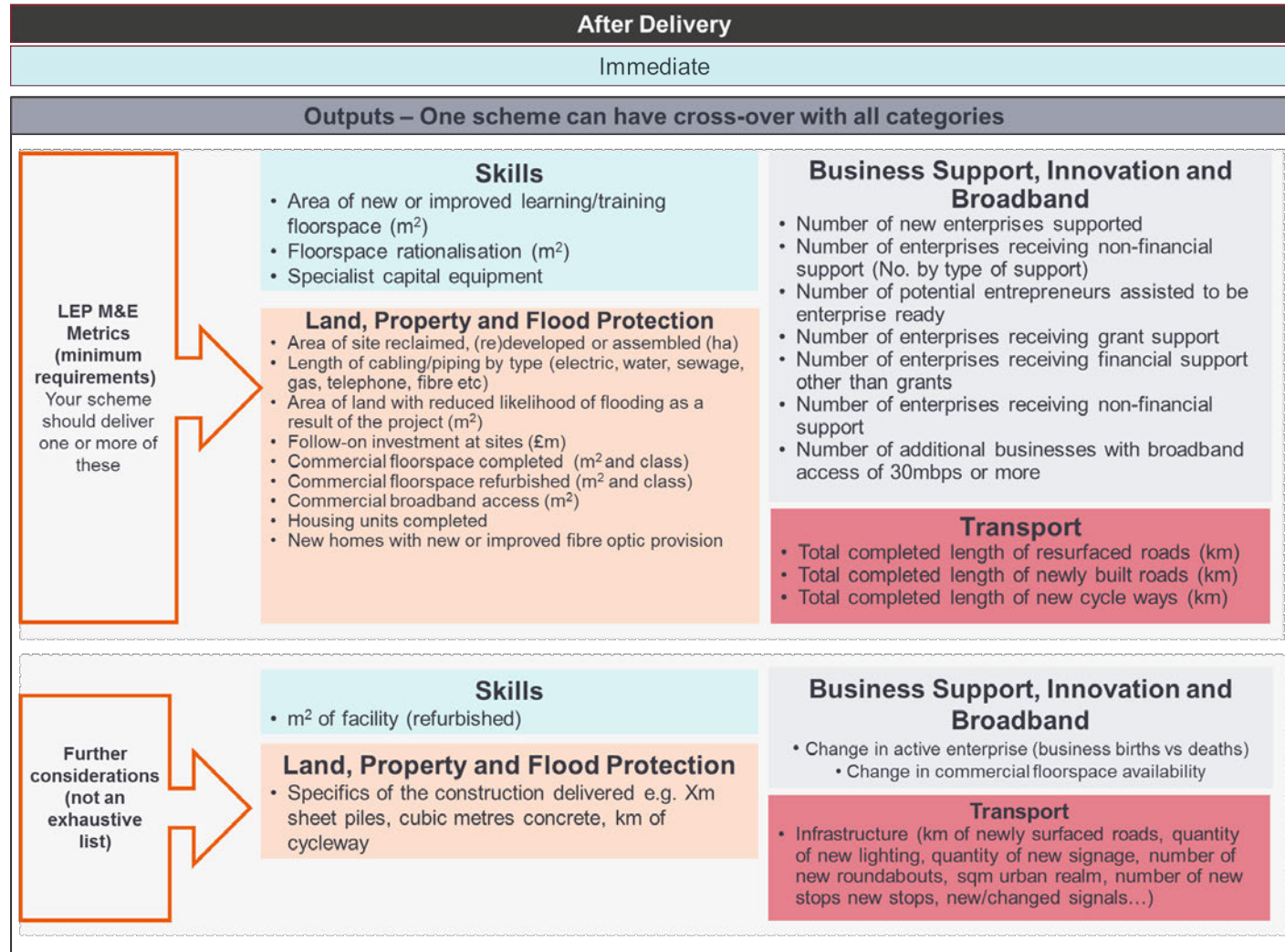
* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

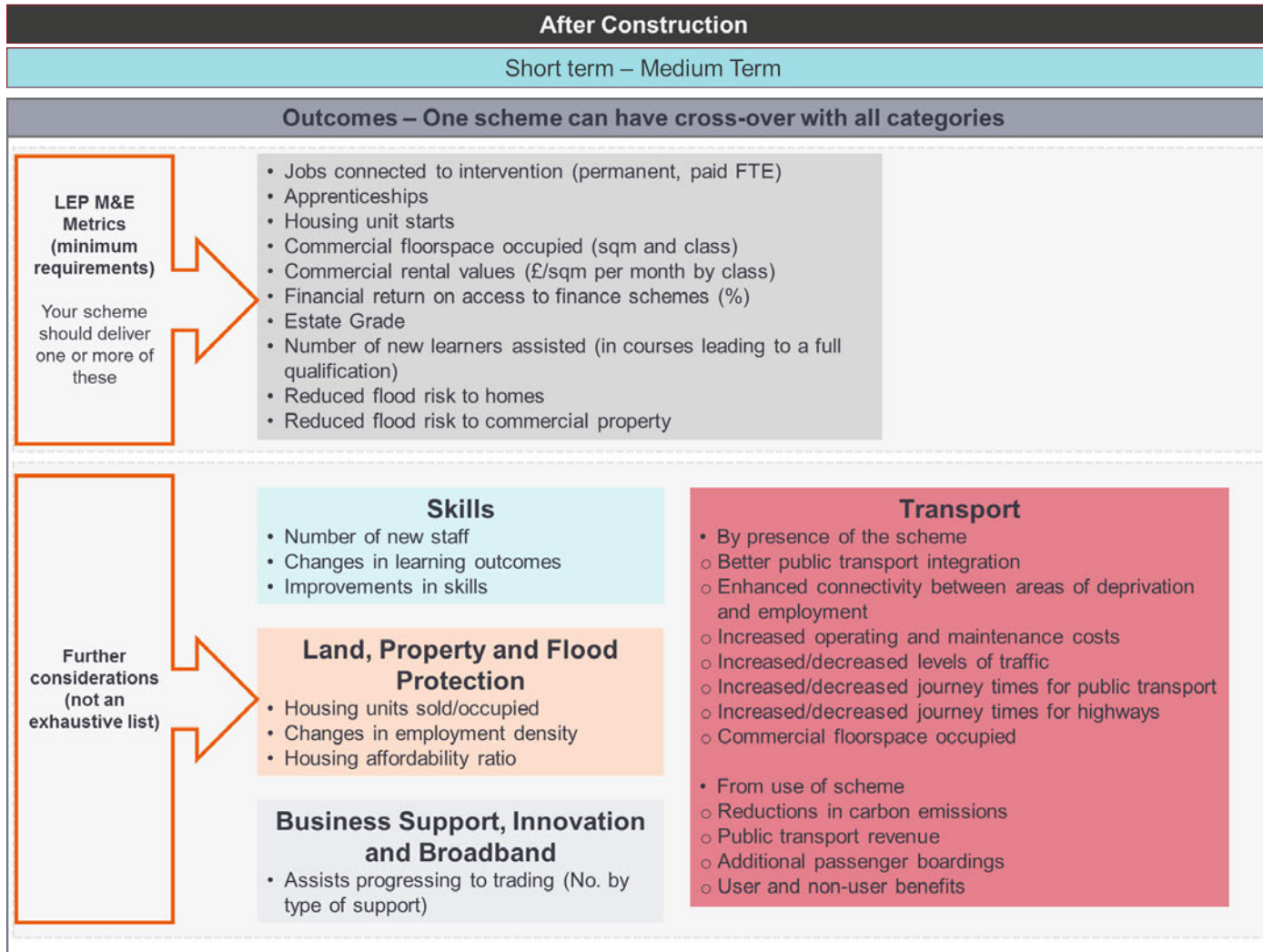
** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay

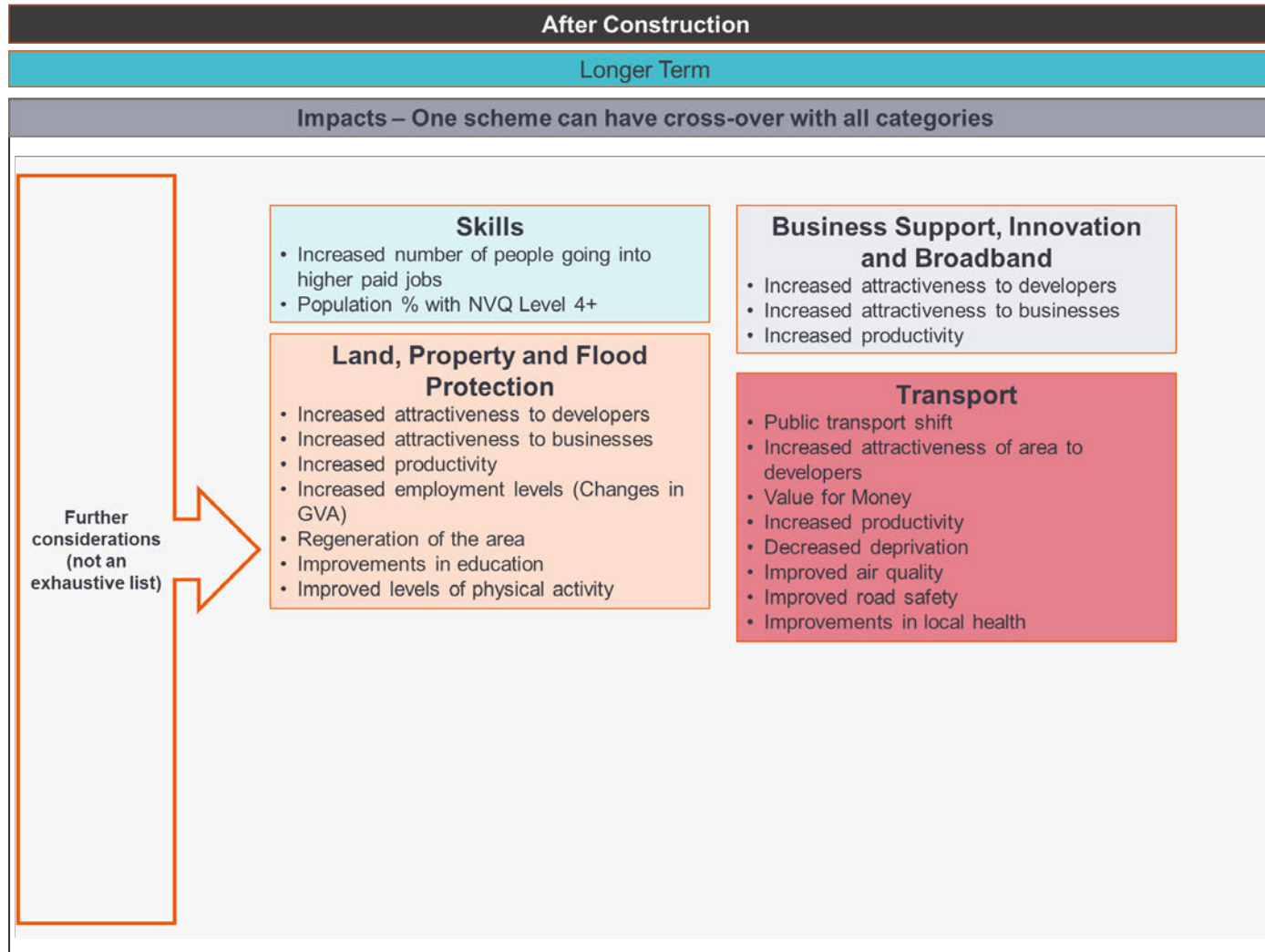
11. APPENDIX D – GANTT CHART (Please see project GANTT chart, attached under separate cover).

SELEP Getting Building Fund																Gravesham Borough Council	
Project: St George's Shopping Centre, Tech Hub.																	
Date: 7 August 2023																	
Version: 1.0 Draft for comment																	
<i>Note: Dates subject to adjustment, further review with project stakeholders. Based on works for the Tech Hub only and thus an adaption of the Augarde draft programme in v.6 of the Gravesham Creative Assets report (page 26).</i>																	
Action	2023				2024												
	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Bid preparation																	
EOI completed, awaiting response																	
Teams channel established																	
Centralised draft created (upload template onto Teams channel)																	
Request itemised capital, rents figures from Augarde Consulting																	
Identify gaps, scope of specialists work																	
Contact Augarde/PRP for fee proposal																	
Develop content (based on Augarde report)																	
Develop funding model with finance team																	
Discussion with GBC leads on procurement																	
Specialist work, economic case																	
Bid drafting																	
Submission of Business Case																	
Federated Boards - prioritisation																	
Investment Panel to agree project pipeline																	
Governance																	
Leader briefing																	
Cabinet briefing on report and next steps (design works?)																	
Cabinet update post decision on funding																	
Cabinet approval for construction phase																	
Design and Planning																	
Draft Augarde report																	
GBC comments returned																	
Final Augarde report																	
Internal review																	
Design development																	
Planning approvals																	
Planning consent for shopfront works																	
Operator procurement																	
Soft market engagement																	
Expression of Interest (EOI) process																	
Selection of operator																	
Design input/engagement																	
HoTs																	
Lease																	
Construction																	
Procurement																	
Selection																	
Appoint Contractor																	
Design Works																	
Construction works																	

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









SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

13. APPENDIX F – MONITORING AND EVALUATION PLAN AND BASELINE REPORT TEMPLATES

MONITORING AND EVALUATION PLAN

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. These values will most likely come from the Business Case, but may also come from supplementary documentation associated with the scheme.
- The Monitoring and Evaluation Plan details how inputs, outputs, outcomes and impacts will be measured in the One Year After Opening Report and the Five/Three Years After Opening Report and any associated costs.
- The Monitoring and Evaluation Plan also outlines the proposed approach to measuring the baseline information for each of the inputs, outputs, outcomes and impacts and any costs associated with this.
- When the baseline information has been collated, it is reported upon in the Baseline Report template.

A NOTE ON COSTS

The Monitoring and Evaluation of a scheme will rely on internal resource and potentially, some external resources. Both could come at a cost either in terms of time or money.

The Monitoring and Evaluation Plan is to be completed as part of the Business Case. At the same time, a Baseline Report would also be completed.

The costs that are anticipated for the collation of the Baseline Report are therefore current costs. However, the costs incurred for data collection for the One Year After Opening Report and Five/Three Years After Opening Report would occur in the future. Therefore, it is important to consider the effect of inflation on these costs.



SOUTH EAST AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

LOCAL ENTERPRISE PARTNERSHIP

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





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

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

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

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

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



			Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	disbenefit in the Business Case
--	--	--	--	---------------------------------

ST GEORGE'S TECH HUB

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

Project Description

The Tech Hub will be new, high quality, flexible workspace to meet the growing needs of small businesses and third sector organisations. This is part of a wider vision for revitalising Gravesend Town Centre and economic development in Gravesham. The Hub will be a focal point for modern, connected and design-led workspace that provides a blend of membership-style co-working options and flexible small offices. Such space does not currently exist in Gravesend Town Centre and this is limiting development and growth in the local economy.

The Tech Hub will be delivered through the refurbishment of a large unoccupied retail unit in the St George's Centre, vacated by WH Smith. This prominent unit within the Centre is owned by Gravesham Borough Council.



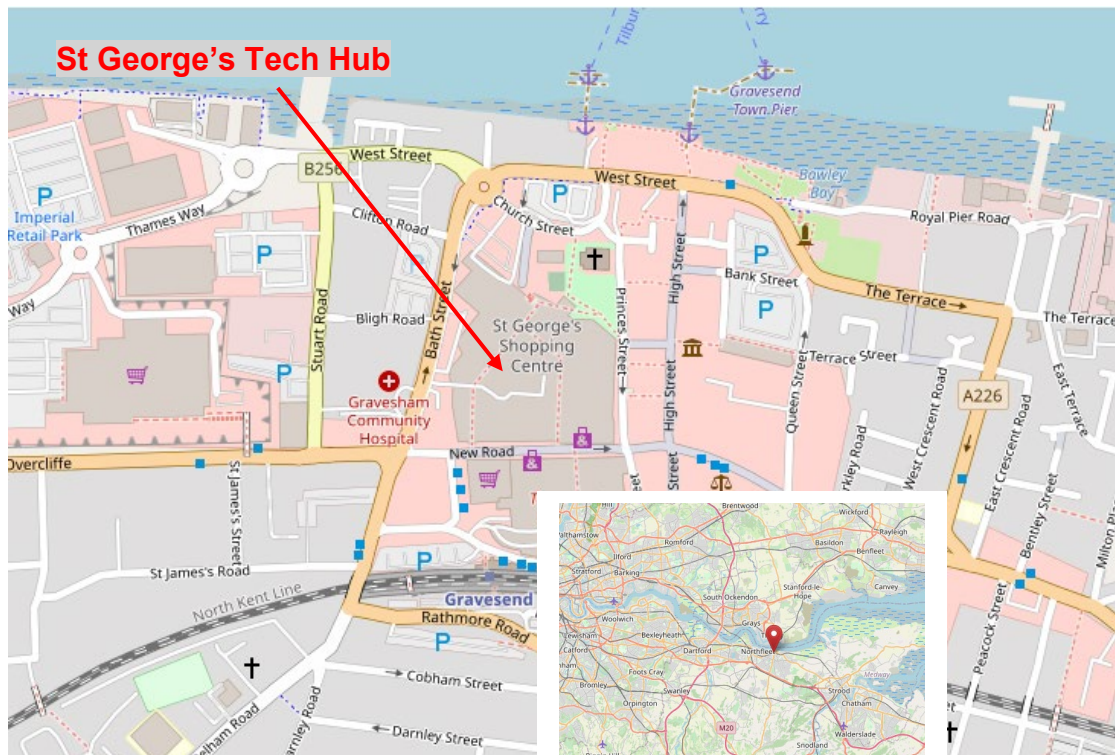
The objectives of the scheme are:

- Objective 1 Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the borough
- Objective 2 Retention/survival and growth of SMEs
- Objective 3 Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall
- Objective 4 Support the longer-term economic development of the Borough and Town Centre

The geography of the scheme is shown in the map below

The project is located at Unit 37, St George's Centre, Gravesend DA11 0TA.

Figure 0.1: Location Map



INPUTS

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

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

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2023 / 24				2024 / 25				2025 / 26			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Getting Building Fund Grant	Planned based on total scheme capital costs	Defrayal of spend on construction of the Tech Hub	Monthly, update to LEP quarterly	Actual spend				£	£	£						
IN2	Matched GBC Capital Contributions	Planned based on total scheme capital costs	Defrayal of spend on construction of the Tech Hub	Monthly, update to LEP quarterly	Actual spend				£	£	£						
IN3	Leveraged Funding – Workspace Operator	Planned based on total scheme capital costs	Monitored by Reef (& GBC) as part of contract admin. and phasing of works	Monthly, by Reef (GBC)	Actual spend						£						

INPUT 4: PROJECT DELIVERY AND MILESTONES

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending GBF or match funding)	March 2024
Detailed Design	February 2024
Full Planning Permission Granted	Not required in this case (refurbishment for acceptable use)
Site Mobilisation Works Commence	March 2024
Project Completion / Site Opening	October 2024

INPUT 5: RISK MITIGATION

- Please see Risk Register (this will be summarised in the M&E Plan, but not pasted here to avoid repetition within the business case pack.

OUTPUTS

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



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

COMPLETE AND REPEAT FOR ALL OUTPUTS

ID	Output Description	
OP1	Employment Floorspace	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 779 sq m</p> <p>Source of Value: Full business case, Strategic Case, Economic Case</p> <p>Future Monitoring Approach: Confirmation of completion of capital build</p> <p>Frequency of tracking: On completion (monthly progress)</p> <p>Costs Allocated to Monitoring: Incorporated in Gravesham Borough Council management costs</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: N/A</p> <p>Costs Allocated: N/A</p>

ID	Output Description	
OP2	Procurement of Operator creating One FTE job	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: One lease agreed with workspace operator One FTE job</p> <p>Source of Value: Full business case (Logic Map, section 6.9)</p> <p>Future Monitoring Approach: Confirmation of lease completion and documentary proof of employment (FTE)</p>



		<p>Frequency of tracking: On completion</p> <p>Costs Allocated to Monitoring: Incorporated in Gravesham Borough Council management costs</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: N/A</p>
		<p>Costs Allocated: N/A</p>

ID	Output Description	
OP3	Restored Active Frontage on High Street	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 10 metres of active frontage</p> <p>Source of Value: Full business case (Logic Map, section 6.9)</p> <p>Future Monitoring Approach: Confirmation of completion of capital build</p> <p>Frequency of tracking: On completion</p> <p>Costs Allocated to Monitoring: Incorporated in Gravesham Borough Council management costs</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: N/A</p>
		<p>Costs Allocated: N/A</p>

OUTCOMES

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



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

COMPLETE AND REPEAT FOR ALL OUTCOMES

ID	Outcome Description	
OC1	Employment Supported	Details: Planned/Anticipated Outcome Value and Proposed Approach for Monitoring
		Value: Jobs supported by the Tech Hub (39 FTE) plus construction job years
		Source of Value: Full business case (Logic Map, section 6.9)
		Future Monitoring Approach: Estimated construction job years calculated from final construction costs. Tech Hub workspace jobs monitored through tracking by the Hub's appointed Community Manager.
		Frequency of tracking: Quarterly for management purposes, once at One Year Out stage for evaluation and then tracked annually thereafter.
Costs Allocated to Monitoring: None, will be built in to lease agreement with operator		
Details: Proposed Method of Collecting Baseline Information		
Approach for Collection: Employment within beneficiary firms at Tech Hub, recorded at start of membership		
Costs Allocated: None, will be a condition of lease to operator and effectively be part of Community Manager's JD.		



ID	Outcome Description	
OC2	Businesses Supported (60+)	<p>Details: Planned/Anticipated Outcome Value and Proposed Approach for Monitoring</p>
		<p>Value: No. of businesses supported by the Tech Hub</p> <p>Source of Value: Full business case (Logic Map, section 6.9)</p> <p>Future Monitoring Approach: Monitoring through memberships</p> <p>Frequency of tracking: Quarterly for management purposes, reporting annually to LEP</p> <p>Costs Allocated to Monitoring: None, will be built in to lease agreement with operator</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: Previous history of member businesses tracked at start of membership (alongside additional qualitative data, recorded in Amber within the Logic Map (section 6.9)</p> <p>Costs Allocated: None, will be a condition of lease to operator and effectively be part of Community Manager’s JD.</p>

	Outcome Description	
OC3	Increased sub-regional co-operation relating to business support delivered across Gravesham, Maidstone, Medway & Tunbridge Wells	Details: Planned/Anticipated Outcome Value and Proposed Approach for Monitoring
		Value: Co-operative Plan in place, reviewed annually. This Plan will itemise the annual networking and business support events / interventions that will take place in each area, where businesses from the respective Local Authority areas will be able to participate, regardless of the Borough / District of origin.
		Source of Value: Full business case (Logic Map, section 6.9)
		Future Monitoring Approach: Copy to be kept, of current Plan
		Frequency of tracking: Annually
Costs Allocated to Monitoring: None required.		
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: N/A
		Costs Allocated: N/A

IMPACTS

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

EXAMPLE



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



COMPLETE AND REPEAT FOR ALL IMPACTS

ID	Output Description	
IM1	Retention / survival and growth of SMEs	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Improved 1, 3 and 3+ year survival & New Firm Formation
		Source of Value: Full business case (Logic Map, section 6.9)
		Future Monitoring Approach: Monitoring ONS-derived business survival and demography statistics (annual)
		Frequency of tracking: Annually
		Costs Allocated to Monitoring: Incorporated in Gravesham Borough Council management costs
Details: Proposed Method of Collecting Baseline Information		
Approach for Collection: Record Y1 data published by ONS		
Costs Allocated: N/A		



ID	Output Description	
IM2	Improved Town Centre viability – reduced vacancy and increased footfall	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: Reduced town centre vacancy / improved footfall
		Source of Value: Full business case (Logic Map, section 6.9)
		Future Monitoring Approach: Huq Data (GBC contract for Town Centre) & GBC quarterly vacancy check
		Frequency of tracking: Annually, by quarter (year on year)
		Costs Allocated to Monitoring: Incorporated in Gravesham Borough Council management costs
Details: Proposed Method of Collecting Baseline Information		
Approach for Collection: Record Y1 data published by ONS		
Costs Allocated: N/A		



BASELINE REPORT

PURPOSE

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



AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

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



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

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



			<p>Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
--	--	--	--	--

ST GEORGE'S TECH HUB

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

Project Description

The Tech Hub will be new, high quality, flexible workspace to meet the growing needs of small businesses and third sector organisations. This is part of a wider vision for revitalising Gravesend Town Centre and economic development in Gravesham. The Hub will be a focal point for modern, connected and design-led workspace that provides a blend of membership-style co-working options and flexible small offices. Such space does not currently exist in Gravesend Town Centre and this is limiting development and growth in the local economy.

The Tech Hub will be delivered through the refurbishment of a large unoccupied retail unit in the St George's Centre, vacated by WH Smith. This prominent unit within the Centre is owned by Gravesham Borough Council.



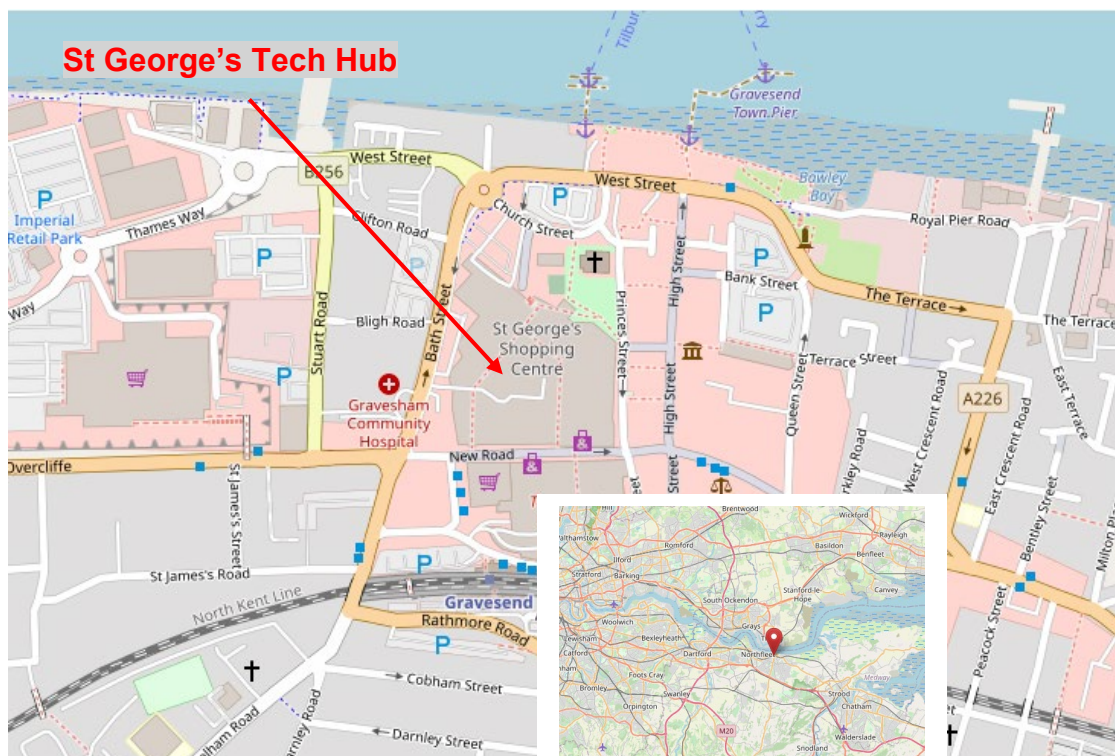
The objectives of the scheme are:

- Objective 1 Delivery of business workspace, meeting space and business support to address a lack of supply and to meet the demand that exists in the borough
- Objective 2 Retention/survival and growth of SMEs
- Objective 3 Support the short-term viability and vitality of the St George's Centre and Gravesend Town Centre – reduced vacancies, increased footfall
- Objective 4 Support the longer-term economic development of the Borough and Town Centre

The geography of the scheme is shown in the map below

The project is located at Unit 37, St George's Centre, Gravesend DA11 0TA.

Figure 0.1: Location Map



INPUTS

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

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

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2023 / 24				2024 / 25				2025 / 26			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Getting Building Fund Grant	Planned based on total scheme capital costs	Defrayal of spend on construction of the Tech Hub	Monthly, update to LEP quarterly	Actual spend				£50k	£200k	£120k						
IN2	Matched GBC Capital Contributions	Planned based on total scheme capital costs	Defrayal of spend on construction of the Tech Hub	Monthly, update to LEP quarterly	Actual spend				£25k	£100k	£76k						
IN3	Leveraged Funding –	Planned based on	Monitored by Reef (& GBC) as part of	Monthly, by Reef (GBC)	Actual spend												



	Workspace Operator	total scheme capital costs	contract admin. and phasing of works									£180k						
--	--------------------	----------------------------	--------------------------------------	--	--	--	--	--	--	--	--	-------	--	--	--	--	--	--



INPUT 4: PROJECT DELIVERY AND MILESTONES

- Please complete the table of planned Key Milestones

Key milestone/ deliverable	Date completed
Stage 4 designs completed	February 2024
Identification of preferred workspace operator (tenant)	September 2023
Appointment of workspace operator	November 2023
Start of works	March 2024
Completion of works	September 2024
Full opening	October 2024

INPUT 5: RISK MITIGATION

- Please see Risk Register - Appendix 11 (this will be replicated / summarised in the M&E Plan, but not pasted here, to avoid repetition within the business case pack.

OUTPUTS

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

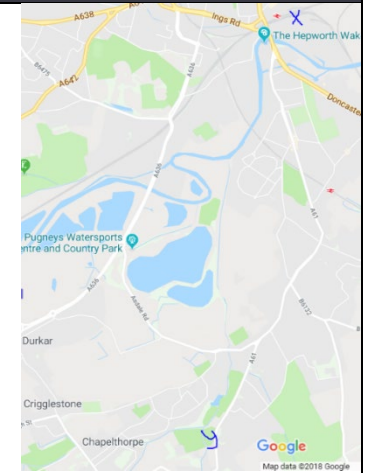


EXAMPLE							
ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Type of service improvement	Baseline	8 minutes from x to y by bus 11 in the morning peak hour	Through public timetable information	n/a	Timetable Bus 11 (March 2018)	March 2018
		Planned/ Anticipated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

Details: Method of Collecting Baseline Information

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

The cost of collecting this information was £0.



COMPLETE AND REPEAT FOR ALL OUTPUTS

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	Employment workspace	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	779 sq m	Delivery of capital project	Once, at completion	Full Business Case	Oct 2024
Details: Method of Collecting Baseline Information							

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2	Operator Selection x1	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	One	Agreement Signed	Once	Full Business Case	Late 23
Details: Method of Collecting Baseline Information							

ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP3	Restored Active Frontage on High St.	Baseline	Zero	n/a	n/a	n/a	n/a

		Planned/ Anticipated	Xx metres	Through capital project delivery	Once on completion & at One Year Report Stage	Full Business Case	Oct 2024
Details: Method of Collecting Baseline Information							

OUTCOMES AND IMPACTS

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

The project seeks to deliver the following outcomes (those numbered, are proposed for formal monitoring purposes):

- **(No. 1) Employment outcomes:**
Jobs supported by The Tech Hub: 39 FTE
Construction job years: 2
- **(No. 2) 60+ businesses supported as workspace members**
- **Accelerated micro business collaboration and expansion.**
- **(No. 3) Increased strategic sub-regional co-operation relating to a clear, common business support offer (funded separately but expressly linked to workspace - Gravesham, Maidstone, Medway, T. Wells)**

- Increased diversity of High Street, broadening appeal
- Improved built environment within St George's Centre and Gravesend Town Centre.
- More attractive, occupied & vibrant space increases town centre footfall

The project also seeks to achieve the following impacts:

- **(No. 1) Increase in number of businesses starting up, growing and surviving in the Borough**
(1, 3 & 3+ year business survival rates improve)
- Environmental benefits arising from reduced commuter / work travel
- Discernible impact of tech businesses within the local economy (productivity uplift)
- Future investment in business workspace as market proven
- Increased attractiveness of the town centre as a place to live, visit & work.
- Increased TC expenditure
- **(No. 2) Reduced vacancy rates / higher footfall as opportunity for non-retail uses is increasingly recognised**
- Strengthened viability of future town centre regeneration schemes.
- **New businesses attracted to Gravesend town centre**

Items above, in **Green**, are measurables to be monitored as part of the M&E Plan (at proportionate cost). Those items in **Amber** are measurables to be collected additionally (via qualitative means). **All non-coloured items are contextual rather than proposed to be subject to monitoring and evaluation.**

In relation to the Amber items, the Heads of Terms with the workspace operator will include a requirement to collect three pieces of information from new tenants / users:

- i) Registered business / charity (or other) address
- ii) Post code of current / previous trading address (home-based or commercial location)
- iii) (After 12 months) Overview of any formal collaboration(s) with other workspace users that have meaningfully contributed to either the launch of a new product or service OR a contract for new work that could only have been achieved in partnership.

Employment and business support outcomes will be quantitatively measurable and can be attributed to this particular intervention. At this stage we cannot add to the information set out in the Evaluation Plan.



14. APPENDIX G - CATEGORIES OF EXEMPT INFORMATION

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

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

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

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