

CABINET AGENDA

Wednesday 21st October 2020 at 6:00pm

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held via Zoom and by the Council's YouTube channel – Braintree District Council Committees.

Members of the public will be able to view and listen to this meeting via YouTube. To access the meeting please use the link below:

<http://www.braintree.gov.uk/youtube>

Members of the Cabinet are requested to attend this meeting to transact the business set out in the Agenda.

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| Overall Vision and Strategic Direction | Councillor G Butland (Leader of the Council) |
| Economic Development and Infrastructure | Councillor T Cunningham (Deputy Leader of the Council) |
| Communities, Culture and Tourism | Councillor F Ricci |
| Corporate Transformation | Councillor J McKee |
| Environment and Place | Councillor Mrs W Schmitt |
| Finance and Performance Management | Councillor D Bebb |
| Health and Wellbeing | Councillor P Tattersley |
| Homes | Councillor K Bowers |
| Planning | Councillor Mrs G Spray |

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by 3pm on the day of the meeting.

A WRIGHT
Chief Executive

INFORMATION FOR MEMBER – DECLARATIONS OF MEMBERS’ INTERESTS

Declaration of Disclosable Pecuniary Interests (DPI), Other Pecuniary Interests (OPI) or Non-Pecuniary Interests (NPI).

Any Member with a DPI, OPI or NPI must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a DPI or OPI or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the Chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

Public Question Time – Registration and Speaking:

In response to the Coronavirus the Council has implemented procedures for Public Question Time for its virtual meetings which are hosted via Zoom.

The Agenda allows for a period of up to 30 minutes for Public Question Time.

Participation will be via the submission of a written question or statement which will be read out by an Officer or the Registered Speaker during the meeting. All written questions or statements should be concise and should be able to be read **within 3 minutes** allotted for each question/statement.

Members of the public wishing to participate are requested to register by contacting the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by midday on the working day before the day of the Committee meeting. For example, if the Committee meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register for Public Question Time if they are received after the registration deadline.

Upon registration members of the public may indicate whether they wish to read their question/statement or to request an Officer to read their question/statement on their behalf during the virtual meeting. Members of the public who wish to read their question/statement will be provided with a link to attend the meeting to participate at the appropriate part of the Agenda.

All registered speakers are required to submit their written questions/statements to the Council by no later than 9am on the day of the meeting by emailing them to governance@braintree.gov.uk. In the event that a registered speaker is unable to connect to the virtual meeting their question/statement will be read by an Officer.

Questions/statements received by the Council will be published on the Council’s website. The Council reserves the right to remove any defamatory comment in the submitted questions/statements.

The Chairman of the Committee has discretion to extend the time allocated for public question time and to amend the order in which questions/statements are presented to the Committee.

Documents: Agendas, Reports, Minutes and Public Question Time questions and statements can be accessed via www.braintree.gov.uk

Data Processing: During the meeting the Council will be collecting performance data of participants' connectivity to the meeting. This will be used for reviewing the functionality of Ms Teams/Zoom and YouTube as the Council's platform for virtual meetings and for monitoring compliance with the legal framework for Council meetings. Anonymised performance data may be shared with third parties.

For further information on how the Council processes data, please see the Council's Privacy Policy. https://www.braintree.gov.uk/info/200136/access_to_information/376/privacy_policy

We welcome comments to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended, you can send these to governance@braintree.gov.uk

| PUBLIC SESSION | | Page |
|------------------------|---|----------------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interest To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting. | |
| 3 | Minutes of the Previous Meeting To approve as a correct record the minutes of the meeting of the Cabinet held on 7th September 2020 (copy previously circulated). | |
| 4 | Public Question Time (See paragraph above) | |
| 5 | ENVIRONMENT & PLACE | |
| 5a | Changes to the Off-Street Parking Places Order 2019 | 5 - 8 |
| 6 | CORPORATE TRANSFORMATION | |
| 6a | Horizon 120 – Enterprise Centre - Public Report | 9 - 238 |
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| 7 | CORPORATE TRANSFORMATION | |
| 7a | Horizon 120 – Enterprise Centre - PRIVATE Report | |

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| Changes to the Off-Street Parking Places Order 2019 | | Agenda No: 5a |
| Portfolio | Environment & Place | |
| Corporate Priority: | <p>Connecting People and Places</p> <ul style="list-style-type: none"> • Create thriving town centres for everyone to enjoy <p>Enhancing Our Environment</p> <ul style="list-style-type: none"> • Develop and drive our Climate Change Strategy forward: <ul style="list-style-type: none"> ◦ Supporting the district to reduce energy consumption, carbon emissions and pollution <p>Delivering and Innovating</p> <ul style="list-style-type: none"> • Build strong, effective partnerships across the public, private, voluntary and community sector taking a place-based approach to achieving more for the district | |
| Report presented by: | Councillor Mrs Wendy Schmitt, Cabinet Member for Environment and Place | |
| Report prepared by: | Samir Pandya, Operations Strategy & Policy Manager | |
| Background Papers: | Public Report | |
| Report and Minutes of Cabinet – 7th September 2020 | Key Decision: No | |
| Executive Summary: | | |
| <p>Following the presentation of the report for Changes to the Off-Street Parking Places Order 2019 (OSPPO) on 7 September 2020, Officers have established that the report contained a typographical error in Paragraph 2.5 which needs to be amending to allow the consultation on the new Off-street Parking Order to proceed.</p> | | |
| Recommended Decision: | | |
| <p>That Cabinet :</p> <ol style="list-style-type: none"> 1. Notes the typographical error relating to the increase in the tariff at Hadfelda Square Car Park, Hatfield Peverel. 2. Agree to increase the tariff at Hadfelda Square Car Park, Hatfield Peverel, from £500 to £600, within the Braintree District Council (Off-Street Parking Places) Order 2020. | | |

3. That the Cabinet Member for Environment & Place, be authorised to agree the final Amendment Order using delegated powers.

Purpose of Decision:

To correct an error in the previous report and decision of Cabinet and to update the parking charges for Hadfelda Square Car Park, Hatfield Peverel included within the OSPPO as required by law.

Any Corporate implications in relation to the following should be explained in detail.

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| Financial: | The cost of advertising will be covered within existing budgets. There are no other financial implications to the Council. |
| Legal: | Due to the nature of the proposed changes, the Council will be required to implement a new Order in order to allow the changes to be implemented. |
| Safeguarding: | "No matters arising out of this report. |
| Equalities/Diversity: | Equality/Diversity issues are not affected by the proposed changes to the OSPPO. |
| Customer Impact: | The proposals will impact upon all users of the car parks as outlined in the report. |
| Environment and Climate Change: | No matters arising out of this report. |
| Consultation/Community Engagement: | This will take the form of statutory consultation: the first to advertise the planned changes and the second to advertise the final Order. |
| Risks: | The Council may attract adverse publicity in relation to the proposed parking tariffs. It will be for the Parish Council to consider any objections and modifications relevant to their car parks as a result of feedback from the consultation |
| Officer Contact: | Samir Pandya |
| Designation: | Operations Strategy and Policy Manager |
| Ext. No: | 3335 |
| E-mail: | sampa@braintree.gov.uk |

1. Background

- 1.1 The Council is responsible for a number of car parks in various locations within Braintree. The Council controls its public car parks by means of a legal order known as the Off-Street Parking Places Order (OSPPO). This is a legal means by which the Council makes charges for parking in car parks and enforces the failure to pay or meet any one or more of a number of specific terms and conditions. The OSPPO details the Regulation of the Council's public car parks and sets out the charging periods and tariffs for the parking places included within the original OSPPO. Whilst changes to parking tariffs can be accommodated by issuing a Variation to the OSPPO, more fundamental changes require a new Order to be issued.
- 1.2 Currently, The North Essex Parking Partnership (NEPP) undertakes on-street parking enforcement on behalf of the partner authorities across the whole of North Essex, and off-street parking enforcement is an optional extra available to Partner Authorities. The Council opted to enter into an SLA with the NEPP for off-street parking enforcement and this covers those car parks included in the Council's OSPPO as required. The NEPP is unable to enter into any independent arrangements outside of the Partnership.
- 1.3 Cabinet were informed on 7th September 2020 that a number of changes have occurred since the OSPPO was last published and there was a need for the OSPPO to be revised to allow the Council and associated third parties to continue to manage their car parks effectively. Cabinet made a number of approvals, which would allow for the Council to proceed with the changes and undertake the public consultation. However since then a typographical error has been found in the tariffs relating to the Hadfelda Car Park, Hatfield Peverel.

2. Administrative Remedy

- 2.1 The report before Cabinet on 7 September 2020 provided that Hatfield Peverel Parish Council (HPPC) were proposing an increase in the season ticket charges for their Hadfelda Square Car Park from £150/pa to £160/pa and that it remained within the Council's OSPPO to enable the NEPP to enforce on behalf of HPPC. Consequently any changes to their parking tariff necessitates a variation to the OSPPO.
- 2.2 However, the tariff stated should have shown that Hatfield Peverel Parish Council (HPPC) is proposing an increase in the season ticket charges for their Hadfelda Square Car Park from £500/pa to £600/pa.
- 2.3 As the OSPPO can only be changed with the permission of the Council it is necessary for the identified administrative error to be remedied before the statutory consultation commences on the new Order.
- 2.4 Under the Road Traffic Regulations 1984, the Council could revise its tariffs on those car parks already contained within the OSPPO by issuing a notice of the proposed changes being made to the charges, however, due to the inclusion of new car parking sites, it is necessary for the Council to issue a new Order, that would seek to amend the OSPPO. This Order, if issued, will be known as Braintree District Council, (Off Street Parking Places) Amendment Order 2020.

- 2.5 If the error is approved the Amendment Order will continue through the statutory consultation period, and will be advertised inviting comments from members of the public and key stakeholders, before advertising the final changes in light of the outcome of the consultation. As advised in the previous report, should any objections to the proposals be received, these will have to be considered and a final judgement made on whether to modify or proceed with the proposals as advertised. To help streamline this process, it is proposed that the Cabinet Member, Environment & Place, be authorised to agree the final Amendment Order using delegated powers.

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| Horizon 120 – Enterprise Centre | | Agenda No: 6a |
| Portfolio | Corporate Transformation | |
| Corporate Outcome: | A sustainable environment and a great place to live, work and play A prosperous district that attracts business growth and provides high quality employment opportunities | |
| Report presented by: | Councillor John McKee, Cabinet Member for Corporate Transformation | |
| Report prepared by: | Aidan Kelly, Interim Head of Strategic Investment | |
| Background Papers: | Public Report | |
| Report and Minutes of Full Council 5th October 2020 Appendix A: Strategic analysis Appendix B: SELEP business case | Key Decision: Yes | |
| Executive Summary: | | |
| <p>This report summarises the business case to develop an Enterprise Centre on the Horizon 120 Business & Innovation Park (the Project), to be part funded by a grant allocation from the Getting Building Fund from the South East Local Enterprise Partnership (SELEP).</p> <p>At its meeting, on 5th October 2020, Council approved the inclusion of the Project within the Councils Capital Programme.</p> <p>The Project has been assessed, using the Council’s evaluation tool and exceeds the hurdle rate for capital investment.</p> <p>The purpose of this paper is to seek approval of the business case and delegated authority to:-</p> <ul style="list-style-type: none"> • Consider and to accept or reject the conditions of the SELEP grant allocation • Enter into construction contract(s) on completion of the appropriate procurement process | | |

Recommended Decision:

That Cabinet:

1. Approves the business case for the Project.
2. Notes that the proposed building along with ancillary facilities are to be sited on an area of land allocated within the Horizon 120 Business and Innovation Park which totals approximately two net developable acres.
3. Approves that the Corporate Director (Growth), in consultation with the Corporate Director (Finance) and the Cabinet Member for Corporate Transformation, will consider and accept the conditions of the SELEP grant allocation and, if considered necessary, will negotiate changes to the conditions. For the avoidance of doubt, this includes the authority to reject the conditions, if they appear to be unacceptably onerous and to enter into the Grant Agreement with Essex County Council as Accountable Body for the SELEP.
4. Approves that the Corporate Director (Growth), in consultation with the Corporate Director (Finance), award the construction contract at the completion of the procurement process and enter into the necessary contracts with the winning bidder.
5. Notes the proposed Braintree District Council funding for the Project is subject to the Corporate Director (Finance) having the flexibility to determine the most appropriate means of financing the Council's overall capital programme.
6. Approves that the Corporate Director (Growth), in consultation with the Corporate Director (Finance) and the Cabinet Member for Corporate Transformation, to authorise acceptance of tenders, for capital works, which would exceed the approved budget by up to 5%.

Purpose of Decision:

The purpose of the recommended decision is to enable the Council to deliver the new Enterprise Centre and secure its resulting impact and outcomes for Braintree businesses and residents.

Any Corporate implications in relation to the following should be explained in detail.

Financial:

The proposed building along with ancillary facilities are to be sited on an area of land allocated within the Horizon 120 Business and Innovation Park which totals approximately two net developable acres. This land was excluded from the projected serviced land receipts included in the business case for Horizon 120.

Whilst the Council anticipates a future receipt under the S106 Agreement for the Panfield Lane residential development of £2.93 million, to be used towards a new enterprise centre within the radius of Panfield Lane, at the present time the timescale for receipt of this money is uncertain as it depends on the quantum of development that is completed by the developer. However, the Council's Development Services Manager has confirmed that the agreement does allow the Council to proceed with this project in advance of receipt, and then to use the monies once received to retrospectively repay part of the costs.

Consequently, until such time this money is received the Council will be required to finance the whole capital expenditure relating to the Project.

A bid to the SELEP has provisionally been approved with an allocation of £7 million from the Getting Building Fund. This allocation is subject to the approval of a detailed business case by the SELEP Accountability Board on 20 November 2020.

It is proposed that the above Council contribution will be met by a mixture of capital reserves (including capital receipts in-hand, monies set aside in reserve derived from the Essex business rate pooling arrangement, and any unallocated New Homes Bonus) and prudential borrowing. It is recommended that this be subject to the Corporate Director (Finance) having the flexibility to determine the most appropriate means of financing the Council's overall capital programme.

Where prudential borrowing is used as part of the funding mix this will have a revenue cost comprising annual minimum revenue provision (MRP) and interest. The business case for the operation of the enterprise centre indicates that once usage has matured the estimated net income generated would be sufficient to meet these financing costs.

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| | <p>The drawdown of capital reserves will result in a reduction in cash balances that would otherwise be invested as part of the Council's treasury management activities and will need to be reflected in updated forecasts of interest and investment income.</p> <p>An investment appraisal model (including inflation) to support the SELEP business case requirements, prepared with assistance from external consultants, projects that the Project will generate surpluses from Year 3 of operation, and results in a payback period of 18 years for the proposed amount to be borrowed, and 37 years for the Council's full capital investment.</p> <p>It should be noted that the above projections are sensitive to changes in a range of variables such as operating costs and income generated. The financial model will be kept under review.</p> <p>An allowance for a 5% contingency on tendered prices would result in the overall capital cost increasing, which would need to be funded either from capital reserves or increased prudential borrowing. If the latter is used this would increase the General Fund financing costs.</p> |
| Legal: | <p>The Council will be required to enter into a Grant Agreement with Essex County Council (as the Accountable Body for SELEP and upper tier authority covering Braintree within the SELEP area) for the Grant Funding if approved by the SELEP Accountability Board. This Agreement will set out the terms and conditions of the Grant and will hold the Council to account in terms of being able to meet the required timescales for project delivery and Grant spend associated with the Getting Building Fund.</p> |
| Safeguarding: | <p>No matters arising out of this report.</p> |
| Equalities/Diversity: | <p>An Equalities Impact Assessment has been carried out and confirms that the Project will meet all disability access requirements and will provide facilities and services to individuals and companies irrespective of any protected characteristics.</p> |
| Customer Impact: | <p>The Project will provide a conducive environment for local entrepreneurs to develop new and grow existing businesses and job opportunities.</p> |
| Environment and Climate Change: | <p>The building will be rated against the BREEAM (Building Research Establishment Environmental Assessment Method) up to the standard of Very Good and will benefit from the immediate adjacency of Great Notley Country Park and the high quality landscape required of developments on</p> |

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| | the Horizon 120 Business and Innovation Park by the associated Local Development Order (LDO). |
| Consultation/Community Engagement: | No matters arising out of this report. |
| Risks: | Risks associated with the Project are summarised in section 5 below. |
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| Officer Contact: | Aidan Kelly |
| Designation: | Interim Head of Strategic Investment |
| Ext. No: | 2580 |
| E-mail: | Aidan.kelly@braintree.gov.uk |

1. The Project

1.1. At its meeting, on 11th February 2019, Cabinet considered and approved a paper presenting the business case for development of the Horizon 120 business and innovation park. That paper included the following:

- **Braintree Plan for Growth:**

- *The South East Local Enterprise Partnership (SELEP), Essex County Council, the local authorities located across North Essex and Essex University all have a role in developing and implementing an Economic Strategy for North Essex. There is already a rich body of information and analysis available from the Essex Economic Commission led by Dr Andrew Sentence. Whilst it concentrates on Essex as a whole, nevertheless there are some clear pointers for our District in the report entitled 'Enterprising Essex: Opportunities and Challenges' published in January 2017. In particular, the report highlights that there has been slow historic growth with the prospect of future economic growth being 'constrained' and lower than national average unless some actions are taken especially to create a more attractive commercial offer and to improve the profile of Essex amongst businesses.*
- *The Plan for Growth sets out to achieve both indigenous growth and inward investment in the District through identifying projects in three key priority areas; infrastructure and connectivity, business support and skills development. One of the sub-targets within the infrastructure priority is Employment Sites and Premises, which the purchase and development of this site would help to achieve by:*
 - *Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand;*
 - *Investing in incubation, start-up and grow on space which is not being provided by the open market;*
 - *Raising the profile of Braintree as a place to do business.*

1.2. The Braintree Plan for Growth makes the strategic case, for enterprise centres, in the District, and the Project specifically seeks to address the above sub-target for Braintree. Separately, the Council is considering development of an enterprise centre in Witham.

1.3. The purpose of the Project is to provide an exemplar working environment and business support services for new and/or small companies in growth sectors, including the green economy, the life sciences and medical technologies sectors. The Enterprise Centre will also provide a hub for support services to businesses locating onto the Site and deliver 150 new jobs in Braintree each year.

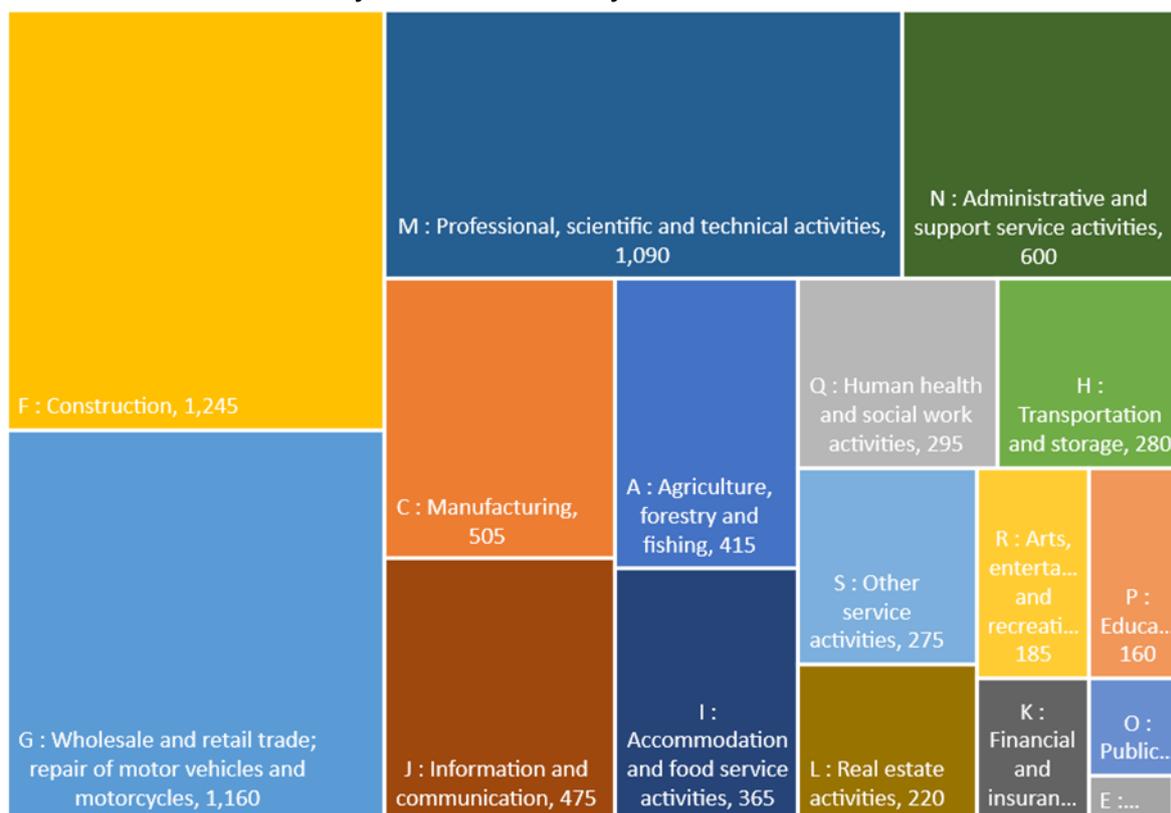
1.4. The Project Team commissioned a feasibility study, to explore capital costs and procurement issues, and a strategic analysis, to enhance the strategic case for an enterprise centre.

1.5. The Strategic Analysis is attached as Appendix A and includes

1.5.1. Competitor analysis

1.5.2. An analysis of businesses in the District, by sector, as illustrated below

Businesses in Braintree by standard industry classification



1.5.3. An analysis of available business space in the District

1.6. The findings, of the analysis include

1.6.1. As with industrial space, Glenny Databook analysis identifies that Braintree has substantially lower prime office rents than Chelmsford and Basildon (being at least £3.00 per sq. ft. cheaper than the next cheapest alternative).

1.6.2. Sector M: 'Professional, scientific and technical activities' has (as of 2018) a much larger number of 'local units' with a total of 1,090 businesses, and also employs substantially more people at 5,325 (2018). The sector shows a relatively high density of clustering in the locality around the location of Horizon 120. This will provide good adjacencies for businesses looking to locate or relocate to Horizon 120, to the existing local sector specific business base

1.6.3. Braintree has seen a falling number of new enterprise births over the last several years, with an estimated 145 fewer enterprise births in 2018 than there were in 2014 (down 8.9%). This is the largest downward change in this measure within the County of Essex.

1.7. The analysis recommends that key opportunities exist in sectors K (Finance and insurance) and M (Professional, scientific and technical activities)

- 1.8. The Project architects, and technical consultants, have explored a total of five design solutions, all with the proposed building located in a prominent location in northern part of the Site within Zone A as defined in the LDO, which is reserved for offices, hotel and an intended “Hub”. All options fully complied with the LDO Design Code. After discussions, with the Council’s Urban Design Consultant, and allocated planning officer, it has been decided to focus on option, called “the Look-out”, which includes a second floor event space, with a roof terrace overlooking the country park.
- 1.9. The architectural design is under development but the fundamental principles, around scale, massing and location have been agreed.
- 1.10. The proposed building will include:
 - 1.10.1. A high quality reception area capable of use for informal networking events.
 - 1.10.2. Forty-four (44) two person offices with demountable partitions enabling four and six person offices, in response to demand. These offices will be offered on the flexible terms currently offered at enterprise centre, on the Springwood Estate.
 - 1.10.3. One four-person office which can be used as a six-person meeting room.
 - 1.10.4. Three five-person offices which can be used as seven-person meeting rooms.
 - 1.10.5. A boardroom also available to other businesses on Horizon 120.
 - 1.10.6. Four meeting rooms, available for short-term hire.
 - 1.10.7. A café/restaurant with direct public access, forming a key element of the Hub, envisaged in the Local Development Order.
 - 1.10.8. A public open space, or plaza, forming another key element of the Hub and offering a café culture environment.
 - 1.10.9. A co-working environment to serve circa 150 clients.
 - 1.10.10. A maker-space to serve circa 56 clients developing prototypes of new products.
 - 1.10.11. Two event spaces with facilities for conferences, exhibitions and other similar business functions for up to two hundred (200) people.
 - 1.10.12. In addition, the Project will offer virtual memberships, i.e. entirely on-line.
 - 1.10.13. An estimated parking provision of ninety spaces.

- 1.11. The Enterprise Centre will be in a prominent location in northern part of the Site within Zone A as defined in the LDO, which is reserved for offices, hotel and an intended “Hub”.
- 1.12. Given the building’s prominence, particular emphasis is being placed upon design standards and specification in order to set the standard for subsequent buildings on the site. The building will be highly energy efficient and will achieve the minimum standard of Very Good, under BREAMM.
- 1.13. The Project Team is exploring links to providers of business support services and, specifically, has entered discussions with Anglia Ruskin University. Other potential partners include the Best Growth partnership, the Colchester Institute or Haven Gateway.

2. SELEP Grant Funding

- 2.1. At its meeting, on 5th October 2020, Council approved the inclusion of the Project within the Councils Capital Programme. This approval is subject to approval, of the business case, by Cabinet and by the SELEP Accountability Board, which is scheduled to meet on 20th November 2020
- 2.2. Having successfully entered an initial bidding process in July of this year, the Council has been provisionally allocated funding under the Getting Building programme, administered on behalf of the government by the South-East Local Enterprise Partnership (SELEP).
- 2.3. An updated outline business case (OBC) is attached as Appendix B and reflects the initial response and advice provided by SELEP’s independent technical evaluator. This report reflects the key elements of and is consistent with the OBC.
- 2.4. The final business case for the Project will be considered by the SELEP Accountability Board on 20th November 2020. If approved the Council will be allocated £7 million by way of a grant towards the capital costs of the new enterprise centre.
- 2.5. SELEP, and ECC have imposed a strict and demanding timescale for submission and evaluation of the business case for the Project, to fit in with the condition of spending the Grant monies by the end of March 2022. To that end the detailed business case will be submitted, to SELEP, by Friday 16th October 2020 in order to continue to secure the £7m allocated to the project by SELEP. However, the final decision as to whether to fund the Project will be taken by SELEP on the 20th November 2020, hence the need for Cabinet to decide on the viability of the business case and BDC funding contribution today.
- 2.6. Fundamental factors which enabled the Council to secure provisional allocation from SELEP were:
 - 2.6.1. That the Project will support the recovery of the Braintree economy from the Covid 19 crisis by supporting the development of new businesses and the growth of existing businesses

- 2.6.2. The Project is deliverable within the short timescale that the Fund requires;
 - 2.6.3. The Site is already owned by the Council;
 - 2.6.4. Planning permission has been secured with the adoption of the LDO;
- 2.7. A key condition of the grant allocation by the SELEP will be the need to ensure that the Getting Building Fund monies are expended before 31st March 2022. To that end the Enterprise Centre will need to be substantially complete by 31st March 2022 however it will be acceptable for the internal fit-out and some external works to be completed in the following 2-3 months.
- 2.8. In order to support the Council in achieving this timescale an accelerated programme of work has commenced and is being led by a multi-disciplinary Project Team drawn from across the Council. This has allowed initial design and technical work to be undertaken at speed.

3. Finance

- 3.1 It should be noted that the capital budget includes a 10% contingency. This takes into account an unusually low level of development risk due to the following factors:
- 3.1.1 The land is in the Council's ownership, therefore presenting no acquisition risk of cost or delay.
 - 3.1.2 The plot is not encumbered by 3rd party interests other than a fully documented UKPN easement along the northern boundary with Great Notley Country Park.
 - 3.1.3 Ground conditions have been thoroughly researched including extensive ground penetrating radar surveys as part of the existing Horizon 120 development works.
 - 3.1.4 Services and utilities, of sufficient capacity, are being delivered to the plot boundary through the existing Horizon 120 contract with Balfour Beatty.
 - 3.1.5 The adopted LDO substantially addresses the risk of delays or changes during any planning process.
 - 3.1.6 There is no risk of off-site works such as highways mitigation.
 - 3.1.7 The plot is clear of any above or below ground obstructions.
 - 3.1.8 The plot is clear of vegetation or wildlife habitats other than the vegetation on the northern boundary with Great Notley Country Park.
- 3.2 The proposed building, along with ancillary facilities is to be sited on an area of land allocated within the Horizon 120 business park and which totals two net developable acres. It should be noted that the approved business case, for Horizon 120, assumed the sale of 45 out of 47 net developable acres and that the remaining 2 acres would not generate a receipt for the Council.
- 3.3 The S106 Agreement for the Panfield Lane residential development includes an obligation on the developer to make a financial contribution of £2.93 million towards a new enterprise centre within a radius of Panfield Lane. The timescale for receipt of this money is uncertain as its payment depends on the quantum of development that is completed by the developer. However, the Development Services Manager has confirmed that the S106 agreement does

allow the Council to proceed with this Project in advance of receipt, and then to use the monies once received to retrospectively repay part of the costs. Consequently, until the Council is in receipt of the s.106 monies, it will be required to finance the whole capital expenditure relating to the Project.

- 3.4 It is proposed that the Council's contribution will be met by a mixture of capital reserves (including capital receipts in-hand, monies set aside in reserve derived from the Essex business rate pooling arrangement, and any unallocated New Homes Bonus) and prudential borrowing. It is recommended that this is subject to the Corporate Director (Finance) having the flexibility to determine the most appropriate means of financing the Council's overall capital programme, and within the borrowing limits approved by Full Council in the current Treasury Management Strategy.
- 3.6 Where prudential borrowing is used as part of the funding mix this will have a revenue cost comprising annual minimum revenue provision (MRP) and interest.
- 3.7 The Project will offer the Council significant commercial opportunities such as market print/media services and training courses, for example on Human Resources issues for new employers. These have been regarded as potential added value and have been discounted from this business case.
- 3.8 The Project Team has researched rents and other charges applied in other facilities, in the region, and has tested a total of twenty four different scenarios with different combinations of usage and rents for the different workspaces. The Team also considered the levels of occupation achieved at similar facilities and at the existing enterprise centre, on the Springwood Estate. The financial model below assumes a "glide path" with optimum occupancy not being achieved until Year 3. Of the alternative scenarios, the Project Team has agreed to focus on an option which is considered to strike the right balance between caution and ambition.
- 3.9 The Project Team has also considered an appropriate staffing structure to manage and operate the centre, along with estimates for running costs, marketing, and property management. Provision has also been made for future reinvestment through a sinking fund, and also to provide for future equipment and furniture replacements.
- 3.10 The financial model assumes a forty year loan period at 2.9% using an annuity type loan, and does not rely upon or assume that the above-mentioned (see 3.4), S106 financial contribution is received during this period.
- 3.11 An allowance for a 5% contingency on tendered prices would result in the overall capital cost increasing, which would need to be funded either from capital reserves or increased prudential borrowing. If the latter is used this would increase General Fund financing costs.
- 3.12 An investment appraisal model (including inflation) to support the SELEP business case requirements, prepared with assistance from external consultants, projects that the Project will generate surpluses from Year 3 of

operation, and results in a payback period of 18 years for the proposed amount to be borrowed, and 37 years for the Council's full capital investment. Further detail on this model and the assumptions are contained in the SELEP business case submission.

4. Options

- 4.1. The Council could decline the SELEP grant and determine that it will consider the Project at a future date. However, without the funding, any future Enterprise Centre would be significantly reduced in scale and impact and would not come forward for a number of years. The Council would be missing a significant funding opportunity if it did not proceed with the Project at this time. Accordingly this is not the recommended option.
- 4.2. The Council could also postpone development until receipt of the S106 financial contribution from Panfield Lane. This would mean that the Project would not be available to help the local economy recover from the impacts of Covid 19, and the Council would still miss the funding opportunity provided by the SELEP. Accordingly this is not the recommended option at this time.
- 4.3. The SELEP grant conditions are likely to be quite proscriptive particularly around the dates by which the SELEP grant is expended. Rather than leave officers with a binary choice between acceptance and rejection, of the conditions, it is explicitly recommended that officers are authorised to challenge and to negotiate those terms, if considered necessary.

5. Risks

- 5.1. The programme timescale requirements are demanding and require acceleration of all normal pre-development processes. The Project Team approach will provide assurance that issues, risks and concerns are registered and mitigated.
- 5.2. Failure to spend the Getting Building Fund by the required date of 31 March 2022, raises the risk that some or all of the grant may be clawed back by the government via SELEP. This risk is mitigated by the expectation that whilst the SELEP money is expended by that date it is not expected or required that the building is fully complete on that date. It will also be mitigated by active project management by the Braintree District Council project team and supported by ECC and SELEP oversight.
- 5.3. It is recognised that the pressurised project timescale will create challenges in fully appraising and testing the business case. However, the Council is benefiting from the scrutiny, of the business case, by ECC as upper tier accountable body and SELEP's own independent technical evaluator.
- 5.4. Confidence on the estimates of construction cost is regarded as imperative. Procurement of a contractor will therefore be commenced utilising an OJEU compliant framework and in close liaison with the Procurement Team. The early involvement of the proposed contractor will secure confirmation of overhead & profit (OHP) rates and facilitate market testing with the supply chain.

- 5.5. EU exit may have an adverse impact of procurement of materials and components as construction materials are often sourced from within the EU. The Construction Leadership Council (CLC) advice is that manufacture is unlikely to be affected but that there may be delivery delays in the event of disruption at the Channel ports. There is also a potential risk of a currency fluctuation affecting the cost of materials, priced in Euros. These risks will be at a national level and are being mitigated by considering the use of a UK, or at least a non-EU, supply chain.
- 5.6. CLC do not consider that EU exit will have a significant impact on the supply of labour
- 5.7. The impact of further waves, of the Covid-19 pandemic, will be mitigated by the adoption of the revised CLC Standard Operating Procedures for construction sites.
- 5.8. This business case is based upon reasonable assumptions about income, occupancy rates, operating costs and the “fill-up” period. Should actual demand be lower from that projected, or costs incurred higher, this would impact adversely on the General Fund revenue account. However, the building layout and specification allows for a high degree of flexibility so that the Project can adapt to changing market conditions.

6. Impact assessment

6.1. The impact is outlined in below

| Corporate Strategy Objective | Direct Impact of Proposed Scheme |
|---|--|
| A sustainable environment and a great place to live, work and play. | A BREAMM Very Good & highly energy efficient building in full compliance with the LDO Design Code |
| A well-connected and growing District with high-quality homes and infrastructure. | An exemplar business environment with facilities and support services to create or sustain 150 jobs each year. |
| A prosperous District that attracts business growth and provides high-quality employment opportunities. | A future-proofed facility with excellent facilities for new and growing businesses |
| A high performing organisation that delivers excellent value for money. | Provision of a financially viable and exemplar enterprise centre |

7. Legal implications

7.1. The Council will be required to enter into a Grant Agreement with Essex County Council for the Grant Funding if approved by the SELEP Accountability Board. This Agreement will set out the terms and conditions of the Grant and will hold the Council to account in terms of being able to meet the project delivery and associated Grant spend timescales required.

8. Summary

- 8.1. The Council has been provisionally allocated the sum of £7 million from the Getting Building Fund, subject to approval of a detailed business case by the SELEP Accountability Board on the 20th November.
- 8.2. At its meeting, on 5th October 2020, Council approved the inclusion of the Project within the Councils Capital Programme.
- 8.3. As outlined in 1.1 above, the Braintree Plan for Growth makes the strategic case for investing in incubation, start-up and grow on space which is not being provided by the open market
- 8.4. The capital costs, as outlined in 3.1 above, are projected excluding the notional land value.
- 8.5. The proposed financing strategy, as outlined in 3.6 above, is that the capital costs, after the SELEP grant, be met by capital reserves and prudential borrowing.
- 8.6. The revenue finance model, as outlined in 3.10 above, shows that, after an initial “fill-up” period, and on reasonable assumptions, the income is sufficient to meet all operating costs.
- 8.7. The revenue finance model projects annual net surpluses from the third year of operation and that the Council’s capital contribution will be recovered in full by Year 37.
- 8.8. The Project will enable the Council to develop a larger and higher quality facility, several years before the likely date of delivery if the project relied entirely upon Council finance.
- 8.9. The new and enhanced facility will enable the Council to play a greater role, and to be more effective, in assisting the local economy to recover from the Covid-19 pandemic and to adjust to the post-EU Exit commercial environment.
- 8.10. In conclusion, the Project is an exceptional opportunity to develop and operate an exemplar facility, meeting an identified strategic need on financially viable terms.

Horizon 120 Braintree District Council



Strategic Analysis and Initial Business Case

Draft Version 0.3



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1. Executive Summary

The following report will provide strategic research on the business demography of Braintree District, identifying sectors and factors relevant to the development of a business case for the Horizon 120 development. Sections included within this report comprise:

- Competitor analysis – this will provide an overview of the types of existing provision that are available to businesses within neighbouring districts;
- Braintree District sectoral appraisal including:
 - Identification of specific sector and sub-sector clustering within the area;
 - Gross value add (GVA) estimations for sectors relevant to the Horizon 120 development;
 - Total office and industrial space within the district;
 - Current vacant space within the district.
- Initial optioneering for the scheme;
- High level risks and benefits of the scheme;
- Initial cost estimates and associated assumptions.

There are several potential sectors that could provide potential occupants for the Horizon 120 development, including both:

- The manufacturing sector that would occupy a range of B1c and B2 workshop space, that is to be located within zone B of the development; and
- Office focused sectors that would occupy a range of B1a and B1b office space that is to be located within zone A of the development.

1.1 B1c/B2 Space

For B1c/B2 workshop space that will take place within zone B, Braintree has a relatively strong Manufacturing sector from which Horizon 120 should be able to draw a potential occupancy base. While there is a low existing density of manufacturing businesses located in the immediate vicinity of Great Notley, there are some existing adjacencies with the existing, established Springwood Industrial Estate.

Key subsectors

The manufacturing sector is a particular strength for Braintree, with many of the sub-sectors displaying location quotients that are above the all England average. Particular clusters of note exist within the following sub-sectors:

- Manufacturing of electronic components and boards;
- Manufacturing of communication equipment;
- Manufacturing of products of wood, cork, straw and plaiting material;
- Manufacturing of cutlery, tools and general hardware;
- Manufacturing of wiring and wiring products; and
- Manufacturing of structural metal products.

The largest employer within these sub-sectors in 2018 was the Manufacturing of structural metal products, which employees circa 450 people.

Key factors affecting space requirements

The proportion of micro-businesses within the sector in Braintree is proportionately smaller than that within the other districts of Essex, with 58.4% (295 of 505) of those businesses employing four or less employees. A further 18.8% of manufacturing businesses employ between 5 to 9 employees (95 of 505), with this slightly larger size-band of business being above the average proportion of total businesses within Essex.

Homes and Communities Agency (HCA) guidance for this type of business identifies a space density of 36m² per employee (GIA) for B2 space (with a range of 18-60m² dependent on use variance), and 47m² per employee (NIA) for B1c space.¹ The East of England Forecasting Model (EEFM) adopts a more homogeneous employment density based on these parameters using 36m² for general industrial use B1c/B2 space.²

Using this EEFM measure indicates that workshop units to cater for the smallest micro-business categorisation would be 144m². While grow on space for the next recorded increment size business would need to be 324m². This would be adequate for some 77.2% of businesses currently operating within the Braintree area.

Key factors affecting potential occupancy

Glenny LLP Databook analysis identifies Braintree as having substantially lower prime industrial rents than Thurrock UA, Chelmsford and Basildon (being at least 75p per sq. ft. cheaper than the next cheapest alternative). Valuation Office Agency (VOA) data on rateable values puts Braintree just above the mean and median values for 'industrial' floorspace, with the area ranked 21st most expensive out of 46 areas in the east of England region. This combination of competitive rents and close to the average rate of local taxation suggest that Braintree District offers a competitive environment from which to start or relocate a manufacturing business.

Both the EEFM space use forecast and the VOA measure for rateable industrial floorspace show a decline in the required/available industrial floorspace over the last two decades. The EEFM forecasts this decline to continue within the short to medium term. Despite this, the number of rateable businesses within what the VOA labels the 'industrial sector' has continued to increase, meaning that the businesses occupying this space, require less space on average, than previously necessary (Between 2000/01 and 2015/16 the average rateable floorspace per industrial business fell from 611m² to 596m² a fall of 2.5%).

Vacancy searches for industrial type space indicate that there is some 38,722m² of this type of space currently available to let. Evaluating this against the VOA measurement for existing rateable space indicates that there is a market void rate of approximately 4.45%, this is substantially below the 7.5% general vacancy rate expected for markets to operate efficiently.

¹ Homes and Communities Agency Additionality Guide 2014 4th Edition

² https://cambridgeshireinsight.org.uk/wp-content/uploads/2020/07/EEFM_2014_technical_report_January2015.pdf

This indicates that demand for modern, cost effective B1c/B2 space at Horizon 120 may be robust.

1.2 B1a/B1b Office Space

For B1a/B1b type space, the sectoral mix of businesses that operate within Braintree leans substantially towards those that would occupy B1a general type office space. The sectors considered relevant for this type of space and therefore examined within the report include:

- J: Information and communication;
- K: Financial and insurance;
- M: Professional, scientific and technical; and
- N: Administrative and support services (excluding call centre activities).

Key subsectors

While these sectors are in their totality, proportionately smaller in Braintree than in neighbouring districts, there are however some sub-sector clusters, that while small in terms of total employee numbers, have high location quotients that offer strengths to build upon. These sub-sector areas include:

- Insurance;
- Specialised design activities;
- Technical testing and analysis; and
- Security systems service activities.

In terms of productivity, sector 'K: Financial and insurance' produces a disproportionately high level of GVA. This is both substantially larger per sector worker than other sectors within Braintree and, larger than other districts experience within this sector across Essex. Within Braintree the number of 'local units' within this sector is relatively small, at just 125 in 2018, employing circa 1,750 people. While this type of business will add the most to the national economy, the potential tenant base from which Horizon 120 could potentially supply space to is much smaller than sector M.

Sector M: 'Professional, scientific and technical activities' has (as of 2018) a much larger number of 'local units' with a total of 1,090 businesses, and also employees substantially more people at 5,325 (2018). The sector shows a relatively high density of clustering in the locality around the location of Horizon 120. This will provide good adjacencies for businesses looking to locate or relocate to Horizon 120, to the existing local sector specific business base.

Key factors affecting space requirements

Within Braintree, sector M has a very high proportion of micro businesses employing four or less employees. Standing at 86.2% in 2018, this is the highest of the four sectors considered. A further 6% of these businesses totalling 65 (as of 2018) employee between 5 and 9 employees, suggesting that only a very small proportion of businesses within this economic area, mature beyond this size.

The two largest sub-sectors within sector M are 'Management consultancy activities' (95% of which employ 0-4 people) and 'Architectural, engineering and related technical consultancy activities' (83% of which employee 0-4 people). HCA guidance for this type of business identifies a space requirement of 12m² per employee (NIA), suggesting office size of 48m² will accommodate the majority of potential occupants.

Key factors affecting occupancy

With office rateable values below both the median and mean for the region, there is a limit to the benefits that can be gained from implementing size constraints on office sizes to ensure that businesses are under the threshold for exemptions.

As with industrial space, Glenny Databook analysis identifies that Braintree has substantially lower prime office rents than Chelmsford and Basildon (being at least £3.00 per sq. ft. cheaper than the next cheapest alternative).

VOA data on rateable values for office space also puts Braintree just below the mean and median values, with the area ranked 25th most expensive out of 46 areas in the east of England region. This combination of competitive rents and a below average rate of local taxation suggest that Braintree offers an even more competitive environment from which to start or relocate a business that would use office space.

Vacant office space to let is close to, but slightly below, the 7.5% equilibrium rate. Currently there is 9,386 m² of office space available, which is equivalent to a vacancy rate of 7.2%. This suggests that demand may not be as robust as for Industrial space, however mitigating this, the EEFM does suggest that there will be a sustained upward trend in the required level of office space within the district for the foreseeable future.

1.3 Recommendations

With the information supplied within the research it is recommended that BDC:

- Identify a target occupancy profile for the Horizon 120 development and conduct specific research into the facilities and support services that would support the development of micro businesses within this space. Key opportunities exist within:
 - Sector K : Financial and insurance activities, which whilst small in terms of the number of local business units, produces a high level of GVA;
 - Sector M : Professional, scientific & technical activities, which has a larger extant local business unit base.
- Develop a proposed suite of wrap around services tailored to the target profiled businesses that would likely occupy the new facilities;
- Establish if the 'maker facilities' offer the potential to be orientated towards professional service businesses, that are likely to make up the business community directly housed within the Enterprise Centre. This could include access to cutting edge digital technologies appropriate for this type of business enterprise;
- Utilise key point from this research in the development of the full HM treasury compliant OBC and FBC business case for the scheme.

2 Introduction

2.1 Overview

Horizon 120 is looking ‘to set a precedent for creating a *‘distinct place that supports a new model of a healthy, holistic working lifestyle’*. Ambitions for the site are to create a green and environmentally conscious business park that protects and enriches biodiversity.

“Development will be planned with high quality green infrastructure and space for flora and fauna, with no net loss of biodiversity. The Council will seek to minimise the impact of all forms of pollution on the health and amenity of local communities and the natural and built environment.”

The site is located to the south of Great Notley Country Park, across the A131 from Great Notley Village. Two business parks can be found within 2km of the site - Skyline Business Centre and Lynderswood Business Park.

The design and construction of the new Horizon 120 site is intended to reflect Braintree District Council’s vision for a new facility that should aspire to a high standard of sustainable design and operation.

“All new developments in the District will be of high-quality design, easily maintainable and will respect the scale, style and setting of the site...and developments should encourage the use of renewable energy and energy efficiency measures.”

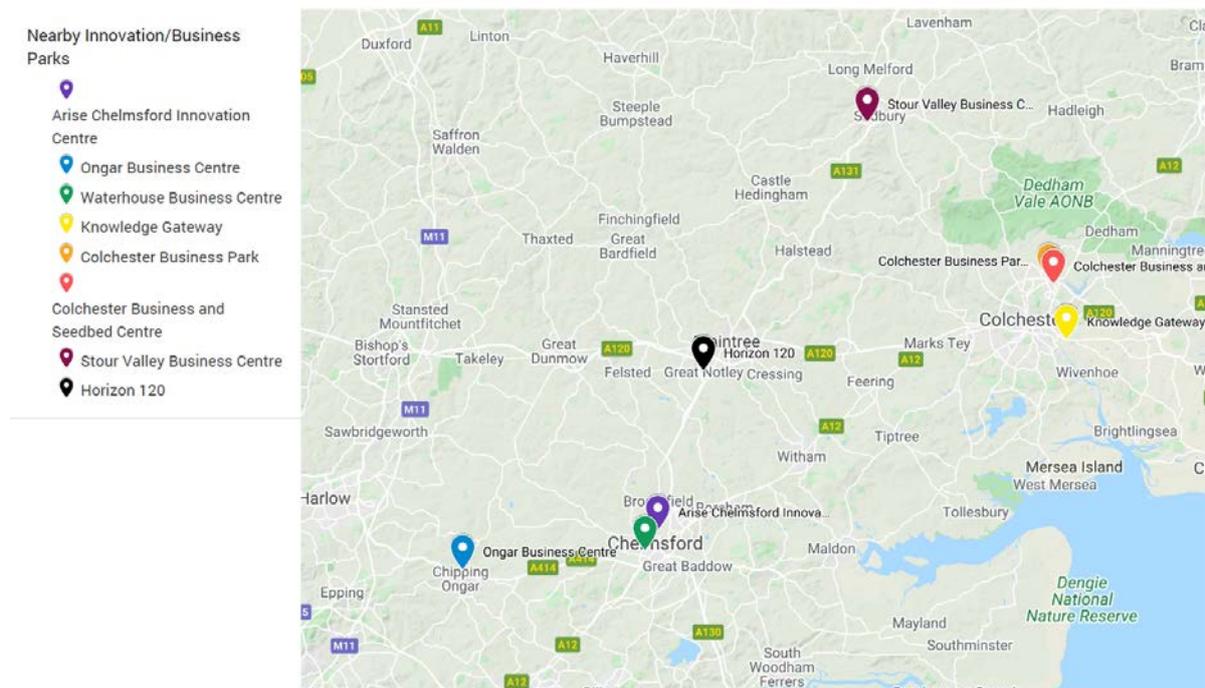
For potential occupants of space at Horizon 120, there are several possible nearby alternatives. This includes a range of provision at Industrial Estates, Business Parks, Serviced Offices and Innovation Centres. To provide a relevant overview of the types of provision available, analysis has been constrained to consider those developments which reflect some aspects of the nature, size, features and environment which Horizon 120 is expected to deliver. The range of provision available to businesses, varies considerably in size, quality, age and configuration.

In addition to this, Braintree sits within close proximity to six sizeable towns, each almost equidistant from it and each other, where potential alternatives to Horizon 120 may be found.

A search of similar/comparable facilities reveals there are none of significance in Maldon, Bishop’s Stortford or Saffron Walden. The only alternatives within that aforementioned area that are likely to impact on Horizon 120, will predominantly be found in either Colchester or Chelmsford. This is unsurprising given that their respective populations are significantly higher than the other towns located within the area.

In line with this, the following appraisal limits its scope to the towns of Colchester and Chelmsford, with the exception of Sudbury, which albeit, being outside of Essex, it is still close enough to Braintree to warrant consideration.

Figure 1: Local out of district service provision



2.1 Chelmsford

Chelmsford is the only city in Essex and, as such, carries a significant ‘pull’ for prospective employers and residents. Its relative proximity to London adds to that ‘pull’. Drinks company Britvic once had its home in the city, and it is now recognised as being an established centre for the Finance and Insurance sector, as well as for electronics. In fact, giants Marconi were first located here, but sold onto BAE in the latter part of the 20th century, and they remain in the city. Teledyne e2v has its headquarters in Chelmsford and they manufacture components in healthcare, space, life sciences, transportation and defence, all of which may be of interest to potential tenants of Horizon 120. The company has also developed *Whoosh!* Online learning in partnership with Essex County Council.

Chelmsford is home to Essex County Cricket Club, Chelmsford Racetrack, Essex Police and Essex County Council, as well as private sector engineering in the form of headquarters to Visteon (UK) Ltd and Battelle (UK) Ltd. The city boasts one of the principle sites of the Anglia Ruskin University, which includes the Lord Ashcroft International Business School (LAIBS).

All of this presents a strong local draw for companies who may, perhaps, wish to locate to established Innovation Centres, within close proximity to a significant centre of local population from which to furnish their workforce, with the opportunity to access an established component supply chain.

On the negative side, Brentwood is close to Chelmsford and is recognised as one of the most affluent parts of the UK. The impact could be it will inflate prices in the Chelmsford area, which could lead to organisations looking slightly further afield to locate. Braintree is sufficiently close enough to make that economically viable, especially if rental prices make that an attractive proposition.

2.1.1 Arise Innovation Park

Arise is located on the Anglia Ruskin University (ARU) campus, its business innovation hubs claim to be comfortable, stylish and equipped with all latest technologies and specifications expected of modern workspaces. The centre offers the opportunity to plug businesses into a unique collaborative network where cutting-edge expertise is standard. This offers clients opportunities that can instantly integrate health, wellbeing or performance to an entrepreneurial ecosystem which would normally take years to create.

They offer to be a collaborative partner that provides a unique competitive advantage, because their expertise applies to areas like engineering, additive manufacturing, medical technology and devices, and sustainable health system services.

For those looking to develop a new product or service, they can connect to a subsidised knowledge exchange funding programme, including Knowledge Transfer Partnerships (KTPs) and Arise's team of Partnership Development Managers work to understand specific needs and can suggest solutions that draw upon academic expertise. Other services on offer include access to network events, support to access funding opportunities and routes to enable the efficient employment of students and graduates through the onsite recruitment service.

As part of Arise, members have access to additional services, including ARU's gym - 'The Old Factory', sports facilities, students cafe 92, Digital Copy Services, Employment Bureau and the library, plus a range of R&D facilities on campus to support business.

Arise Chelmsford constitutes 29 office units and over 1000 sq. m. of office and innovation space; and, its 'set-up' makes it, arguably, the most comparable site to Horizon 120. Office units range in size from 22 to 67 sq. m. There are also three labs on site, one for medical engineering, one for civil engineering and one for the built environment. A small start up lab and collaboration suite is also available.

- Example Office rental = c£2.40/ft²
- Perceived benefit: modern asset; established enterprise set on a University campus
- Perceived disadvantage: potentially expensive for employees to locate to area



2.1.2 Ongar Business Centre

The Ongar Business Centre (OBC), formerly known as the Essex Technology and Innovation Centre, is located west of Chelmsford, on the way to Chipping Ongar. As such, it may be less obvious alternative to Horizon 120; but the centre is near key business hubs of Brentwood, Chelmsford and Epping and, therefore, will be attractive to prospective businesses looking to locate to the region.

The site offers business work-spaces and meeting rooms to SMEs, start-ups and entrepreneurs and is managed by Invest ESSEX, a business support agency and inward investment company. The management model offers substantial benefits to potential occupants, particularly start-up companies, who can take advantage of free professional services provided by Invest ESSEX. These services include business support, financial forecasts, expert advice and academic and commercial contacts.

The site consists of 30 managed workspaces and currently houses 10 virtual office tenants. There is 24/7 secured access, kitchen facilities, free wi-fi and free onsite parking. Three meeting rooms are available for half day hire and include large screens and whiteboards. Offices range in size from 14 to 57 sq. m.

There is good public transport access to the centre, with bus stops within a few minutes' walk. The bus routes provide easy direct access to Chelmsford, Shenfield, Kelvedon Hatch and Writtle. Train stations are located approx. 10 miles away with the closest being Epping Underground and Harlow Town Stations; both provide direct access to London Liverpool Street and London Stratford.

- Example Office rental = c£2.40-£2.50/ft²
- Perceived benefit: established enterprise; free business support and advice on-site
- Perceived disadvantage: proximity to Brentwood could render it potentially expensive for employees to locate to area.



2.1.3 Waterhouse Business Centre

Located close to Chelmsford Railway Station, Waterhouse Business Centre offers self-contained office suites, studios to let, commercial workshop space and light industrial units, providing a broad range of popular business accommodation with comprehensive business support packages.

Managed by the same company as Colchester Seedbed and Business Centre in Colchester (see below), the comprehensive range of flexible services claims to make this an ideal location for a call centre, or business continuity and disaster recovery operations.

The modern purpose-built centre offers free, unallocated parking on a secure landscaped site, with space suitable for a business looking for a one person starter office, to a 20 person office for medium enterprises looking for flexibility. There is also an onsite café, Waterhouse Kitchen and shower facilities to help support active travel.

Office units currently available to let include units ranging from 38.5 sq. m to 45 sq. m. All workshop space is currently let.

Workshop space at the site includes large roller shutter doors on every unit. Space is set out to maximise flexibility, with high ceilings in all units allowing customers to install mezzanine floors doubling the workspace if necessary.

The centre benefits from a modern digital telecoms system for telephone and broadband on a month-by-month basis, as well as a range of business support services including meeting rooms, reception, postal, photocopying and administration services, and a virtual office package. Meeting rooms are available for hire by the hour, half day and full day intervals. Two different sizes are available and set up can be arranged in several configurations.

- Example Office rental = c£2.75-£3.25/ft²
- Perceived benefit: established enterprise
- Perceived disadvantage: rental cost higher than most; potentially expensive for employees to locate to area



2.2 Colchester

Colchester is a garrison town, from where the British Forces Broadcasting Service (BFBS) operates and transmits to UK forces world-wide. The town has a large public sector presence, with its principal employers being the British Army, Colchester Borough Council, the NHS at Colchester Hospital, and the University of Essex, whose home is in the town. As its attractions, Colchester is close to Earls Colne airfield, which offers pleasure flights and it also boasts a zoo, a castle, and home to one of Essex's two English Football League teams.

As well as the University, Colchester is recognised as having some of the best schools in the country, including two grammar schools, and a vibrant arts scene including the Firstsite visual arts centre, the Mercury Theatre and Colchester Arts Centre.

The Colchester Business Enterprise Area (Colbea) provides advice, support and training for start-up, or potential start-up, businesses in Colchester and surrounding areas. They provide advice and training on any aspect of business, as well as providing support for establishing the best location. They are funded by Colchester Borough Council, and their website states on their 'Chelmsford page' that they are also in partnership with Chelmsford City Council.

Generally, established sites in Colchester present a strong draw in comparison to provision at Braintree primarily due to the population being approximately 2.5 times the size. With its subsequent larger potential workforce supply, with the added advantage of accessibility to the University of Essex. There are also some specific attractions to residing and working in the town, as mentioned. However, it is also further east and, consequently, it is more difficult to access central London, Stansted Airport and the M11, which detracts from its appeal.

2.2.1 Knowledge Gateway

The Knowledge Gateway Innovation Centre is a research and technology park based at the University of Essex's Colchester Campus. This is an official 'University Enterprise Zone' designated by the Government as a centre for nurturing and supporting new digital and creative businesses. It is a partnership between the University of Essex and Oxford Innovation (the UK's leading Innovation Centre operator, they claim).

The development of 38,000 sq. ft provides the space, plus the vital hands-on support, to help 50 start-up companies scale-up and succeed, and is also home to a state-of-the-art creative digital studio. It also offers an on-site café and business lounge area. The centre features 'Studio X', a space for students to develop business ideas, and for entrepreneurs to connect with the University of Essex to showcase its research in the creative and digital sectors. 'Studio X' offers unique facilities including a 360° VR projection space.

Office space is provided for businesses employing between 1 and 11 employees, including virtual office, co-working and dedicated desks. Private offices feature free on-site business support, mail and call handling services, free high speed wi-fi and discounts on meeting room space. Onsite parking is subject to license and availability.

Being sited within the Knowledge Gateway, University of Essex campus in Colchester, locating at the Innovation Centre offers benefits from short and long-term support of students,

academics, equipment and world-class research projects. Business support offered free at the site can help businesses to make strong connections with the University and provide opportunities to their students through research and internships as well as access to cutting-edge research, expertise and facilities.

Meeting rooms available for hire, On-campus sports centre & gym, Day nursery close by and the University facilities include a Hotel, Post Office, Restaurants & Bars. Consequently, along with Arise Chelmsford, it is arguably the most comparable to Horizon 120, in terms of its set-up and intention.

- Example Office rental = not specified
- Perceived benefit: modern asset; established enterprise set on a University campus
- Perceived disadvantage: Colchester is more distant from transport connections, e.g. M11



2.2.2 Colchester Business Park

Colchester Business Park claims to be East Anglia's Premier Business Park, on an established 35-acre site with, more than, 250,000 sq. ft of quality office space, within a superb landscaped setting providing business with a strong corporate identity. It is strategically located directly adjacent to the A12 / A120 interchange making the national motorway network accessible.

The centre is only 2.5 miles from Colchester Town Centre with a regular bus service and access to Stansted Airport. Ample on-site parking adjacent to the office buildings provides convenience, whilst the landscaped environment and on-site facilities provide an ideal working environment, with accommodation in sizes to suit all requirements.

On site amenities include restaurant, retail banking facilities, convenience store, hairdresser, dentists. Nearby is a Superstore, Health & Fitness Club, Children's Day Nursery.

Offices are much larger than those planned for Horizon, and come in a range of sizes from 61.8 sq. m to 1,393.5 sq. m. with 28 units in total.

- Example Office rental = c£1.40/ft²
- Perceived benefit: rental levels are relatively cheap; established enterprise
- Perceived disadvantage: less modern asset than others in this analysis; Colchester is more distant from transport connections, e.g. M11



2.2.3 Colchester Seedbed and Business Centre

Colchester Seedbed & Business Centre is a development of 44 individual commercial units, located on the Severalls Park development, directly adjacent to the A12/A120 Interchange, thus providing access to the national motorway networks. Space comprises a range of workshop and studio environments. Studio space is modern, contemporary and ideally suited to those wishing to start or grow a business. Their location at the front of the centre is perfect and all come with signage above the door and direct access from the car park. Every unit is prewired with data and power points and our internet service offers unlimited use with no long terms contract. Current studio's to let range from 22.3 sq. m. to 36.8 sq. m.

Managed by the same company as the Waterhouse Centre in Chelmsford (see above), the site is a mix of offices, studios and industrial units, providing comprehensive work space and also makes the centre an ideal location for a variety of businesses.

The site has security and 24-hour CCTV monitoring, an on-site café and ample free car parking. The offices are equipped with fibre optic link to the Internet and include feature rich telephones.

- Example Office rental = c£2.00-£2.35/ft²
- Perceived benefit: established enterprise
- Perceived disadvantage: Colchester is more distant from transport connections, e.g. M11



2.3 Sudbury

Sudbury is in Suffolk, but on the Essex border, located only 15 miles from the Horizon 120 site in Braintree, and linked directly by the A131. Sudbury itself is significantly smaller than Braintree and, given its location is further from central London, Stansted Airport and the M11, it almost certainly will be less of an attraction to the businesses it is hoped Horizon 120 will attract.

The town itself is not the location of any major companies, and it does not have any significant local attractions, places of interest or education institutions that would provide any substantial gravitational pull for businesses to the location.

2.3.1 Stour Valley Business Centre

The Stour Valley Business Centre is Sudbury's premier business park, with a diverse range of over 30 offices, workshops and warehouse space suitable for all stages of business, from growing start-ups through to more established companies requiring up to 1500 sq. ft. The centre is located on the outskirts of Sudbury, but within easy access to both the town centre and railway station, this Business Centre brings together small to medium sized businesses in a friendly, cohesive environment.

Current offices to let within the facility range from 28.8 sq. m to 110 sq. m. Most of the offices are finished to a high standard, including air conditioning and multiple data points. There is ample free parking and the centre also boasts its own on-site café.

Conference and seminar space is available to hire at hourly, half day and daily intervals

- Example Office rental = c£1.00-£1.65/ft²
- Perceived benefit: cheaper rental levels
- Perceived disadvantage: older asset; lack of amenities/attractiveness to prospective employers



2.4 Locality Summary

It is evident, from the review undertaken above, that existing establishments in both Colchester and Chelmsford present some competition to the offering at Horizon 120. All sites in those localities offer on-site catering facilities, security, cleaning, effective Broadband/Wi-Fi and ample free parking; so, there is little discernible difference in the basic offerings. Points of major differentiation appear in the wrap around support service offerings, particularly in those centres that are linked to a University, such as Arise and the Knowledge Gateway. Substantial consideration needs to be taken into what wrap around service support Horizon 120 can provide, that will enable the centre to offer a unique selling point for businesses considering locating there.

Arise at Chelmsford presents a recognisable alternative for businesses considering Horizon 120, especially so for those who wish to locate to established Innovation Centres, in close proximity to a location of significant local population, with potential access to an established component supply chain and the benefits that a local University can bring. Arise also benefits from the fact that central London is within easy reach. The area does have some downsides related to the average cost of rents within the area. Brentwood is close to Chelmsford and is recognised as one of the most affluent parts of the UK. This will be part of the reason for the inflated prices in the Chelmsford area, which could lead to organisations looking further afield to locate. As an alternative potential location, Braintree District, and by extension Horizon 120, is sufficiently close enough to make that economically viable, especially if the price of doing so is attractive and, therefore, Braintree District Council should ensure they think very carefully about the rental level to be set.

Established sites in Colchester will also present potential alternative locations for emerging local businesses, for similar reasons to that of Chelmsford. Once again Colchester has a substantially higher population and has the added draw of the University of Essex. There are also some specific attractions to residing and working in the town, however, it is also further east and, consequently, it is more difficult to access central London, Stansted Airport and the M11 from there, which will detract from its benefits.

There is some potential for competition in Sudbury, but it is considered very limited. The town is significantly smaller than Braintree and, like Colchester, given its location is further from central London, Stansted Airport and the M11, it almost certainly will be less of an attraction for the businesses it is hoped Horizon 120 will attract.

It is, perhaps, prudent to consider one other issue that has become more prevalent during 2020, because of the Covid-19 pandemic. That being the increasing necessity for employees to be working from home. As a result, we have already touched upon the growing trend towards online learning but, alongside that, several businesses may seek to minimise their uptake of, what they might consider to be, expensive office accommodation. It is apparent a number of the enterprises discussed above offer the 'virtual office' facility and Braintree District Council should definitely explore the opportunity of delivering similar services, by way of mitigating the risk of decreased demand for more traditional office-type provision.

3 Braintree Sectoral Overview

The following subsections of this report will review the business demography of the District of Braintree, with a particular focus on the manufacturing sector and other office based sectors that could potentially fit the profile for occupancy at Horizon 120.

3.1 Braintree District Market Segments

The Inter Departmental Business Register (IDBR) records the number of local units that are live in March of each reference year. The IDBR records information broken down by employment size band and Standard Industrial Classification (SIC2007). When interpreting this information, ‘local units’ are defined as ‘individual sites that belong to an enterprise’. Reviewing the composition of relevant sectors, will provide an indication of the type of businesses that could potentially occupy Horizon 120 space.

Data from the 2018 release indicated that sections F and M, ‘construction’ and ‘wholesale, retail and repair of motor vehicles’ make up the largest proportion of the business population within Braintree. This closely matches the sectoral distribution found at both county (Essex) and national level (England).

Of areas that are of interest for this business case, the Manufacturing sector is proportionally larger in Braintree (6.7%) than at county (5.1%) and national level (4.6%), while office based activities found within sectors J through N are consistently below the proportion found at both the county and national level.

Figure 2: Businesses in Braintree by SIC category

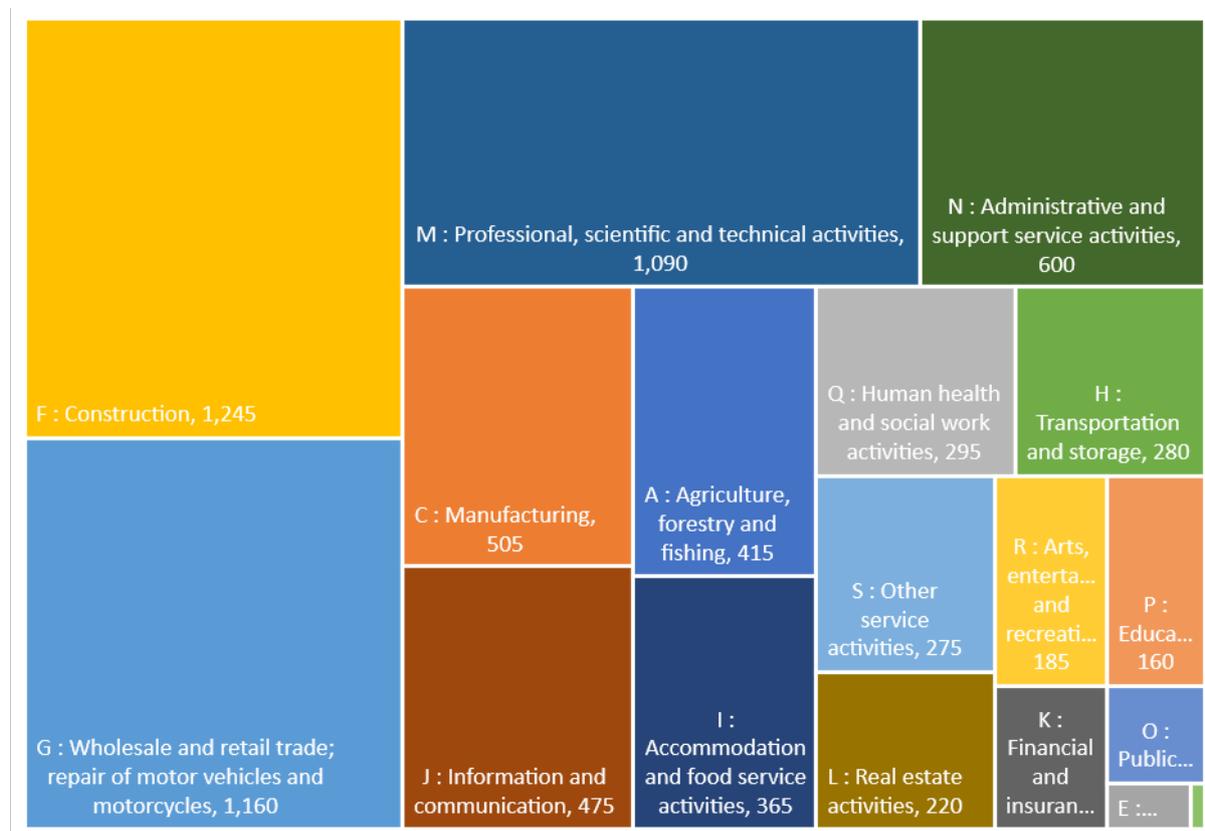


Table 1: Industry segments

| Industry ³ | Braintree | % | Essex | % | England | % |
|---|--------------|-------|---------------|-------|------------------|-------|
| A : Agriculture, forestry and fishing | 415 | 5.5% | 2,275 | 3.1% | 103,325 | 3.8% |
| B : Mining and quarrying | 5 | 0.1% | 40 | 0.1% | 1,425 | 0.1% |
| C : Manufacturing | 505 | 6.7% | 3,765 | 5.1% | 126,925 | 4.6% |
| D : Electricity, gas, steam & air conditioning | 0 | 0.0% | 65 | 0.1% | 4,950 | 0.2% |
| E : Water; sewerage, waste mgt. & remediation | 30 | 0.4% | 340 | 0.5% | 9,825 | 0.4% |
| F : Construction | 1,245 | 16.6% | 12,790 | 17.4% | 307,160 | 11.2% |
| G : Wholesale, retail, repair of motor vehicles | 1,160 | 15.5% | 11,310 | 15.4% | 444,645 | 16.2% |
| H : Transportation and storage | 280 | 3.7% | 2,865 | 3.9% | 112,265 | 4.1% |
| I : Accommodation and food service activities | 365 | 4.9% | 3,635 | 4.9% | 171,310 | 6.3% |
| J : Information and communication | 475 | 6.3% | 5,225 | 7.1% | 216,330 | 7.9% |
| K : Financial and insurance activities | 125 | 1.7% | 1,655 | 2.2% | 68,050 | 2.5% |
| L : Real estate activities | 220 | 2.9% | 2,595 | 3.5% | 101,215 | 3.7% |
| M : Professional, scientific & technical activities | 1,090 | 14.5% | 11,140 | 15.1% | 439,595 | 16.1% |
| N : Administrative and support service activities | 600 | 8.0% | 6,395 | 8.7% | 238,840 | 8.7% |
| O : Public admin, defence; social security | 75 | 1.0% | 460 | 0.6% | 18,695 | 0.7% |
| P : Education | 160 | 2.1% | 1,605 | 2.2% | 62,920 | 2.3% |
| Q : Human health and social work activities | 295 | 3.9% | 3,170 | 4.3% | 135,815 | 5.0% |
| R : Arts, entertainment and recreation | 185 | 2.5% | 1,690 | 2.3% | 75,505 | 2.8% |
| S : Other service activities | 275 | 3.7% | 2,620 | 3.6% | 99,735 | 3.6% |
| Total | 7,505 | | 73,640 | | 2,738,540 | |

3.2 Sectoral Location Quotients

Location quotient data developed by the Office for National Statistics (ONS) from the 2015 Business Register and Employment Survey (BRES), is used to demonstrate the relative geographic concentration of industry sectors.

Within the context of the development of a business case for Horizon 120, location quotient information can provide information on the tenant mixture that could emerge. It can also be used to act as a check against case studies of tenant mixtures for innovation centres cited elsewhere across the UK. Each area of the UK will have its own specific advantages and disadvantages, that will in part, provide a gravitational pull for certain sub sector businesses. These location specific factors will likely have some impact on the tenant mixtures found at different innovation centres across the UK.

The statistic is calculated as the quotient between the local share of employee jobs in a specific industry and the local share of national employee jobs. The ONS further describes how to interpret this statistic:

'A value of one means that region has the same share of employee jobs in industry as its share of national employee jobs. Example - region 'R' has 4% of manufacturing employee jobs in Great Britain, and also 4% of total employee

³ Inter Departmental Business Register UK Business County – local unit by industry 2019

jobs in Great Britain. A value greater than one means that a region has a higher share of employee jobs in industry 'I' than its share of national employee jobs.'

Within the data Braintree has five sectors which are above the English average, these include:

- E : Water supply; sewerage, waste management and remediation activities 2.8;
- F : Construction 1.9;
- C : Manufacturing 1.6;
- K : Financial and insurance activities 1.2;
- G : Wholesale and retail trade; repair of motor vehicles and motorcycles 1.2.

Figure 3: Location quotenties by sector (2015)⁴

The location quotient data confirms that not only is manufacturing one of the largest sectors within Braintree in terms of 'local units', it also has a location quotient above that of the English average.

For sectors that would be likely to use B1a office space, sector K : 'Financial and insurance activities', whilst considerably smaller than some other sectors within Braintree, also has a location quotient that is above the English average. This potentially offers some indication that businesses within this sector may represent some of the commercial tenants that would be expected to take up space at Horizon 120. The low overall number of these businesses (125), does however provide a counterpoint to this.

Given the location quotient information, consideration could be made as to the potential wrap around support services that sector K would need in order to be drawn to the Horizon 120 development.

⁴ Chart produced by ONS within Local Authority Location Quotient Data Specialisation release 2015

3.3 Gross Value Add (GVA)

The ONS publish regional annual gross value added (balanced) statistics by industry for the whole of the UK. This data estimates the balanced gross value added, allocated to individual local authorities. The ONS defines balanced estimates as:

‘produced by combining the existing income and production approach measures using weighted quality metrics (published separately)’.⁵

GVA estimates for sub-sector business can help to provide an evidence base for the potential added value that targeting specific support to certain sub-sector businesses, can bring to the national economy.

Simple productivity per job filled calculations can be made by dividing the regional GVA statistics by industry, by the jobs filled per sector data collected as part of the annual population survey, to provide a rough indication of the productivity of different sub-sectors.

GVA estimates presented within this data series are on a workplace basis and therefore allocated to the location within which the economic activity takes place. GVA estimates are produced in both current basic prices and chained volume measures, which effectively present the information in ‘real’ terms with the effects of inflation removed. Data used here is based on the chained volume measure, in millions of pounds and is presented for several SIC sectors of interest, including:

- C: Manufacturing;
- J : Information and communication;
- K : Financial and insurance activities;
- M : Professional, scientific & technical activities; and
- N : Administrative and support service activities.

As this information is produced at a small area level, the ONS places a caveat on the use and interpretation of this data due to its tendency for year to year volatility. This volatility is clearly evidenced on the run chart for key sectors within Braintree presented in figure 4 below. The GVA for sector K ‘Financial and insurance activities’ shows a steep incline between 2014 and 2017, increasing from £145m to £821m, before dropping back slightly in 2018 to £624m. Sector N: ‘Administration and support activities’ also saw a substantial uplift of growth in 2016, increasing from £76m to £156m, however unlike sector K, this was not repeated in subsequent years.

⁵ Full description can be found at *Development of a balanced measure of regional gross value added* Trevor Fenton and Bethan West

Figure 4: GVA run chart key sectors Braintree

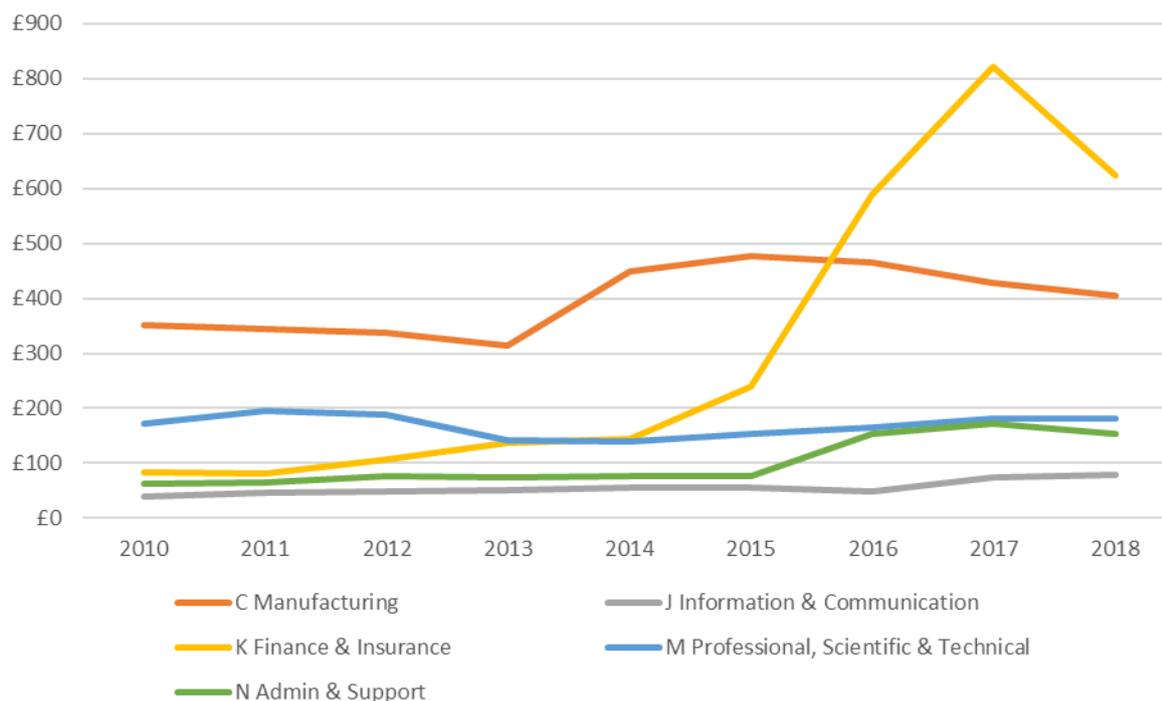


Table 2: Braintree GVA by key sector and annual percentage change

| Braintree GVA (£m) | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|-------|-------|--------|-------|-------|--------|-------|--------|
| C Manufacturing | 352 | 344 | 337 | 313 | 448 | 478 | 466 | 428 | 405 |
| J Information & Communication | 40 | 46 | 49 | 51 | 56 | 55 | 49 | 74 | 78 |
| K Finance & Insurance | 84 | 82 | 106 | 137 | 145 | 240 | 588 | 821 | 624 |
| M Professional, Scientific & Technical | 171 | 196 | 188 | 142 | 139 | 153 | 165 | 181 | 181 |
| N Admin & Support | 62 | 65 | 77 | 74 | 76 | 76 | 153 | 171 | 153 |
| Braintree GVA % Change | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| C Manufacturing | | -2.3% | -2.0% | -7.1% | 43.1% | 6.7% | -2.5% | -8.2% | -5.4% |
| J Information & Communication | | 15.0% | 6.5% | 4.1% | 9.8% | -1.8% | -10.9% | 51.0% | 5.4% |
| K Finance & Insurance | | -2.4% | 29.3% | 29.2% | 5.8% | 65.5% | 145.0% | 39.6% | -24.0% |
| M Professional, Scientific & Technical | | 14.6% | -4.1% | -24.5% | -2.1% | 10.1% | 7.8% | 9.7% | 0.0% |
| N Admin & Support | | 4.8% | 18.5% | -3.9% | 2.7% | 0.0% | 101.3% | 11.8% | -10.5% |

Comparing GVA for 2018 to districts within Essex with which Braintree shares a border, shows that Braintree has performed relatively well recently within the selected SIC code sectors.

Across the five selected districts, sector C ‘Manufacturing’ was cumulatively the largest during 2018, with a total GVA for the area of £1,190m. This was closely followed by sector M ‘Professional, scientific and technical activities’, which almost produced GVA of just over £1billion.

Braintree has, recently, in particular, had a very high level of GVA for sector K ‘Finance and Insurance’, which is more than three times larger that produced at Chelmsford; and sector C ‘Manufacturing’, which is 1.8 times bigger than Chelmsford and 1.5 times bigger than Colchester.

Both Chelmsford (1.6 times bigger) and Colchester (over twice the size) produce substantially larger GVA within sector M ‘Professional, scientific and technical activities’,

Figure 5: 2018 GVA by key sector and location

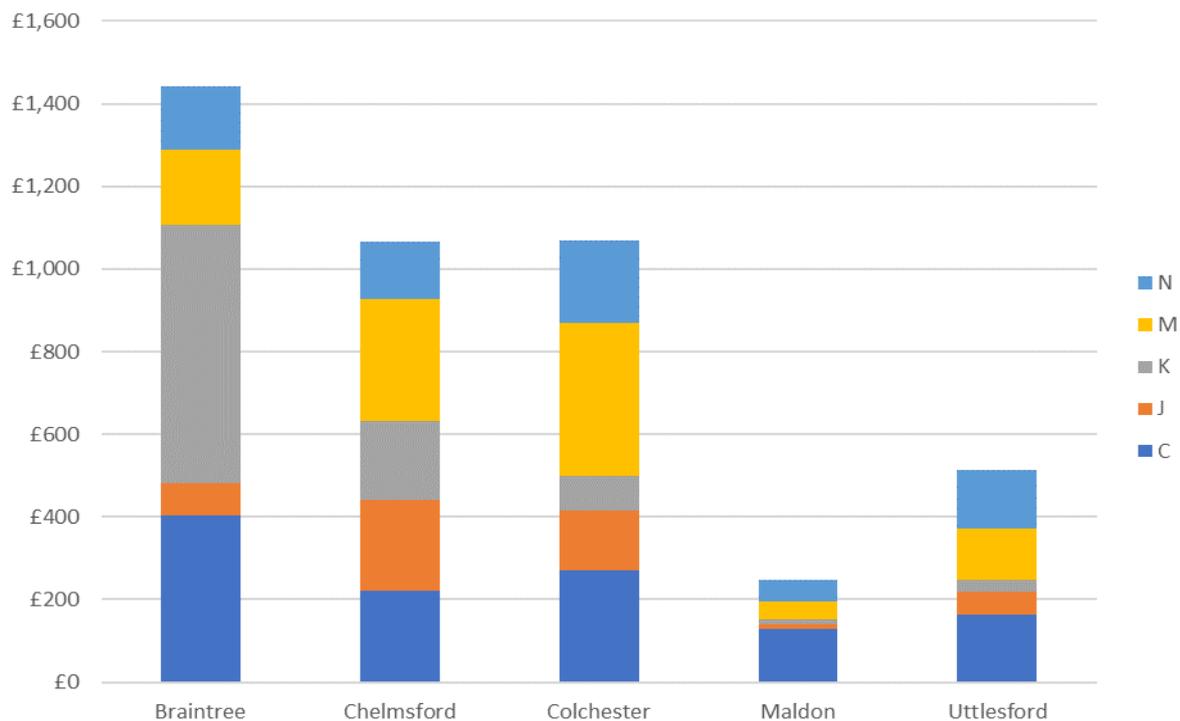


Table 3: 2018 GVA by key sector and location

| Area (£m) | Sector C | Sector J | Sector K | Sector M | Sector N | Area Total |
|---------------------|--------------|------------|------------|--------------|------------|--------------|
| Braintree | 405 | 78 | 624 | 181 | 153 | 1,441 |
| Chelmsford | 222 | 218 | 193 | 294 | 140 | 1,067 |
| Colchester | 271 | 145 | 84 | 368 | 202 | 1,070 |
| Maldon | 129 | 13 | 9 | 44 | 53 | 248 |
| Uttlesford | 163 | 57 | 27 | 125 | 141 | 513 |
| Sector Total | 1,190 | 511 | 937 | 1,012 | 689 | 4,339 |

In terms of productivity sector ‘K: Financial and insurance’ produces a disproportionately high level of GVA per job filled (£356,571). This is both substantially larger per sector worker than other sectors within Braintree (next largest is Manufacturing subsectors CA-B £85,211) and, larger than other districts experience within this sector across Essex (next largest is Epping Forest at £168,889).

Targeting business support services to encourage the growth of these types of business at Horizon 120, may therefore offer the largest GVA benefits to the UK economy. As noted in section 1.3 above however, while there is an above average clustering of this sector within Braintree, the sector is relatively small in terms of both the number of business units (125 in 2018) and the number of total employees (1,750 in 2018). Therefore while the GVA for this sub-sector is very high the potential tenancy pool from which Horizon 120 could draw from, is relatively small.

3.4 Enterprise Births, Deaths and Survival Rates

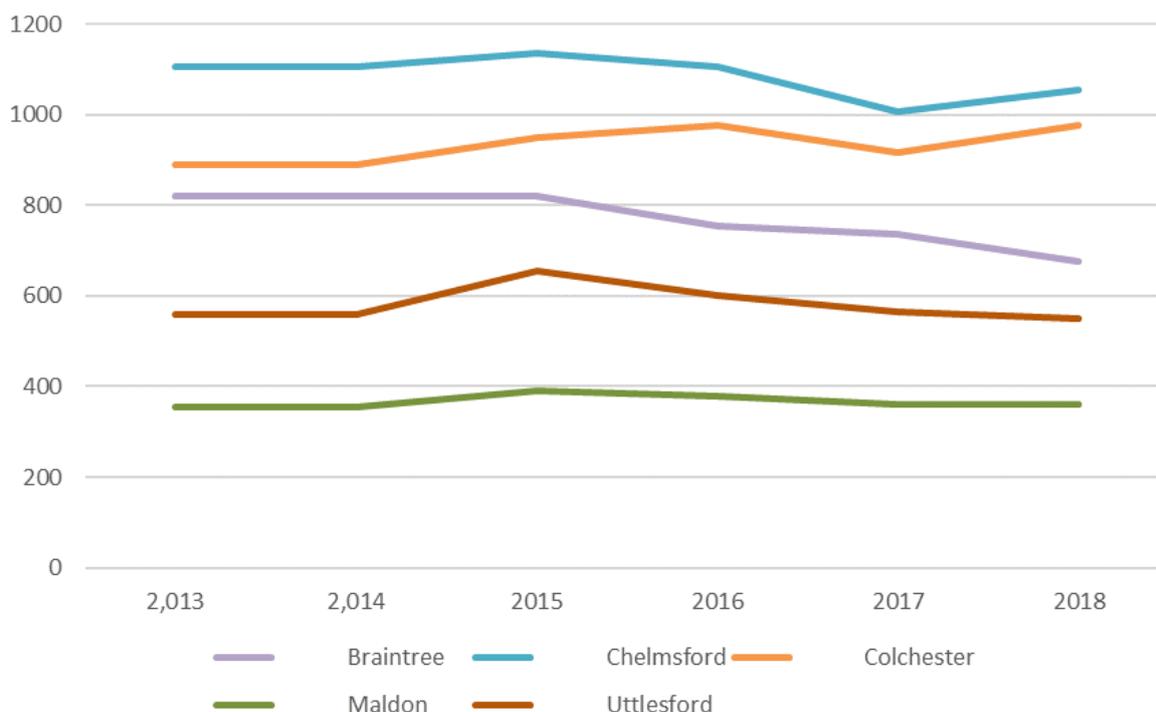
Business birth, deaths and survival rates can provide an indication of the scale of the pipeline for new businesses that could occupy space at Horizon 120, and the likely turnover rate for these commercial tenants.

The ONS reports business demographics on enterprise births, death and survival rates. The ONS defines enterprise births as ‘A birth is identified as a business that was present in year *t*, but did not exist in year *t-1* or *t-2*. Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones.’⁶

Braintree has seen a falling number of new enterprise births over the last several years, with an estimated 145 less enterprise births in 2018 than there were in 2014 (down 8.9%). This is the largest downward change in this measure within the County of Essex.

The picture across Essex is not uniform in relation to this measure, with for example Maldon showing a (broadly) flat trend, while Colchester has shown an increased level of new enterprise start-ups adding an additional 90 in 2018 over the 2014 level.

Figure 6: Annual business births Braintree and neighbouring districts in Essex



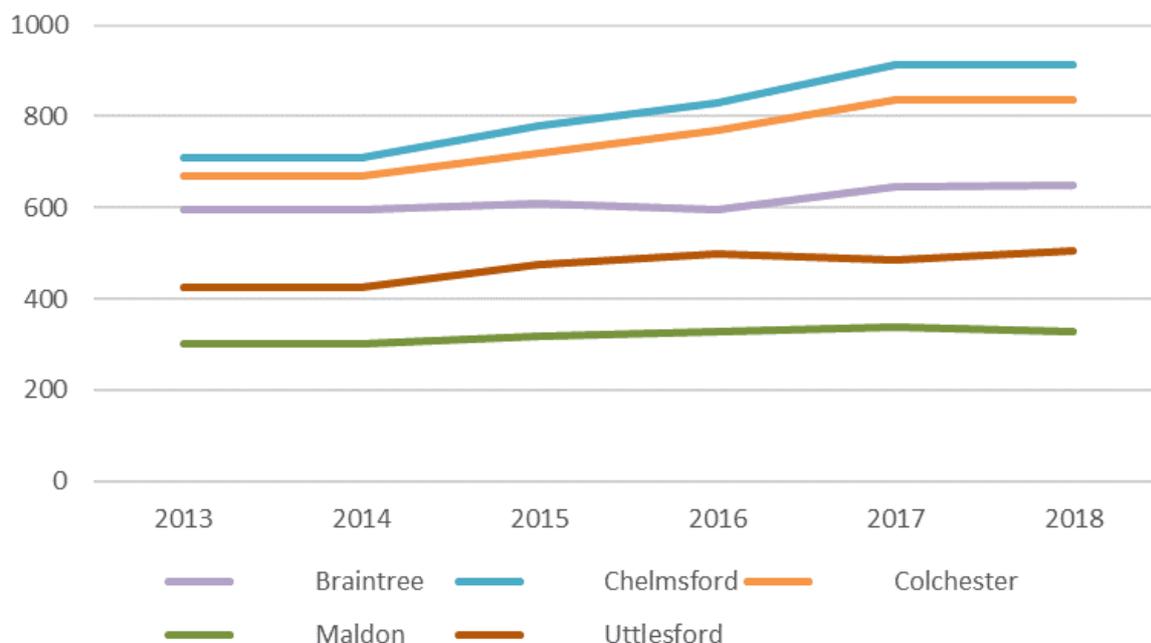
The ONS defines enterprise deaths as ‘A business that was on the active file in year *t*, but was no longer present in the active file in *t+1* and *t+2*. In order to provide an early estimate of deaths, an adjustment has been made to the latest two years deaths to allow for reactivations’.

Unlike with enterprise births, enterprise deaths do appear to show a more uniform pattern across Essex, with deaths up on 2014 levels in all five districts featured in figure 7. Chelmsford and Colchester have experienced the steepest increase in business deaths, up over 200

⁶ ONS Business Demography 2018 Enterprise Births, Deaths and Survivals

annually from 2014 to 2018. This is a 22.4% increase in Chelmsford and a 19.8% increase in Colchester. The largest proportional increase in business deaths in Essex is found in Harrow (not charted) which is up 43.2%, this is however from a substantially smaller base figure. In comparison to this, Braintree's increase in enterprise deaths is relatively small at 8.9%, up 55 from the number recorded in 2014.

Figure 7: Annual business deaths Braintree and neighbouring districts in Essex



The ONS defines survival rates as ‘A business is deemed to have survived if having been a birth in year t or having survived to year t ; it is active in terms of employment and/or turnover in any part of $t+1$ ’.

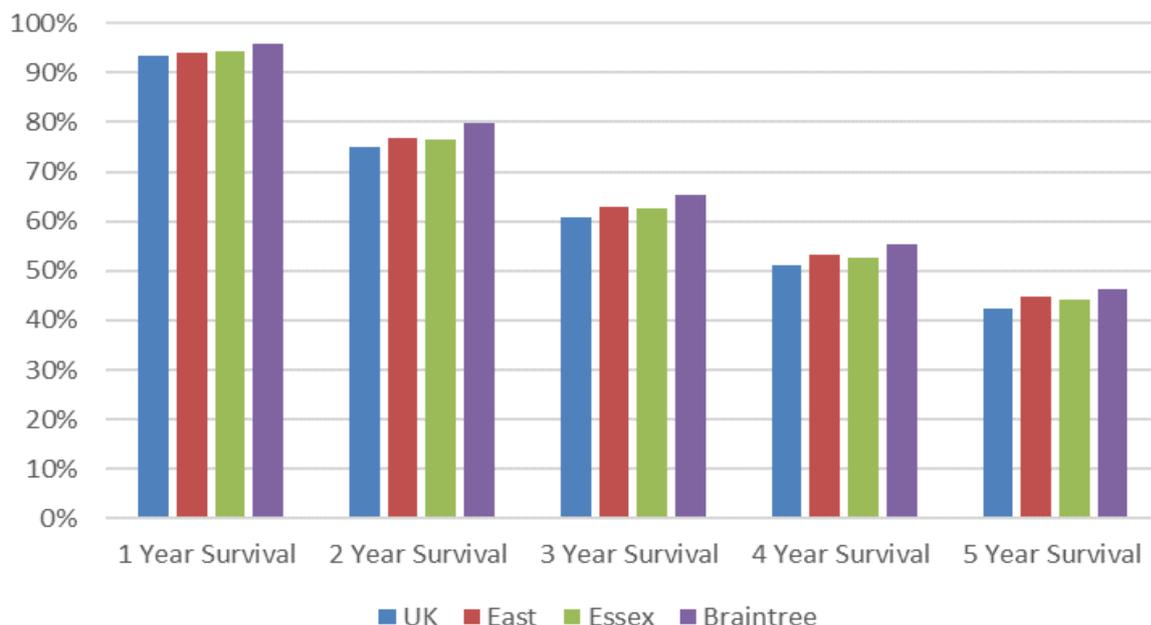
Information related to business survival rates was sourced from the ONS for a sample year of businesses formed in 2013.

Figure 8 and table 4 below, clearly show that businesses taken from the sample year in Braintree had a higher chance of survival at every yearly interval than the county, regional and national equivalents. The gap between business survival in Braintree and the Essex average is largest in year two at 3.2% and remains above the Essex average by at least 2% points at year three, four and five intervals.

Table 4: Business survival rates based on 2015 cohort

| Area | 1 Year Survival | 2 Year Survival | 3 Year Survival | 4 Year Survival | 5 Year Survival |
|-----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| UK | 93.5% | 75.1% | 60.9% | 51.2% | 42.4% |
| East | 94.2% | 76.8% | 63.0% | 53.3% | 44.7% |
| Essex | 94.4% | 76.7% | 62.7% | 52.7% | 44.2% |
| Braintree | 95.7% | 79.9% | 65.2% | 55.5% | 46.3% |

Figure 8: Business survival rates



3.5 Rateable Values

The Valuation Office Agency (VOA) publish statistics on the rateable value of a variety of property types, by geographic area. This data is broken down by broad sector base including of relevance here, Industrial and Office based floor space. Up to the year 2015/16 this information included rateable floorspace valuations per m².

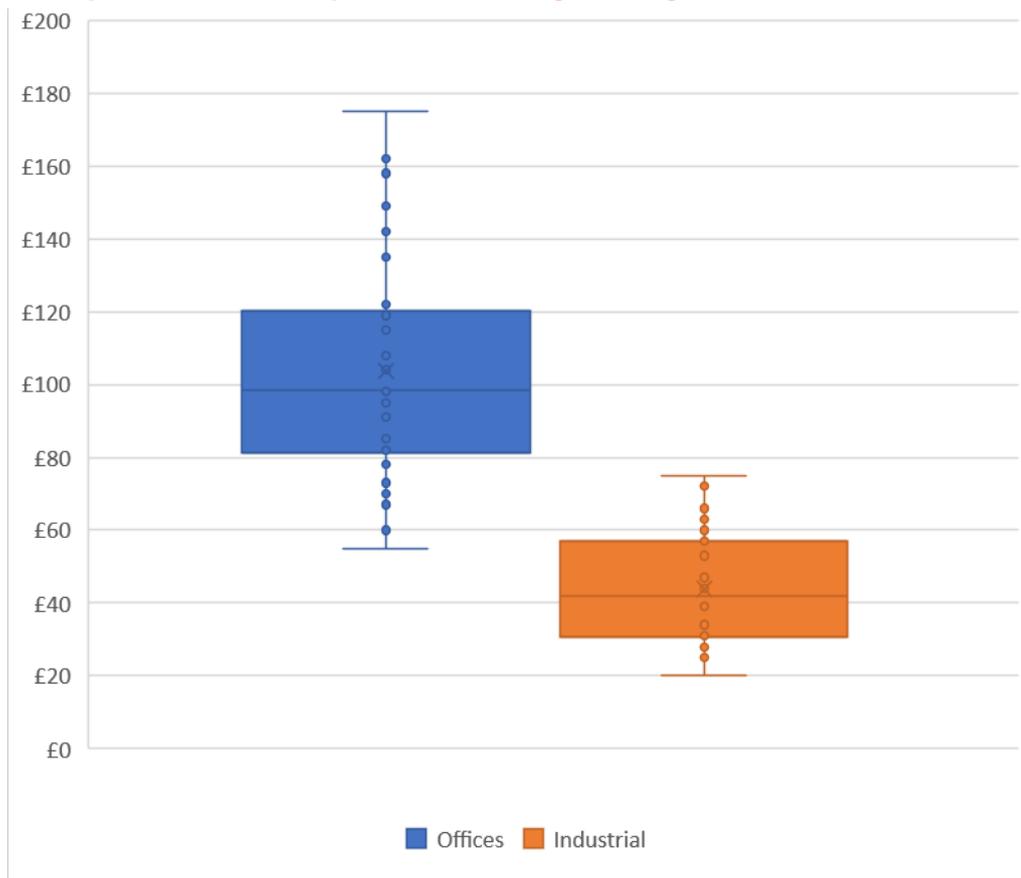
When viewing the latest 2015/16 financial year information within the context of the wider east of England region, Braintree performs relatively favourably being just below both the mean and median values within the ‘office’ categorisation and just above these values within the industrial categorisation. This is likely to position the district favourably within the region, in terms of its attractiveness to businesses.

Table 5: Rateable value comparator

| Indicator ⁷ | Office £m ² | Industrial £m ² |
|------------------------|------------------------|----------------------------|
| Braintree | 97 | 45 |
| Min | 55 | 20 |
| Q1 | 82.25 | 31 |
| Median | 98.5 | 42 |
| Q3 | 119.75 | 56.5 |
| Q4 | 175 | 75 |
| Mean | 103.7 | 43.8 |
| Range | 120 | 55 |
| Count | 46 | 46 |
| Rank | 25 of 46 | 21 of 46 |

⁷ Derived from Valuation Office Agency Statistics

Figure 9: Boxplot rateable value per M² East of England Region 2015/16



3.6 Rateable Floorspace

As with the rateable value per m² data, up until the year 2015/16 the VOA provided estimated values for the total rateable floorspace within different geographic layers. Estimated floorspace within this experimental statistical release is rounded to the nearest 1000m².

The VOA defined floorspace as ‘*the floor area of a rateable property measured in meters squared (m²). Conventions for measuring floorspace differ for different types of property. Floorspace is used to calculate the rateable value of rateable properties.*

Rateable floorspace is of relevance here, as it can be used as an indicator for the total supply of floorspace within an area.

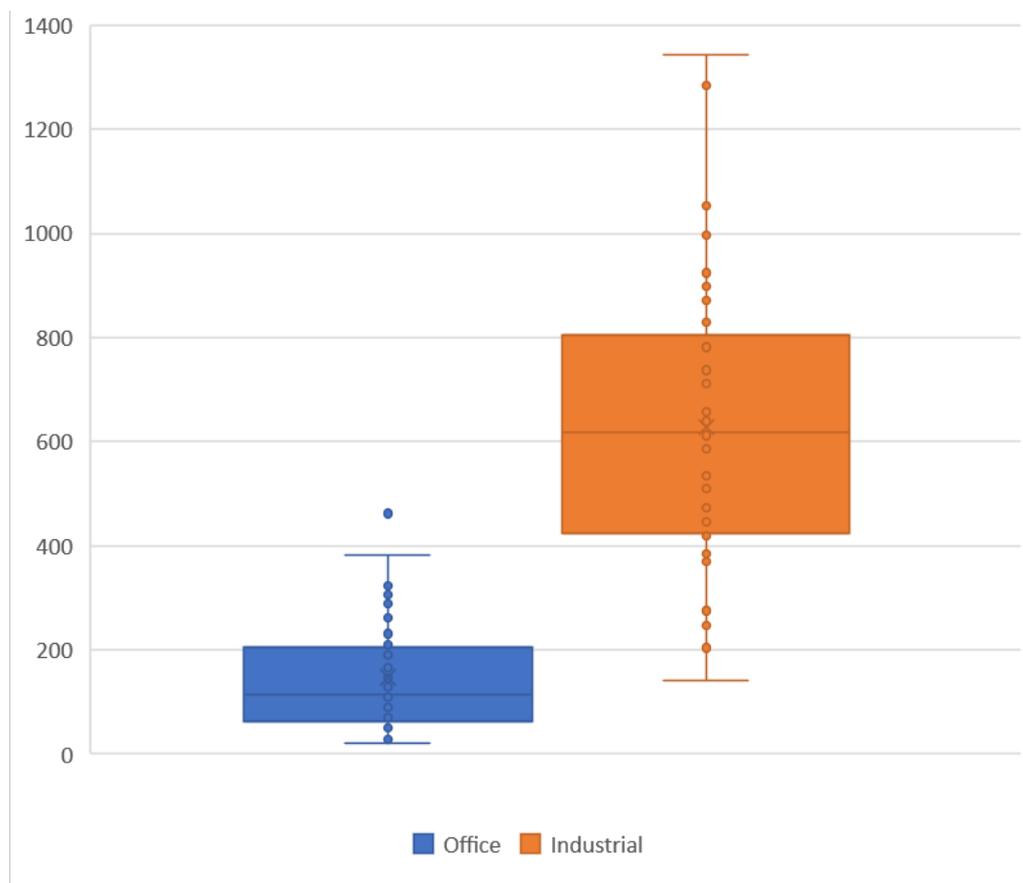
In terms of existing rateable floorspace, Braintree is once again found close to the median value for office space (115,000m²) but considerably below the mean (147,000) m². The differential between the two measures is partially caused by a considerable outlier (South Cambridgeshire see the single data point far above the whisker of the boxplot in figure 10), which is distorting in the average.

For industrial space, Braintree has substantially more rateable floorspace than the majority of districts within the east of England region. With 900,000m² of rateable industrial floorspace, Braintree is located in the top quartile substantially higher than the mean (628,000 m²) and the medium (617,000m²). Of the constituent districts within Essex only Basildon has more industrial rateable floor space (1,284,000 m²).

Table 6: Floor space rateable properties (,000) 2015/16

| Indicator ⁸ | Office (,000) m ² | Industrial (,000) m ² |
|------------------------|------------------------------|----------------------------------|
| Braintree | 116 | 900 |
| Min | 21 | 142 |
| Q1 | 63 | 431 |
| Median | 115 | 617 |
| Q3 | 199 | 793 |
| Q4 | 462 | 1342 |
| Mean | 146.6 | 628.0 |
| Range | 441 | 1200 |
| Count | 41 | 41 |
| Rank | 20 of 41 | 7 of 41 |

Figure 10: Boxplot rateable floor space (,000) East of England Districts 2015/16

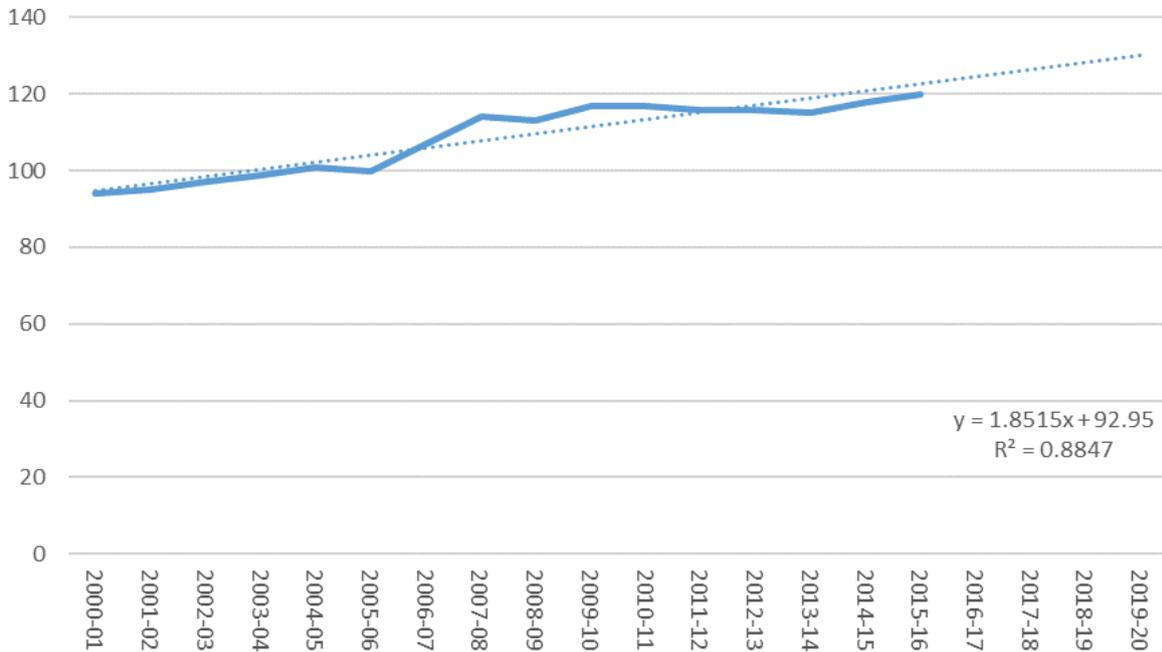


Trends within the extant data show that the level of rateable office floorspace presents a mild upward trend over the period 2001/2 to 2015/16. Forecasting this existing data forward to provide an estimate for the years 2016/17 to 2019/20, using a linear trendline shows a high degree of fit with an R² value of 0.88. This forecasts suggests that there should have been

⁸ Derived from Valuation Office Agency Statistics

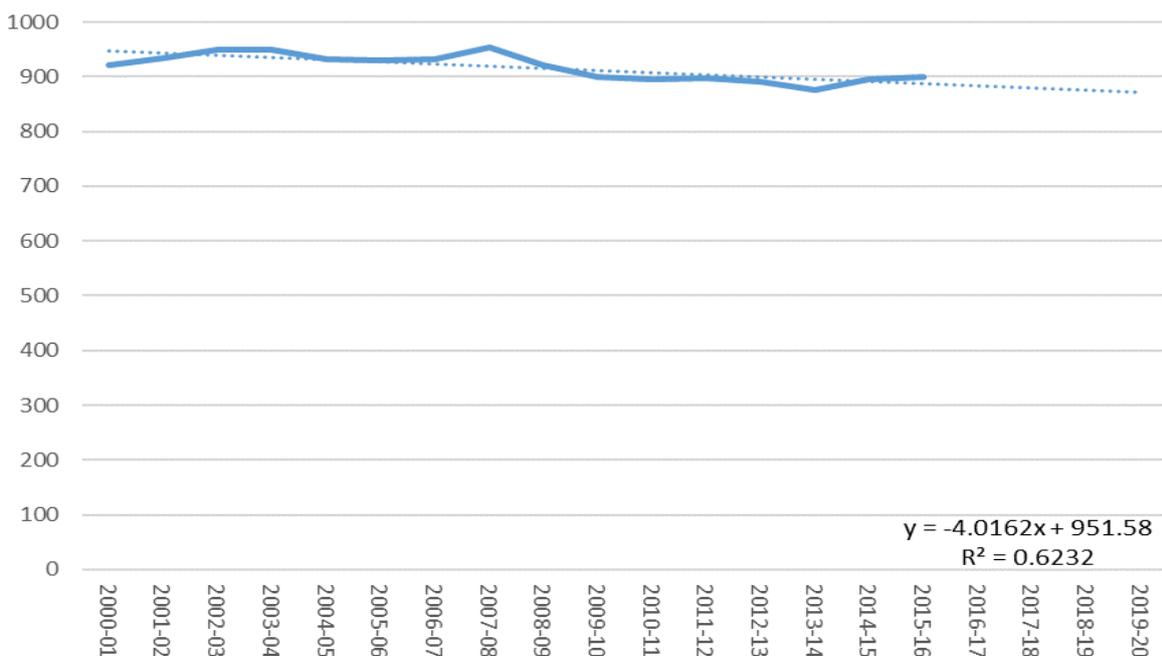
circa an additional 10,0000 m² added to the extant rateable floorspace within the last four years.

Figure 11: Run chart with linear forecast rateable office floorspace within Braintree



Conversely there is a mild downward trend in the historic rateable floorspace for industrial properties. This trend has however shown signs of stabilising since 2010/11. The linear forecast used to cover the missing period of data presents a lower goodness of fit to the data with a R² value of 0.62.

Figure 12: Run chart with linear forecast rateable industrial floorspace within Braintree



3.7 Vacant Floorspace

In order for a the local property market to work effectively, there is a requirement for a threshold level of voids within the marketplace to enable existing businesses to flex and contract to meet their dynamic internal needs. This equilibrium vacancy rate is generally held to be around 7.5% of total stock. Vacancy rates substantially higher or lower than the 7.5% rate lead to imbalances in the level of supply and demand requiring interventions to be made.

Internet searches for current vacant commercial properties to let or buy were completed during the course of the week 03/07/2020 to 07/07/2020. This identified the following number of relevant available commercial properties within the area.

Table 7: Advertised vacant floor space (August 2020)

| Category ⁹ | Count of Category | Sq. ft. | Sq. m. |
|-----------------------|-------------------|---------|--------|
| Heavy Industrial | 1 | 1,200 | 111 |
| Light Industrial | 22 | 329,805 | 30,640 |
| Office | 39 | 101,030 | 9,386 |
| Storage | 5 | 10,263 | 953 |
| Warehouse | 7 | 79,001 | 7,339 |
| Workshop | 3 | 6,800 | 632 |
| Grand Total | 78 | 521,862 | 48,483 |

Comparing this to the VOA data for rateable floorspace provides the following estimated vacancy rate for the district can be calculated:

- Office Space: $9,386/130,000 = 7.2\%$
- Industrial Space: $38,722/871,000 = 4.45\%$

For industrial space this is far below the equilibrium rate and is perhaps indicative of the higher density of manufacturing businesses that already occupy space within the district (in comparison to other districts within the east of England region).

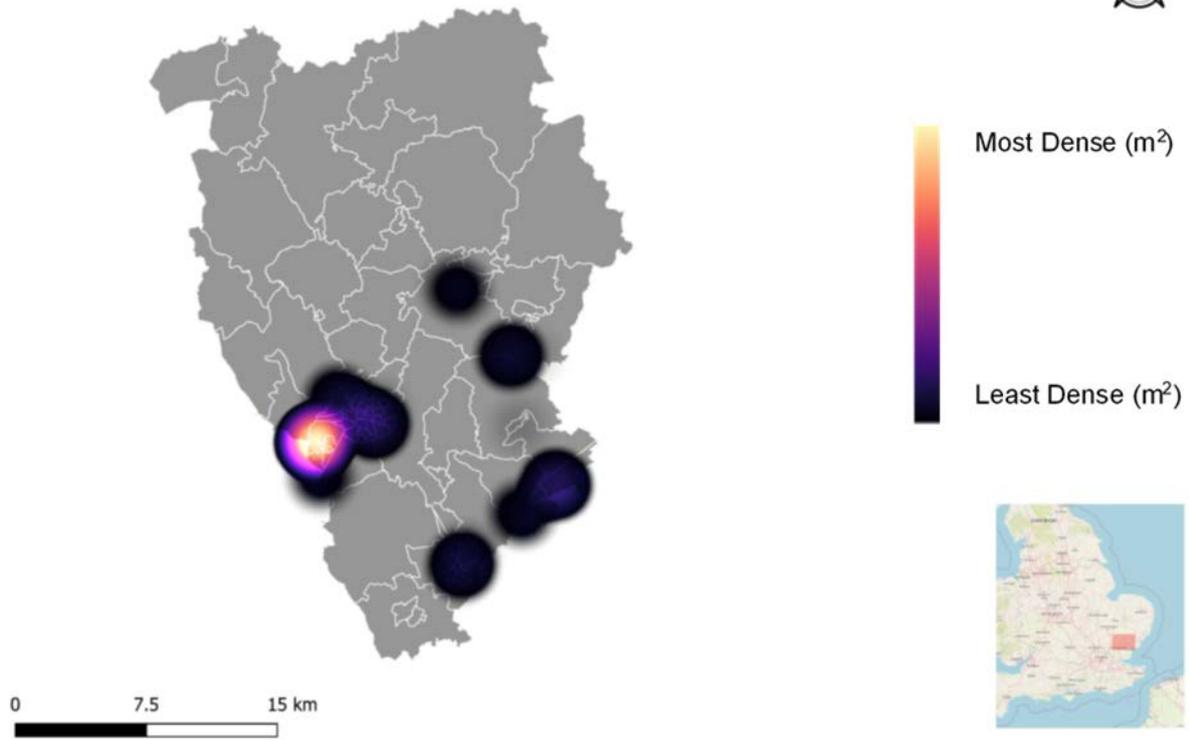
Unsurprisingly, heat maps plotting this space across the district show particular densities around the areas major urban centres including Braintree, Witham and Halstead. As the searches include substantial developments at the Horizon 120 business and innovation park, particularly high densities of available space are shown in Braintree itself. Witham Industrial estate is prominent on the industrial space heat map, while vacant office space appears in several prominent bubbles across the southern half of the district.

For the development of B1c/B2 space at the workshop developments located in Zone B, space at the existing Springwood Industrial Estate may provide a degree of competition for potential tenants as it offers both the opportunity to site a business at an established Industrial estate and opportunities for direct adjacencies to other manufacturing businesses.

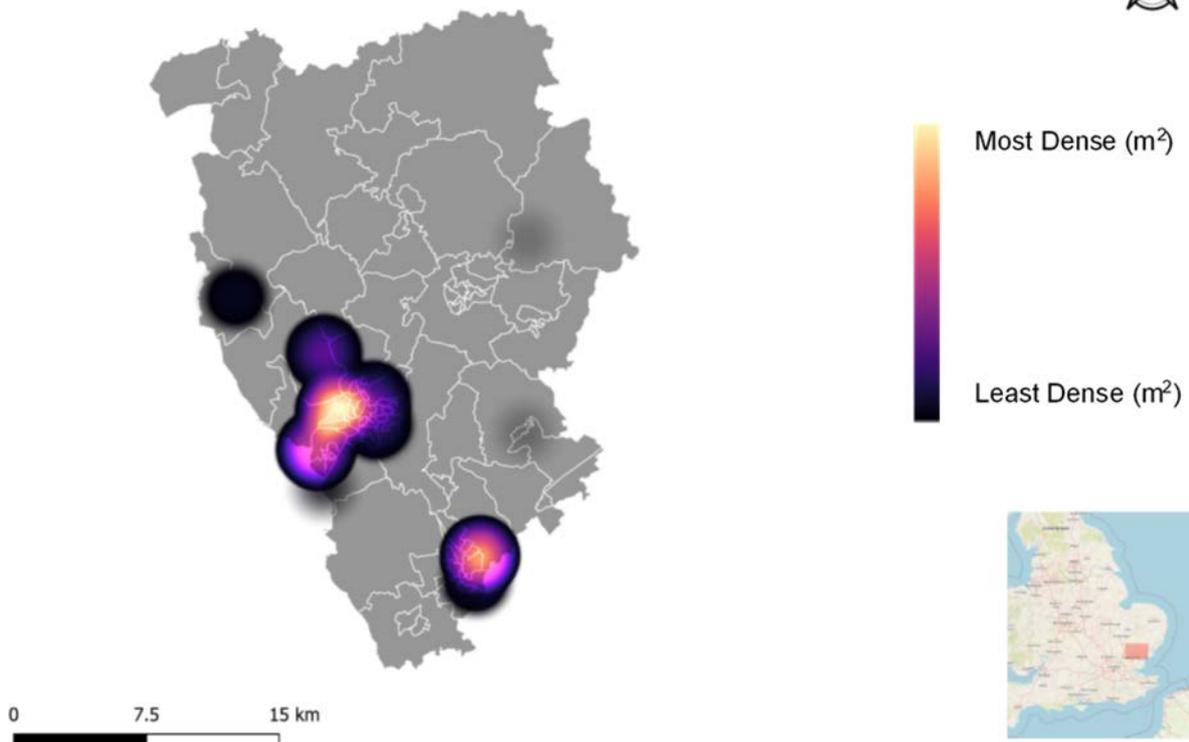
⁹ Search via primelocation.com

Figure 13: Vacant office and industrial space heat maps

Vacant Office Space Heat Map



Vacant Light Industrial Space Heat Map



4 Braintree Manufacturing Sector

4.1 Sector Segments

The broad industry categorisations shown in figure 2 (page 17) can be disaggregated through several layers to provide a more granular breakdown of business. Evaluation at the three digit group provides a suitable segmentation for the purposes of this report. For potential use of B1c/B2 space at the workshops, this relates specifically to manufacturing and its component sub-sectors. Maps of the District presented below show the proportion of businesses within sectors C, J, K, M and N and the geographic spread of these businesses across the lower super output areas that make up the District of Braintree. While the geographic spread of employees within these businesses can be seen to be different per sector, they are generally more concentrated towards the southern half of the maps.

At three digit level there are 104 categories within the SIC C: Manufacturing. The UK Business Count data for 2019 indicates that Braintree does not have businesses operating in all these economic areas (60). Of the 44 remaining areas 26 categories are estimated to have five or less businesses all of which fall in the micro employee size band of four or less employees.

The tree map in figure 14 shows the hierarchical breakdown of the sector within Braintree District boundaries. The largest number of manufacturing businesses are found in the category 'Manufacture of products of wood, cork, straw and plaiting materials', which contains a range of micro and small businesses under 19 employees. The next largest category is in 'Printing and service activities related to printing', which again contains a range of business varying in size between micro and small business size bands up to 49 employees. The largest manufacturing businesses in the area are found in the category 'Manufacture of glass and glass products' where some of the business fall into the medium size employment band, employing between 100 and 249 employees.

The choropleth map in figure 14 below shows the location of Horizon 120 in relation to the density of manufacturing businesses across the area. Higher densities are identified by darker shades within the colour scheme. The Business Register and Employment Survey (BRES) for 2018 indicates that the largest concentration of manufacturing jobs are found in:

- Witham Industrial Estate (LSOA E01021415/E01021416), where there are approximately 3000 manufacturing jobs. This is to the south of the District nine miles from Braintree and 14 miles from Colchester;
- Springwood Industrial Estate (LSOA E01021358) where there are approximately 1200 manufacturing jobs. This is located to the north west of Braintree town relatively close to Horizon;
- Earls Colne Business Park (LSOA E01021408) where there are approximately 500 manufacturing jobs. This is located to the east of the District, roughly equidistant between Braintree and Colchester; and
- Bluebridge Industrial Estate, Halstead (LSOA E01021389) where there are approximately 450 manufacturing jobs. This is located to the north east of Braintree about eight miles from the town centre.

Horizon is located in LSOA E01021383 where there are far fewer manufacturing, jobs circa 150, however there is a relatively short distance between Horizon and the established Springwood Industrial estate, which presents some good potential adjacencies for linkages to existing manufacturing businesses.

Figure 14: Businesses in Braintree SIC code C: Manufacturing



4.2 Business Size-Bands

Reviewing the size of sector specific businesses within Braintree can provide an indication of the size of space that are of greatest demand. The majority of manufacturing businesses within the area (58.4%) are micro businesses employing between 0 and 4 employees. This is lower than at County (Essex), regional (East of England) and National (England) level. This is also below the proportion of micro manufacturing businesses found in neighbouring Districts within Essex including Chelmsford (69%), Colchester (64.9%), Maldon (62.7%) and Uttlesford (67.7%).¹⁰

Conversely Braintree has a larger proportion of small manufacturing businesses of between 10 and 49 employees (17.8%) than all the neighbouring Districts, regional and national comparators. There are no large manufacturing businesses over 250 employees operating in the area.

Figure 15: Business count SIC code C: Manufacturing by employee size band

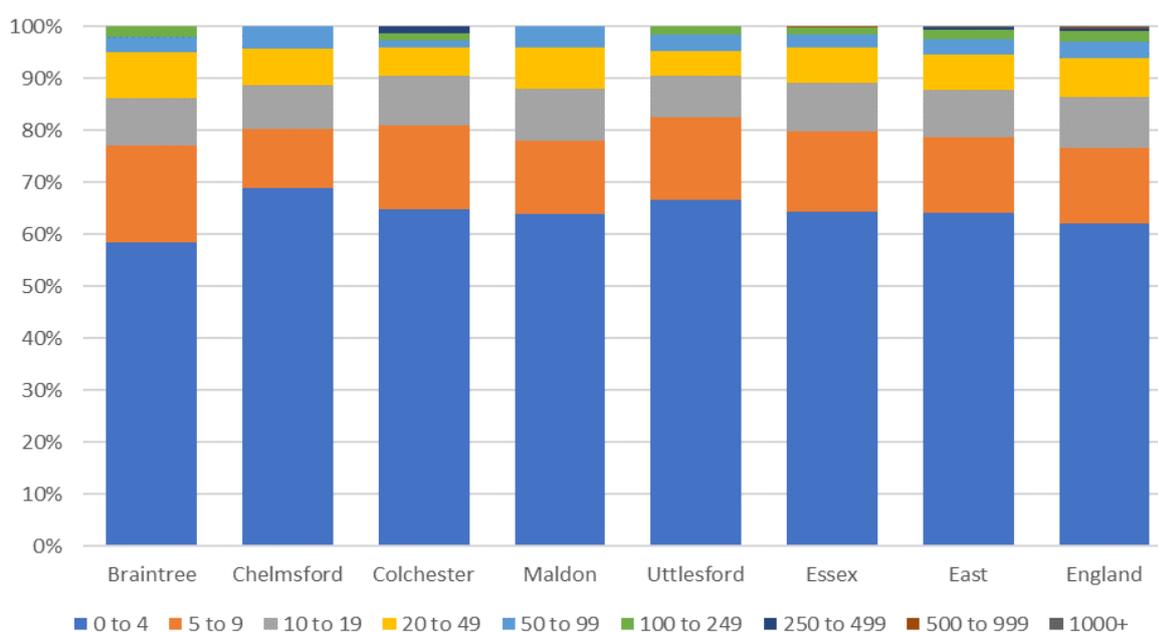


Table 8: Manufacturing jobs per employee size band

| Size band | Braintree | % | Essex | % | East | % | England | % |
|------------|-----------|-------|-------|-------|--------|-------|---------|-------|
| Total | 505 | | 3,765 | | 15,240 | | 126,925 | |
| 0 to 4 | 295 | 58.4% | 2,425 | 64.4% | 9,760 | 64.0% | 78,890 | 62.2% |
| 5 to 9 | 95 | 18.8% | 580 | 15.4% | 2,230 | 14.6% | 18,400 | 14.5% |
| 10 to 19 | 45 | 8.9% | 355 | 9.4% | 1,390 | 9.1% | 12,490 | 9.8% |
| 20 to 49 | 45 | 8.9% | 250 | 6.6% | 1,050 | 6.9% | 9,560 | 7.5% |
| 50 to 99 | 15 | 3.0% | 100 | 2.7% | 440 | 2.9% | 3,990 | 3.1% |
| 100 to 249 | 10 | 2.0% | 45 | 1.2% | 265 | 1.7% | 2,460 | 1.9% |
| 250 to 499 | 0 | 0.0% | 5 | 0.1% | 65 | 0.4% | 770 | 0.6% |
| 500 to 999 | 0 | 0.0% | 5 | 0.1% | 25 | 0.2% | 285 | 0.2% |
| 1000+ | 0 | 0.0% | 0 | 0.0% | 10 | 0.1% | 85 | 0.1% |

¹⁰ UK Business Counts - local units by industry and employment size band 2019

4.3 Manufacturing Sector Location Quotients

Table 9 and Figure 16 below identify the concentrations of employment within the District for a selection of manufacturing sub-sectors, relative to that for England. Using location quotients for both employees and businesses allows the relative concentration of the sector to be shown in comparison to the national average. Any score over one represents a higher location quotient for a particular sub-sector, than that found nationally.

The formula calculations to generate these quotients are as follows:

- $LQB = (\text{business in sector in region} / \text{total businesses in region}) / (\text{businesses in sector nationally} / \text{total business nationally})$
- $LQE = (\text{employees in sector in region} / \text{total employees in region}) / (\text{employees in sector nationally} / \text{total employees nationally})$

While relatively small in terms of overall employment, there are particular concentrations within several of these sub-sectors including:

- Manufacturing of electronic components and boards;
- Manufacturing of communication equipment;
- Manufacturing of products of wood, cork, straw and plaiting material;
- Manufacturing of cutlery, tools and general hardware;
- Manufacturing of wiring and wiring products; and
- Manufacturing of structural metal products.

Figure 16: Manufacturing businesses location quotients

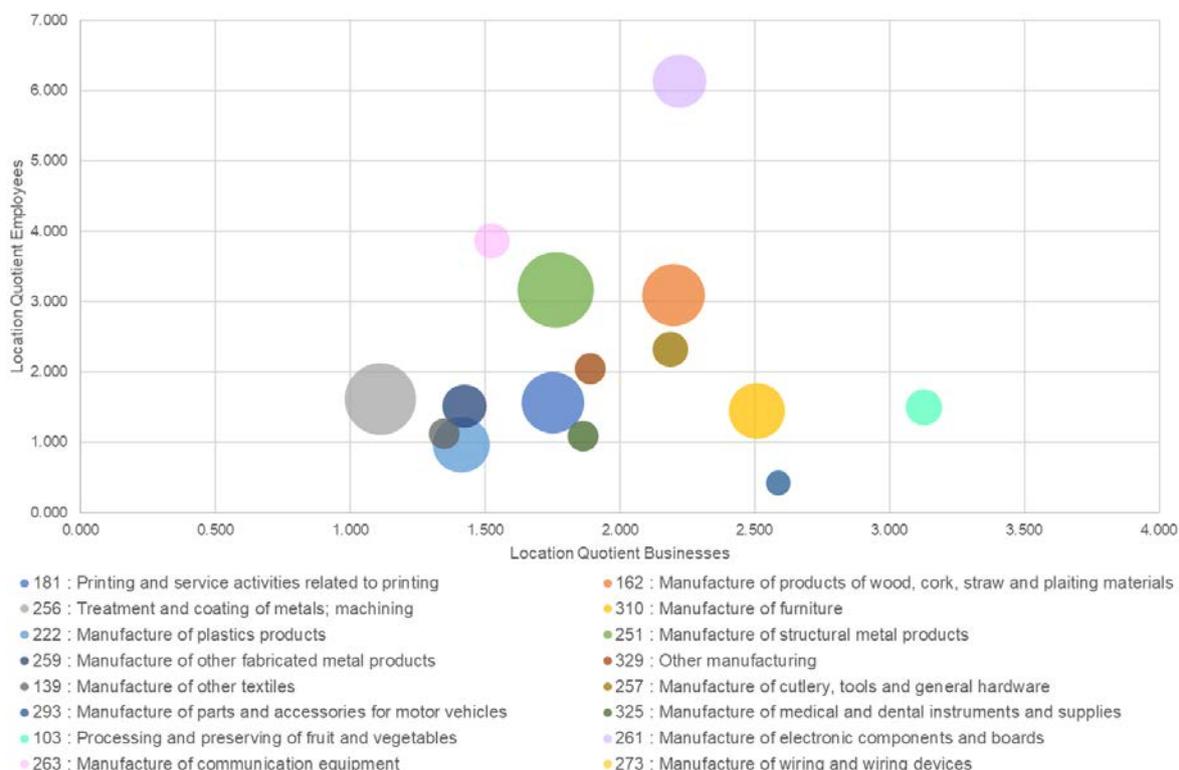


Table 9: Manufacturing sub sector location quotient breakdown

| Industry Area ¹¹ | Bus. LQ | Emp. LQ | Number of Employees |
|--|---------|---------|---------------------|
| 181 : Printing and service activities related to printing | 1.752 | 1.564 | 300 |
| 162 : Manufacture of products of wood, cork, straw and plaiting materials | 2.199 | 3.092 | 300 |
| 256 : Treatment and coating of metals; machining | 1.111 | 1.613 | 400 |
| 310 : Manufacture of furniture | 2.508 | 1.450 | 250 |
| 222 : Manufacture of plastics products | 1.412 | 0.966 | 250 |
| 251 : Manufacture of structural metal products | 1.763 | 3.163 | 450 |
| 259 : Manufacture of other fabricated metal products | 1.423 | 1.513 | 150 |
| 282 : Manufacture of other general-purpose machinery | 2.841 | 2.319 | 300 |
| 329 : Other manufacturing | 1.890 | 2.046 | 75 |
| 139 : Manufacture of other textiles | 1.349 | 1.122 | 75 |
| 257 : Manufacture of cutlery, tools and general hardware | 2.186 | 2.319 | 100 |
| 293 : Manufacture of parts and accessories for motor vehicles | 2.587 | 0.422 | 50 |
| 325 : Manufacture of medical and dental instruments and supplies | 1.863 | 1.087 | 75 |
| 103 : Processing and preserving of fruit and vegetables | 3.127 | 1.496 | 100 |
| 107 : Manufacture of bakery and farinaceous products | 0.625 | 0.580 | 100 |
| 110 : Manufacture of beverages | 0.932 | 0.773 | 50 |
| 141 : Manufacture of wearing apparel, except fur apparel | 0.515 | 0.273 | 10 |
| 172 : Manufacture of articles of paper and paperboard | 1.524 | 1.414 | 125 |
| 201 : Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms | 2.220 | 0.150 | 10 |
| 203 : Manufacture of paints, varnishes & similar coatings, printing ink & mastics | 0.000 | 0.331 | 10 |
| 221 : Manufacture of rubber products | 3.240 | 0.409 | 15 |
| 231 : Manufacture of glass and glass products | 4.995 | 10.437 | 450 |
| 233 : Manufacture of clay building materials | 8.991 | 9.664 | 125 |
| 236 : Manufacture of articles of concrete, cement and plaster | 1.215 | 3.865 | 200 |
| 245 : Casting of metals | 4.333 | 25.301 | 600 |
| 255 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy | 3.269 | 1.288 | 50 |
| 261 : Manufacture of electronic components and boards | 2.220 | 6.139 | 225 |
| 263 : Manufacture of communication equipment | 1.524 | 3.865 | 100 |
| 265 : Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks | 1.721 | 2.130 | 225 |
| 271 : Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus | 0.000 | 0.843 | 40 |
| 273 : Manufacture of wiring and wiring devices | 5.619 | 5.798 | 125 |
| 289 : Manufacture of other special-purpose machinery | 1.025 | 0.624 | 35 |
| 321 : Manufacture of jewellery, bijouterie and related articles | 1.308 | 0.515 | 5 |
| 323 : Manufacture of sports goods | 2.463 | 1.855 | 20 |

¹¹ Business Register and Employment Survey : open access 2018 and UK Business Counts - local units by industry and employment size band 2018

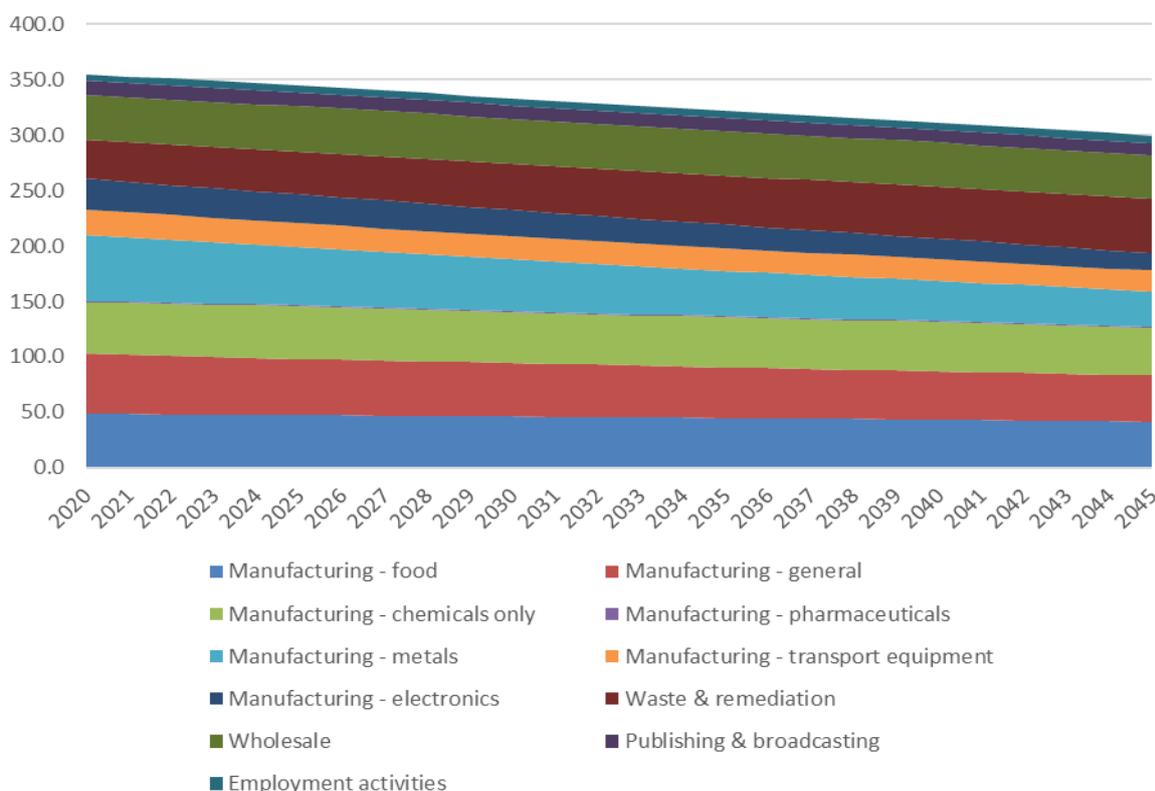
4.4 Forecasted floor space requirements

The East of England Forecasting Model (EFFM) was developed by Cambridge Econometrics to help local authorities in the region, better understand the development needs of their area.¹² The floorspace forecasts are updated regularly and are provided up to the year 2045 for the whole of the region served by the East of England Local Government Association (EELGA). These forecasts are provided for a range of space types including:

- Industrial floorspace (B1c/B2);
- Warehouse floorspace (B8);
- General office floorspace (B1a);
- Research and design office floorspace (B1b)
- Serviced business centre/park (B1a);
- Science park (B1b);

Cambridge Econometrics provide the following disclaimer in the use of these statistics: *Due to the uncertainty of future events and circumstances and because the contents are based on data and information provided by third parties upon which Cambridge Econometrics has relied in producing its reports and forecasts in good faith, Cambridge Econometrics does not warrant that its forecasts, projections, advice, recommendations or the contents of any report, presentation or other document will be accurate or achievable and Cambridge Econometrics will not be liable for the contents of any of the foregoing or for the reliance by the Customer on any of the foregoing.*

Figure 17: Stacked area chart B1c/B2 floorspace forecast



¹² <https://cambridgeshireinsight.org.uk/eefm/>

The floorspace forecast indicates a falling overall need for industrial B1c/B2 type floorspace. The contraction is not universal across the sub-sectors identified, with Waste and remediation showing strong growth, requiring an additional 40,000 m² of floorspace by 2045 (up 40.2%).

The largest fall in required floorspace is forecast to be in the manufacturing of metals, which is forecast to fall by 27,600 m² by 2045 (down 46.6%).

In total some nine of the eleven areas set out are forecast to see declining floorspace requirements over the next 25 years. Cumulatively this equates to 55,700 m² fall from 355,100 m² to 299,400 m² (15.7% decrease).

Table 10: B1c/B2 floorspace forecast (extract 2020-2039)

| Sector (Thousand m ²) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Manufacturing - food | 48.5 | 48.3 | 48.0 | 47.8 | 47.6 | 47.4 | 47.1 | 46.8 | 46.6 | 46.3 |
| Manufacturing - general | 54.2 | 53.4 | 52.7 | 52.0 | 51.3 | 50.7 | 50.2 | 49.7 | 49.3 | 48.8 |
| Manufacturing - chemicals only | 46.5 | 46.8 | 47.0 | 47.2 | 47.3 | 47.3 | 47.2 | 47.0 | 46.7 | 46.4 |
| Manufacturing - pharmaceuticals | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Manufacturing - metals | 59.2 | 57.7 | 56.2 | 54.8 | 53.4 | 52.0 | 50.8 | 49.6 | 48.4 | 47.3 |
| Manufacturing - transport equipment | 23.3 | 23.0 | 22.7 | 22.4 | 22.1 | 21.9 | 21.6 | 21.5 | 21.2 | 21.1 |
| Manufacturing - electronics | 27.7 | 27.4 | 27.1 | 26.7 | 26.5 | 26.1 | 25.7 | 25.3 | 24.8 | 24.4 |
| Waste & remediation | 34.8 | 35.5 | 36.3 | 37.0 | 37.6 | 38.2 | 38.9 | 39.5 | 40.2 | 40.8 |
| Wholesale | 41.0 | 40.9 | 40.9 | 41.0 | 41.1 | 41.1 | 41.1 | 41.0 | 40.9 | 40.9 |
| Publishing & broadcasting | 12.8 | 12.8 | 12.8 | 12.7 | 12.6 | 12.6 | 12.5 | 12.4 | 12.4 | 12.3 |
| Employment activities | 5.9 | 5.9 | 6.0 | 6.0 | 6.1 | 6.1 | 6.2 | 6.2 | 6.2 | 6.3 |
| Total | 355.1 | 352.8 | 350.8 | 348.7 | 346.7 | 344.5 | 342.4 | 340.1 | 337.9 | 335.5 |
| Sector (Thousand m ²) | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
| Manufacturing - food | 46.0 | 45.8 | 45.5 | 45.2 | 44.9 | 44.7 | 44.4 | 44.1 | 43.8 | 43.5 |
| Manufacturing - general | 48.4 | 47.9 | 47.4 | 46.9 | 46.4 | 45.9 | 45.5 | 45.0 | 44.5 | 44.1 |
| Manufacturing - chemicals only | 46.1 | 45.8 | 45.5 | 45.3 | 45.1 | 45.0 | 44.9 | 44.8 | 44.7 | 44.6 |
| Manufacturing - pharmaceuticals | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Manufacturing - metals | 46.0 | 45.0 | 44.0 | 43.0 | 42.0 | 41.0 | 40.0 | 39.1 | 38.1 | 37.2 |
| Manufacturing - transport equipment | 20.9 | 20.8 | 20.7 | 20.5 | 20.4 | 20.2 | 20.1 | 19.9 | 19.8 | 19.7 |
| Manufacturing - electronics | 23.9 | 23.4 | 22.9 | 22.3 | 21.8 | 21.2 | 20.6 | 20.1 | 19.5 | 19.0 |
| Waste & remediation | 41.4 | 42.0 | 42.7 | 43.2 | 43.8 | 44.3 | 44.9 | 45.4 | 45.9 | 46.4 |
| Wholesale | 40.8 | 40.7 | 40.6 | 40.4 | 40.4 | 40.3 | 40.2 | 40.1 | 40.0 | 39.9 |
| Publishing & broadcasting | 12.2 | 12.1 | 12.0 | 12.0 | 11.9 | 11.8 | 11.7 | 11.7 | 11.6 | 11.4 |
| Employment activities | 6.3 | 6.4 | 6.4 | 6.5 | 6.5 | 6.5 | 6.6 | 6.6 | 6.7 | 6.7 |
| Total | 333.2 | 330.9 | 328.7 | 326.4 | 324.2 | 322.1 | 319.9 | 317.9 | 315.7 | 313.5 |

It should be noted that the EEFM forecast model and the VOA measurements for rateable floorspace presented in section 1.6 are based on different data and produce substantially different results.

4.5 Rental values

Glenny LLP produce a biannual data book in quarters one and three of each year (31st March and 30th September). The data book provides statistics based on property data obtained through its offices serving Hertfordshire and North London, Essex, East London, South East London and Kent. The data book separates data into its constituent areas and by industrial and office space.

For Essex Glenny’s produce rental and capital values per sq. ft. for the areas of Basildon, Braintree, Chelmsford and Thurrock (Unitary Authority). ¹³

In Braintree, prime industrial rents have increased by 28.6% from Q3 2015 to Q3 2019, up from £7.5 per sq. ft. to £9. This equates to an average increase of 2.9% every six months. This uplift is larger than experienced in the other areas reported within the data book. Despite the recent increases Braintree still has lower average prime industrial rents than all three other reported areas, being at least 75p per sq. ft. cheaper than the nearest alternative.

Figure 18: Glenny LLP Industrial prime rent run chart

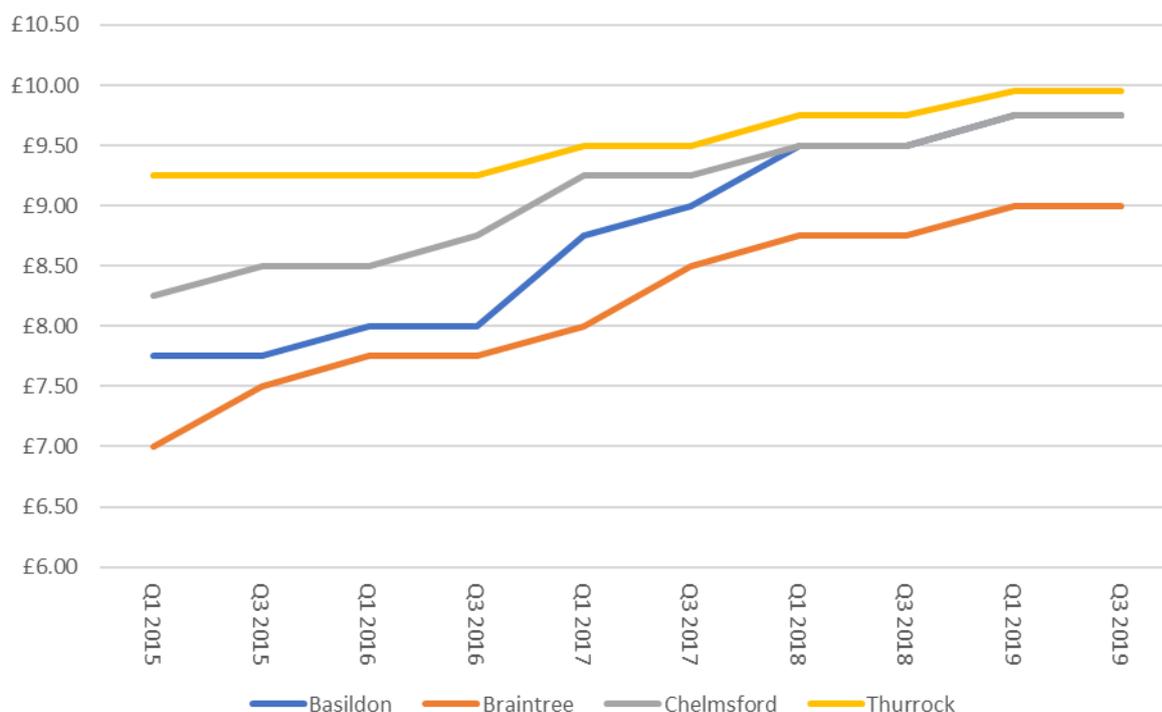


Table 11: Glenny LLP Industrial prime rent analysis

| Area | Q1 2015 | Q3 2015 | Q1 2016 | Q3 2016 | Q1 2017 | Q3 2017 | Q1 2018 | Q3 2018 | Q1 2019 | Q3 2019 | Change |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Basildon | £7.75 | £7.75 | £8.00 | £8.00 | £8.75 | £9.00 | £9.50 | £9.50 | £9.75 | £9.75 | 25.8% |
| Braintree | £7.00 | £7.50 | £7.75 | £7.75 | £8.00 | £8.50 | £8.75 | £8.75 | £9.00 | £9.00 | 28.6% |
| Chelmsford | £8.25 | £8.50 | £8.50 | £8.75 | £9.25 | £9.25 | £9.50 | £9.50 | £9.75 | £9.75 | 18.2% |
| Thurrock | £9.25 | £9.25 | £9.25 | £9.25 | £9.50 | £9.50 | £9.75 | £9.75 | £9.95 | £9.95 | 7.6% |

¹³ Glenny Databook Q1 2015 up to Q3 2018

Secondary rents have grown by an even larger margin during the period, increasing by a total of 60% from £5 per sq. ft. in Q3 of 2015 to £8 in Q3 of 2019. This was equivalent to an average 5.7% increase every six months. As with prime rents, Braintree experienced the largest uplift in secondary rents during the period, and as with prime rents, this uplift has not affected the areas price based competitive advantage. Braintree still offers the most cost effective average secondary industrial rents within the four reported areas, being at least, on average £1.75 per sq. ft. cheaper.

Figure 19: Glenny LLP Industrial secondary rent run chart

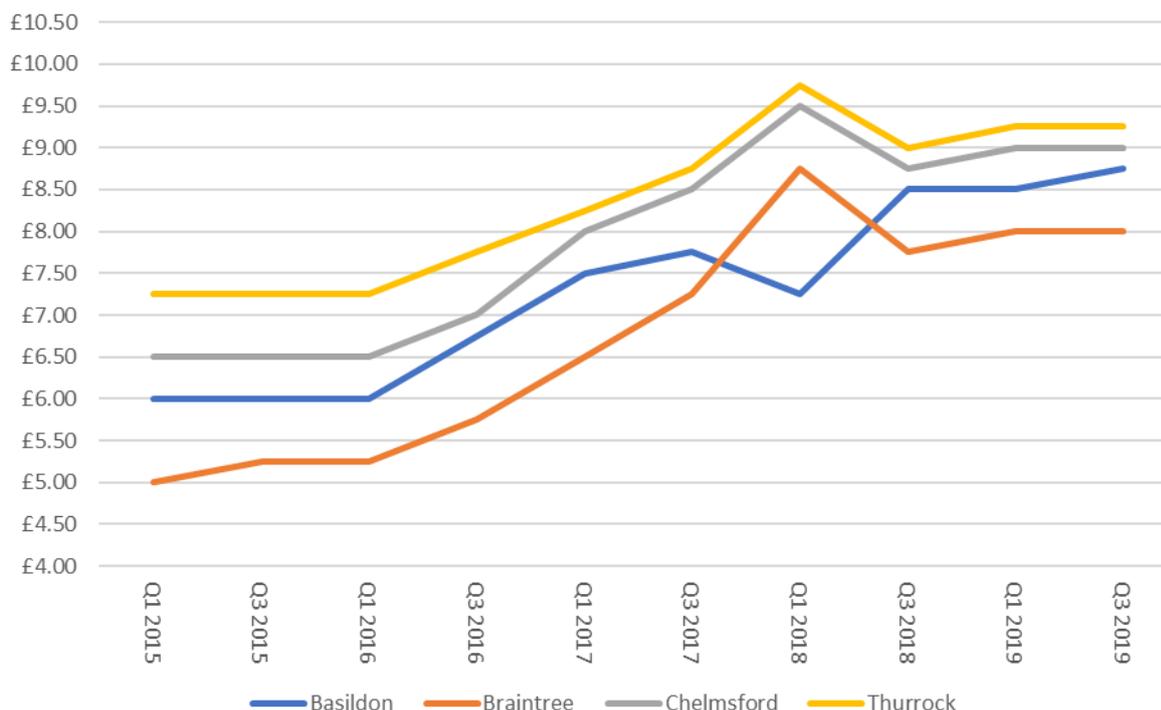


Table 12: Glenny LLP Industrial secondary rent analysis

| Area | Q1 2015 | Q3 2015 | Q1 2016 | Q3 2016 | Q1 2017 | Q3 2017 | Q1 2018 | Q3 2018 | Q1 2019 | Q3 2019 | Change |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Basildon | £6.00 | £6.00 | £6.00 | £6.75 | £7.50 | £7.75 | £7.25 | £8.50 | £8.50 | £8.75 | 45.8% |
| Braintree | £5.00 | £5.25 | £5.25 | £5.75 | £6.50 | £7.25 | £8.75 | £7.75 | £8.00 | £8.00 | 60.0% |
| Chelmsford | £6.50 | £6.50 | £6.50 | £7.00 | £8.00 | £8.50 | £9.50 | £8.75 | £9.00 | £9.00 | 38.5% |
| Thurrock | £7.25 | £7.25 | £7.25 | £7.75 | £8.25 | £8.75 | £9.75 | £9.00 | £9.25 | £9.25 | 27.6% |

Industrial capital values have increased in a more balanced way across the area with increased ranging from 40.7% (Thurrock) to 40.8% (Basildon). In Braintree the average industrial space capital value increased from £110 per sq. ft. to £160 per sq. ft. As with rents the capital value of the industrial space is below that of the other three reported areas.

5 Braintree Office Sectors

5.1 Sector Segments

While there is no explicit link between the SIC and the planning use classes, it is however possible to broadly align the two. For sectors using office type facilities that would typically be characterised by either B1(a) – offices or B1(b) – premises for research and development, several sectors stand out within the SIC. While certain sectors can be seen to generally conform to these planning use classes, several of these broad sectors contain sub-sector activities that would more typically occur in building designated for class A2 – professional services.

The EEFM Technical Report (January 2015) provides one source when matching different SIC sectors to planning use class for office space:¹⁴

Table 13: EEFM Allocation of office employment sectors by detailed office use class

| SIC Code | SIC Description | B1 | B1a General Office | B1a Business Park | B1b Tech/R&D | B1b Science Park | B1a Call Centre |
|----------------|---------------------------|------|--------------------------|-------------------------|-----------------|------------------------|--------------------|
| 58-60 | Publishing/broadcasting | 11% | 11% | 0% | 0% | 0% | 0% |
| 61 | Telecoms | 20% | 20% | 0% | 0% | 0% | 0% |
| 62-63 | Computer related activity | 100% | 30% | 60% | 0% | 0% | 10% |
| 64-66 | Finance | 100% | 100% | 0% | 0% | 0% | 0% |
| 69-75 excl. 72 | Professional Services | 100% | 79% | 2% | 7% | 7% | 1% |
| 72 | R&D | 100% | 10% | 10% | 60% | 20% | 0% |
| 77-82 excl. 78 | Business Services | 93% | 9% | 4% | 1% | 71% | 9% |
| 78 | Employment activities | 22% | 13% | 2% | 1% | 5% | 1% |

Within this model of allocation, employment sectors that are indicated as having a B1 percentage of less than 100% (e.g. Telecoms), have activities taking place within other planning use class space for the remaining proportion of total activity.

For example, the EEFM model identifies that 22% of ‘employment activities’ take place in B1 space. Further details within the technical report indicate that an additional 8% of this sub-sectors activities take place in planning use class B8 – warehousing, and a further 12% take place in B1c/B2 – Industrial space. The remaining 58% is not allocated, although potentially a substantial amount of this activity could plausibly be classed under A2 – professional services.

For the purposes of this report the following SIC sectors have been selected for examination. Selection has been made on the basis that they are likely to have a high proportion of sub-sector activities take place within B1(a) or B1(b) office space:

- J: Information and communication;
- K: Financial and insurance;
- M: Professional, scientific and technical; and

¹⁴ https://cambridgeshireinsight.org.uk/wp-content/uploads/2020/07/EEFM_2014_technical_report_January2015.pdf

- N: Administrative and support services (excluding call centre activities).

While the distinction between which of these sub-sector activities fall within class A or B is less complex than the differentiation between certain types of light industrial and manufacturing processes that could fall within either B1(c) or B2 use cases, no within sector split is created here. Included sectors are therefore shown in their entirety.

Tree map and choropleth maps for each of the sector segments J, K, N and M are provided below.

Within sector J, 'Computer programming, consultancy and related activities' has both the largest number of individual business units and is by far the largest sub-sector employer, accounting for some 900 of 1,255 workers within the sector. This is a sub-sector that is almost entirely made up of micro businesses with 305 of the 335 local units employing in the range of 0-4 employees. There are however a small number of larger providers with five businesses falling into the 20-49 employee size band.

There are several geographic clusters across Braintree demonstrating more substantial densities of this type of business. These areas include:

- E01021394 Hatfield Peverel, which is located to the south of Braintree approximately 10 miles away;
- E01021416, which includes parts of Witham Industrial Estate;
- E01021383, which includes the location of the new Horizon 120 building;
- E01021368, which is situated just outside Braintree town centre and is the location of the Chapel Hill Business and Retail Park.

Sector K has a very low overall count of local business units, with very few areas of significant business density within the district. The largest sub-sector is 'Activities auxiliary to financial services, except insurance and pension funding'. This sub-sector has an estimated 50 local businesses units, 40 of which are estimated to employ 0-4 employees, five are estimated to employ 5-9 employees and the remaining five are categorised as small businesses, estimated as employing 10-19 employees.

The largest cluster of jobs within this sector is in E01021403, which is centred on the village of Feering. This location is set in close proximity to the M11 and home to the well-established Threshelfords Business Park.

Sector M is the largest in terms of the total number of employees of the four sectors considered. The BRES estimates that there are a total of 5,325 people working across the various sub-sector businesses that comprise the broad sector definition.

The largest sub-sector within sector M is 'Management and consultancy activities'. As with sectors J and K, a very high proportion of sector M businesses including those within 'Management and Consultancy' (400), are micro businesses employing four or less employees. A small number of 'Management and consultancy' businesses (10) do however fall into the small business category employing 10 to 40 employees each.

'Architectural, engineering and related technical activities' is also well represented with the M classification, with an estimated total of 250 local business units. This sub-sector has a larger proportion of bigger businesses than those related to 'Management and consultancy activities', with an estimated 20 businesses employing between 5 and 9 employees and 20 categorised as small business employing within the range of 10 to 40 people.

This sector also has more areas of relative business density across the Braintree district area than the other sectors highlighted within this section of the report. Areas of geographic clustering include:

- E0102139, Halstead;
- E01021403, Feering including Threshelfords Business Park;
- E01021415/16, on the Witham Industrial Estate, which is nine miles from Braintree town centre and 14 miles from Colchester; and
- E01021347, E01021359, E01021365, E01021368, E01021383 which are all in Braintree town or the outskirts itself.

Sector N excluding call centre operations is another relatively small part of the localised Braintree economy. The pattern of business clustering within this sector follows the patterns shown earlier being predominantly centred around the main industrial estates and urban areas of the district.

The sector employees some 3,415 people, the largest proportion of which (36%) work in the sub-sector 'Temporary employment agency activities'. This sub-sector also features a small number of larger local units employing 20-49 employees.

The largest number of businesses within this sector fall into the category 'Business support service activities n.e.c'. This group includes the activities of collection agencies, credit bureaus, packaging and all other support activities typically provided to businesses not elsewhere classified. The vast majority of these businesses (205 of the 215) employ less than 9 employees.

Figure 20: Businesses in Braintree SIC code J: Information and Communication

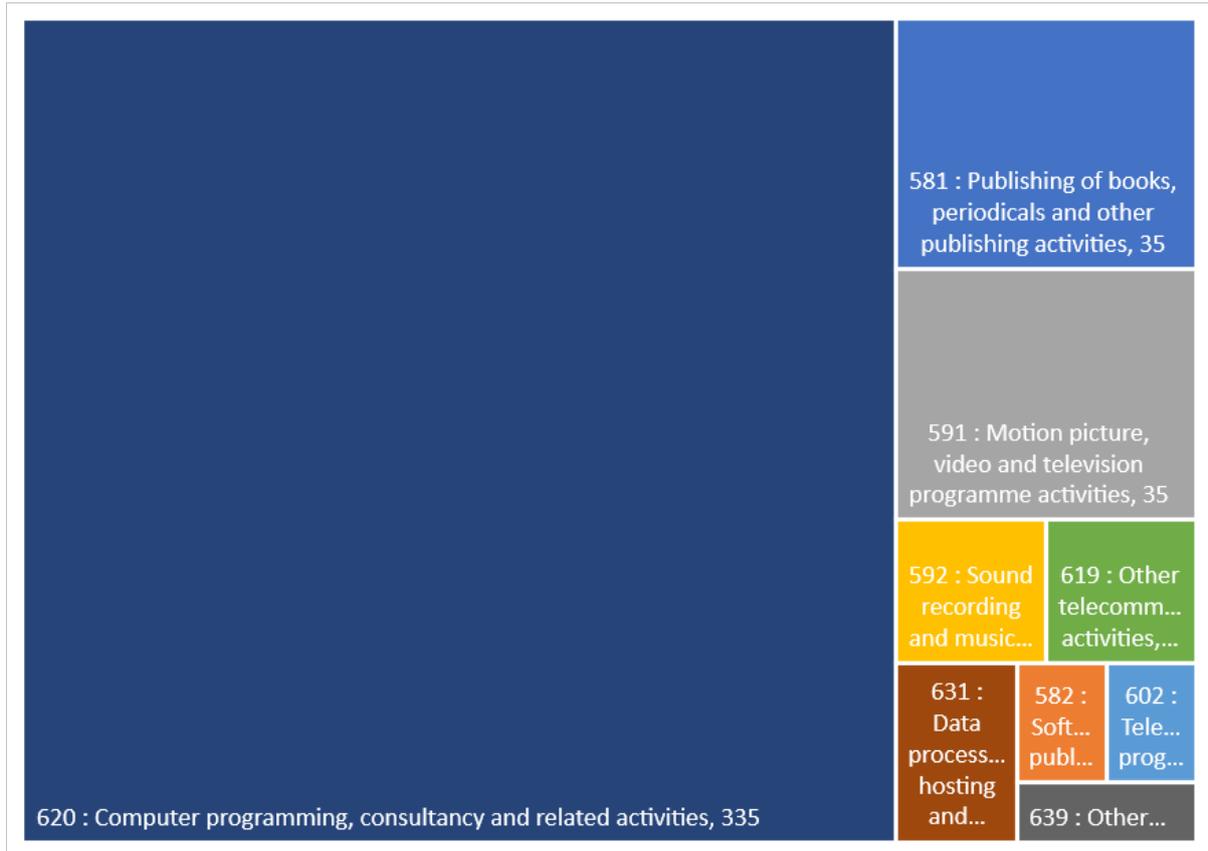


Figure 21: Businesses in Braintree SIC code K: Financial and Insurance

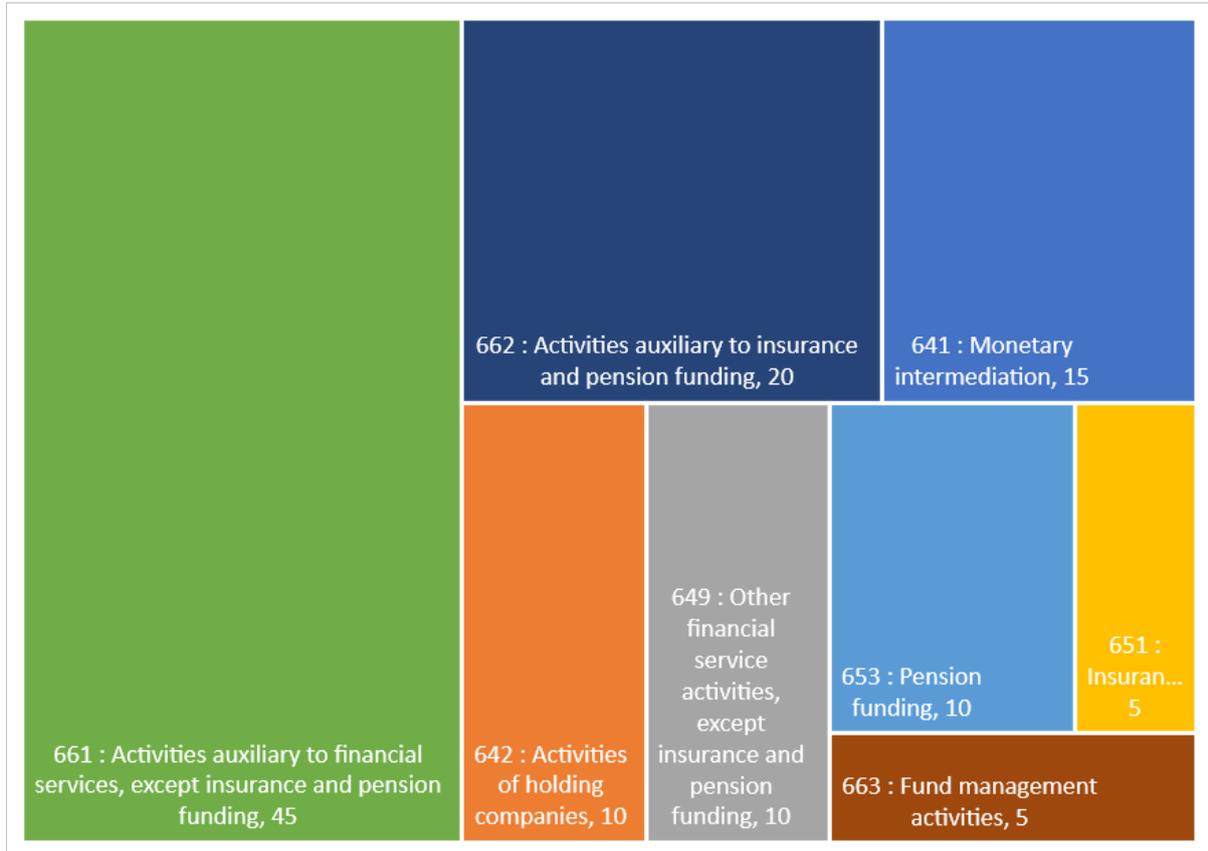


Figure 22: Businesses in Braintree SIC code M:Professional, scientific and technical

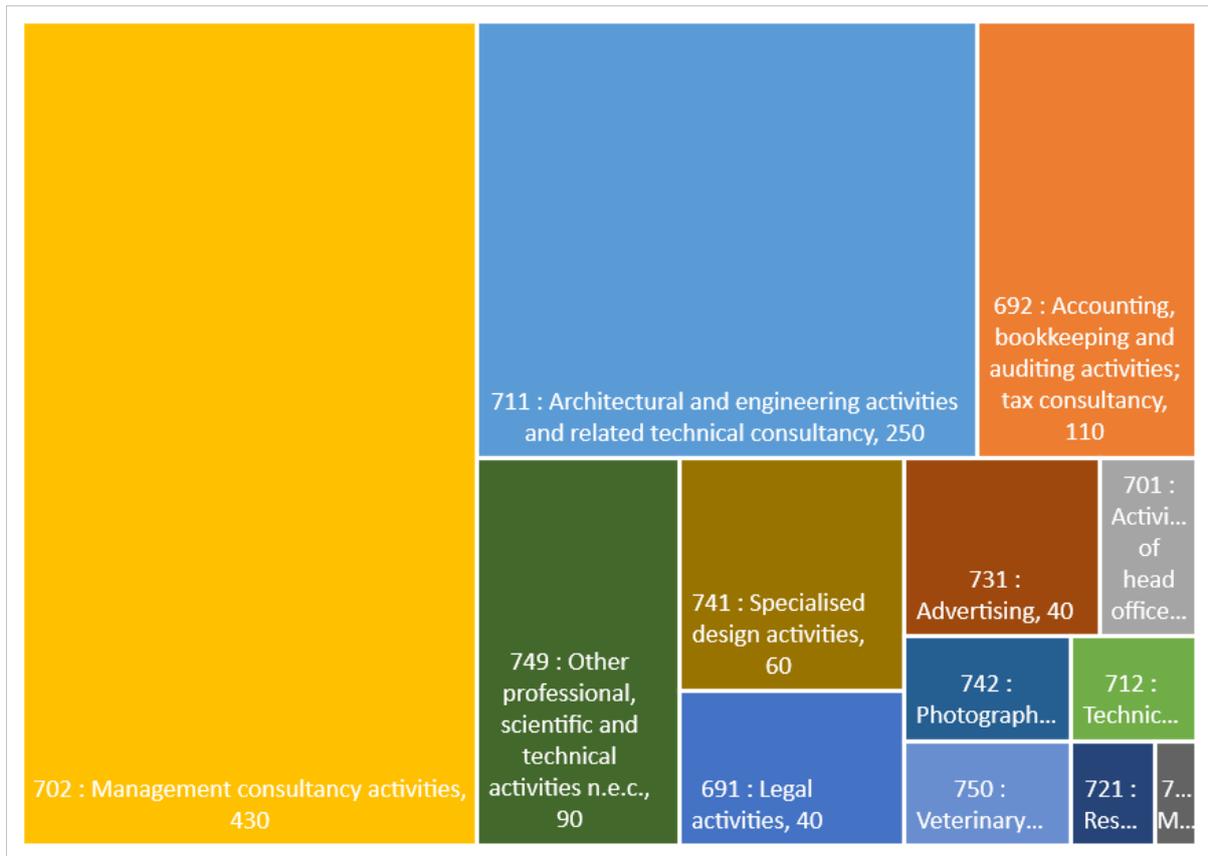
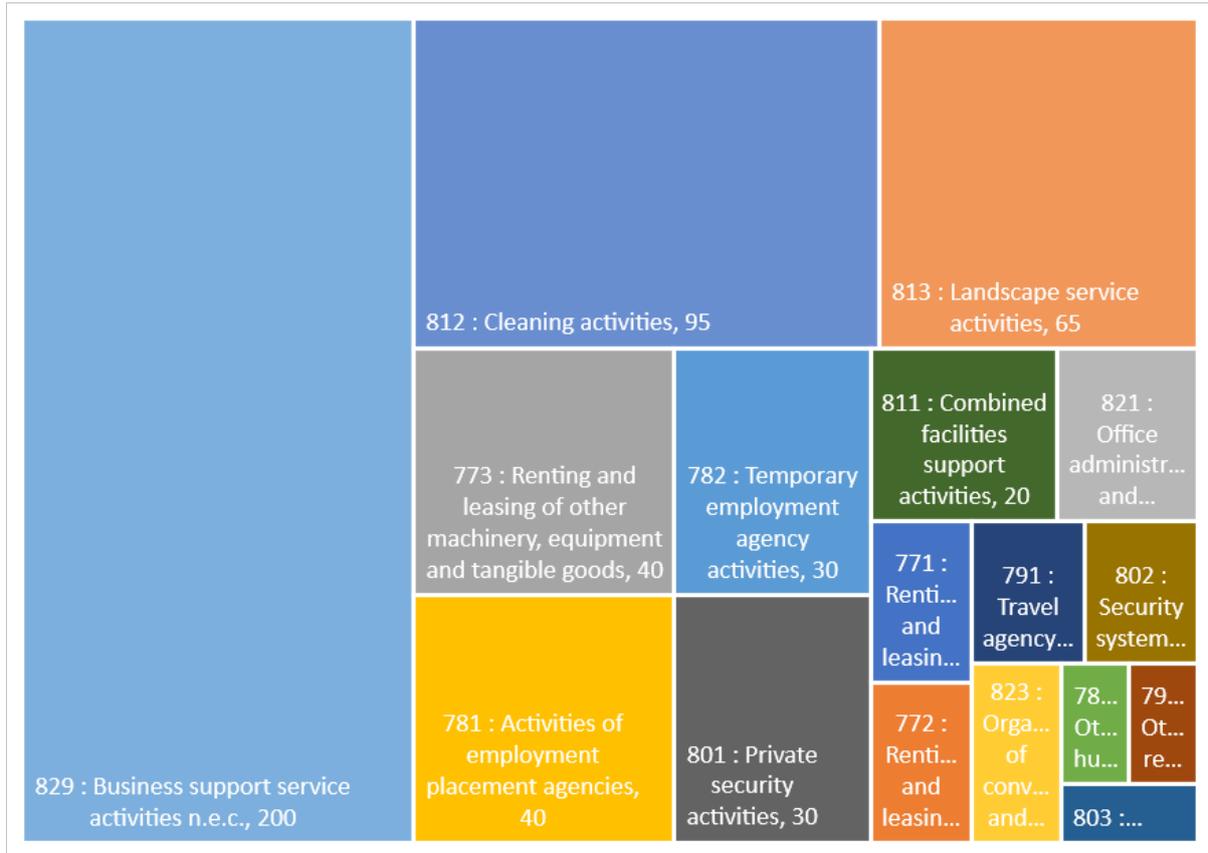


Figure 23: Businesses in Braintree SIC code N: Administrative and support services



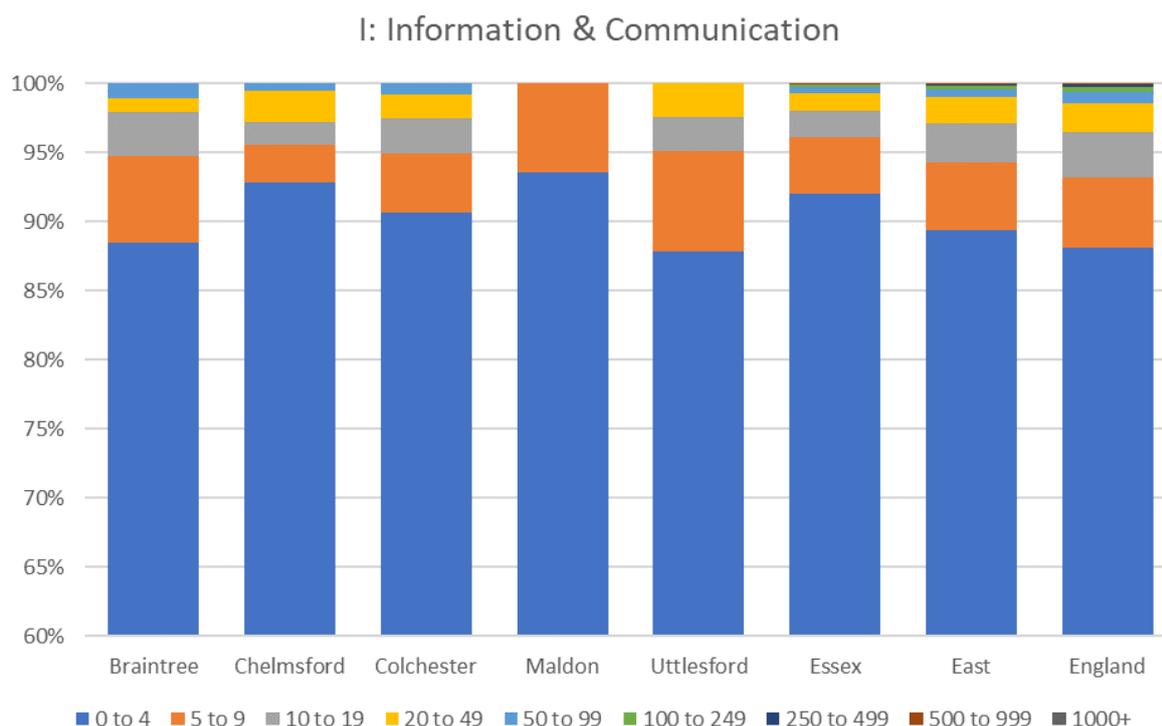
5.2 Business Size-Bands

In comparison to the manufacturing sector examined in section 2.2 of this report, a much higher proportion of businesses within sectors J, K, M and N fall into the micro business size bands at local, county, regional and national level.

Sector J has the highest proportion of micro businesses employing 0-4 employees (88.4%). While this is below the Essex level (92%), this is close to the England average (88.1%). Within Braintree this sector also features a larger proportion of medium size businesses employing between 50 and 99 employees at 1.1% than found at county (0.5%) and regional level (0.6%) and national level (0.8%), although the total number falling into this category (5) is very small.¹⁵

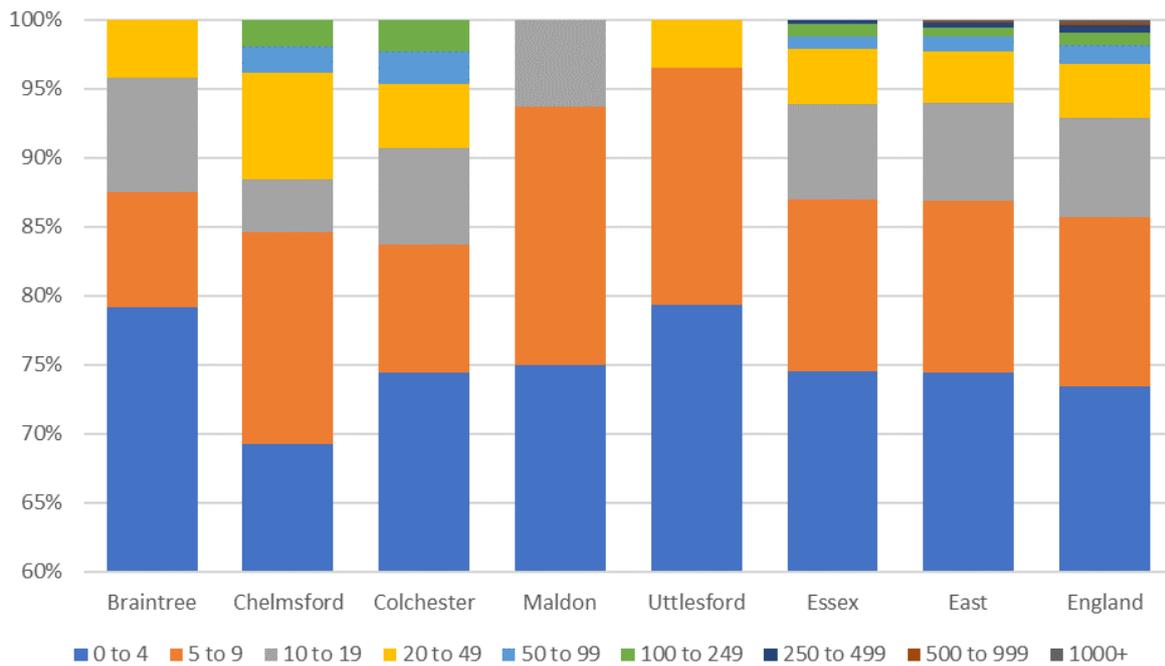
Larger businesses within these sectors in Braintree, are found in sector N ‘Administrative and Support Services’. Braintree has ten medium sized businesses providing services of this classification, five of which employee between 100 and 249 employees. Proportionately this is broadly in-line with county, region and national equivalents for this sector and employment size band.

Figure 24: Business Count SIC codes I, K, L and N by employee size band

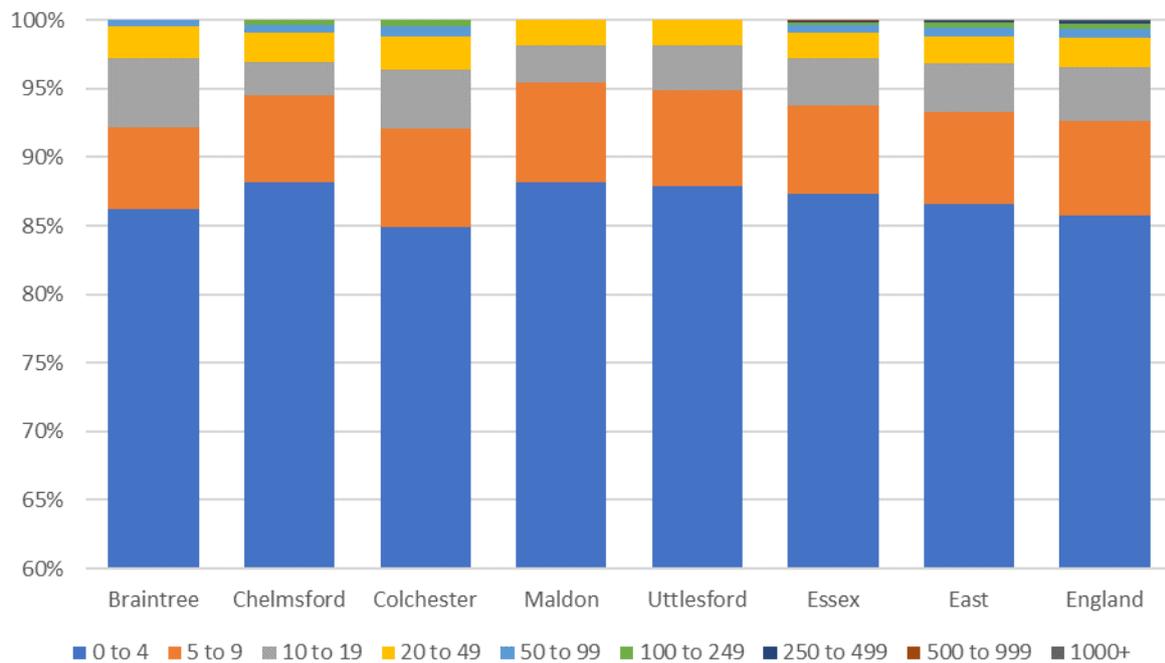


¹⁵ UK Business Counts - local units by industry and employment size band 2019

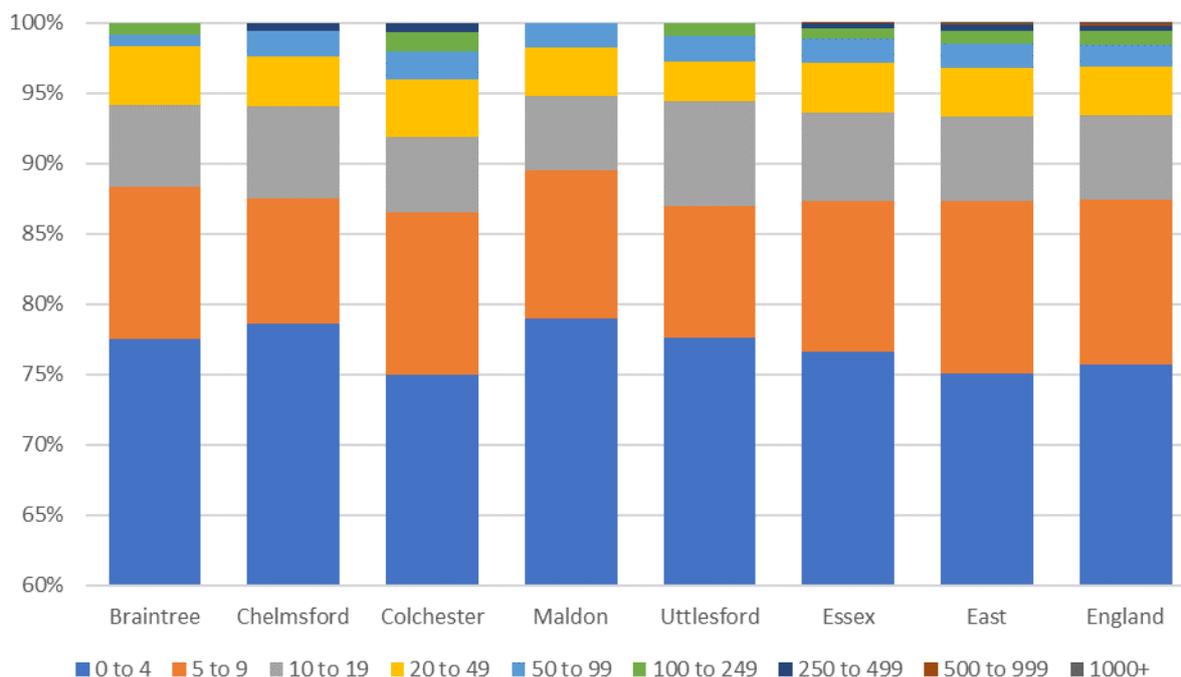
K: Financial and Insurance



M: Professional, Scientific & Technical



N: Administrative & Support Services



Nb. The vertical axis for the above bar charts starts at 60%.

Table 14: Office based jobs per employee size band

| J : Information & communication | Braintree | % | Essex | % | East | % | England | % |
|---------------------------------|-----------|-------|-------|-------|-------|-------|---------|-------|
| Total | 475 | | 5225 | | 23420 | | 216330 | |
| 0 to 4 | 420 | 88.4% | 4805 | 92.0% | 20925 | 89.3% | 190610 | 88.1% |
| 5 to 9 | 30 | 6.3% | 215 | 4.1% | 1160 | 5.0% | 11020 | 5.1% |
| 10 to 19 | 15 | 3.2% | 100 | 1.9% | 655 | 2.8% | 6950 | 3.2% |
| 20 to 49 | 5 | 1.1% | 65 | 1.2% | 440 | 1.9% | 4635 | 2.1% |
| 50 to 99 | 5 | 1.1% | 25 | 0.5% | 130 | 0.6% | 1735 | 0.8% |
| 100 to 249 | 0 | 0.0% | 10 | 0.2% | 70 | 0.3% | 865 | 0.4% |
| 250 to 499 | 0 | 0.0% | 0 | 0.0% | 20 | 0.1% | 315 | 0.1% |
| 500 to 999 | 0 | 0.0% | 5 | 0.1% | 10 | 0.0% | 125 | 0.1% |
| 1000+ | 0 | 0.0% | 0 | 0.0% | 5 | 0.0% | 70 | 0.0% |
| K : Financial and insurance | Braintree | % | Essex | % | East | % | England | % |
| Total | 125 | | 1,655 | | 6,520 | | 68,050 | |
| 0 to 4 | 95 | 76.0% | 1,230 | 74.3% | 4,850 | 74.4% | 49,980 | 73.4% |
| 5 to 9 | 10 | 8.0% | 205 | 12.4% | 810 | 12.4% | 8,340 | 12.3% |
| 10 to 19 | 10 | 8.0% | 115 | 6.9% | 465 | 7.1% | 4,890 | 7.2% |
| 20 to 49 | 5 | 4.0% | 65 | 3.9% | 240 | 3.7% | 2,675 | 3.9% |
| 50 to 99 | 0 | 0.0% | 15 | 0.9% | 70 | 1.1% | 920 | 1.4% |
| 100 to 249 | 0 | 0.0% | 15 | 0.9% | 45 | 0.7% | 640 | 0.9% |
| 250 to 499 | 0 | 0.0% | 5 | 0.3% | 25 | 0.4% | 315 | 0.5% |
| 500 to 999 | 0 | 0.0% | 0 | 0.0% | 5 | 0.1% | 165 | 0.2% |
| 1000+ | 0 | 0.0% | 0 | 0.0% | 5 | 0.1% | 120 | 0.2% |



| M : Professional, scientific & technical | Braintree | % | Essex | % | East | % | England | % |
|---|------------------|----------|--------------|----------|-------------|----------|----------------|----------|
| Total | 1090 | | 11140 | | 46990 | | 439595 | |
| 0 to 4 | 940 | 86.2% | 9730 | 87.3% | 40700 | 86.6% | 376975 | 85.8% |
| 5 to 9 | 65 | 6.0% | 715 | 6.4% | 3125 | 6.7% | 30295 | 6.9% |
| 10 to 19 | 55 | 5.0% | 385 | 3.5% | 1685 | 3.6% | 17180 | 3.9% |
| 20 to 49 | 25 | 2.3% | 210 | 1.9% | 940 | 2.0% | 9455 | 2.2% |
| 50 to 99 | 5 | 0.5% | 60 | 0.5% | 295 | 0.6% | 3130 | 0.7% |
| 100 to 249 | 0 | 0.0% | 25 | 0.2% | 150 | 0.3% | 1645 | 0.4% |
| 250 to 499 | 0 | 0.0% | 10 | 0.1% | 50 | 0.1% | 540 | 0.1% |
| 500 to 999 | 0 | 0.0% | 5 | 0.0% | 30 | 0.1% | 250 | 0.1% |
| 1000+ | 0 | 0.0% | 0 | 0.0% | 15 | 0.0% | 125 | 0.0% |
| N : Administrative & support services | Braintree | | Essex | | East | | England | |
| Total | 600 | | 6395 | | 26580 | | 238840 | |
| 0 to 4 | 465 | 77.5% | 4900 | 76.6% | 19955 | 75.1% | 180805 | 75.7% |
| 5 to 9 | 65 | 10.8% | 685 | 10.7% | 3265 | 12.3% | 27880 | 11.7% |
| 10 to 19 | 35 | 5.8% | 400 | 6.3% | 1600 | 6.0% | 14410 | 6.0% |
| 20 to 49 | 25 | 4.2% | 230 | 3.6% | 910 | 3.4% | 8170 | 3.4% |
| 50 to 99 | 5 | 0.8% | 105 | 1.6% | 455 | 1.7% | 3765 | 1.6% |
| 100 to 249 | 5 | 0.8% | 50 | 0.8% | 255 | 1.0% | 2450 | 1.0% |
| 250 to 499 | 0 | 0.0% | 20 | 0.3% | 105 | 0.4% | 885 | 0.4% |
| 500 to 999 | 0 | 0.0% | 5 | 0.1% | 20 | 0.1% | 310 | 0.1% |
| 1000+ | 0 | 0.0% | 0 | 0.0% | 20 | 0.1% | 160 | 0.1% |

5.3 Office Sector Location Quotients

Table 15 and Figure 25 below highlight the relative concentrations of employment within the District for a selection of sector J, K, M and N businesses. Score over one represents higher location quotient for a particular sub-sector, while scores below one represent lower location quotients than found at the national level for England.

The formula calculations to generate these quotients are as follows:

- $LQB = (\text{business in sector in region} / \text{total businesses in region}) / (\text{businesses in sector nationally} / \text{total business nationally})$
- $LQE = (\text{employees in sector in region} / \text{total employees in region}) / (\text{employees in sector nationally} / \text{total employees nationally})$

Unlike within the manufacturing sector, the vast majority of the sub-sectors within classifications J, K, M and N fall below the England average in either one or both of the location quotients statistics.

While relatively small in terms of overall employment, there are however particular concentrations within several sub-sectors that are worth noting, these include:

- Insurance;
- Specialised design activities;
- Architectural, engineering and technical consultancy activities;
- Technical testing and analysis; and
- Security systems service activities.

Figure 25: Office based businesses location quotients

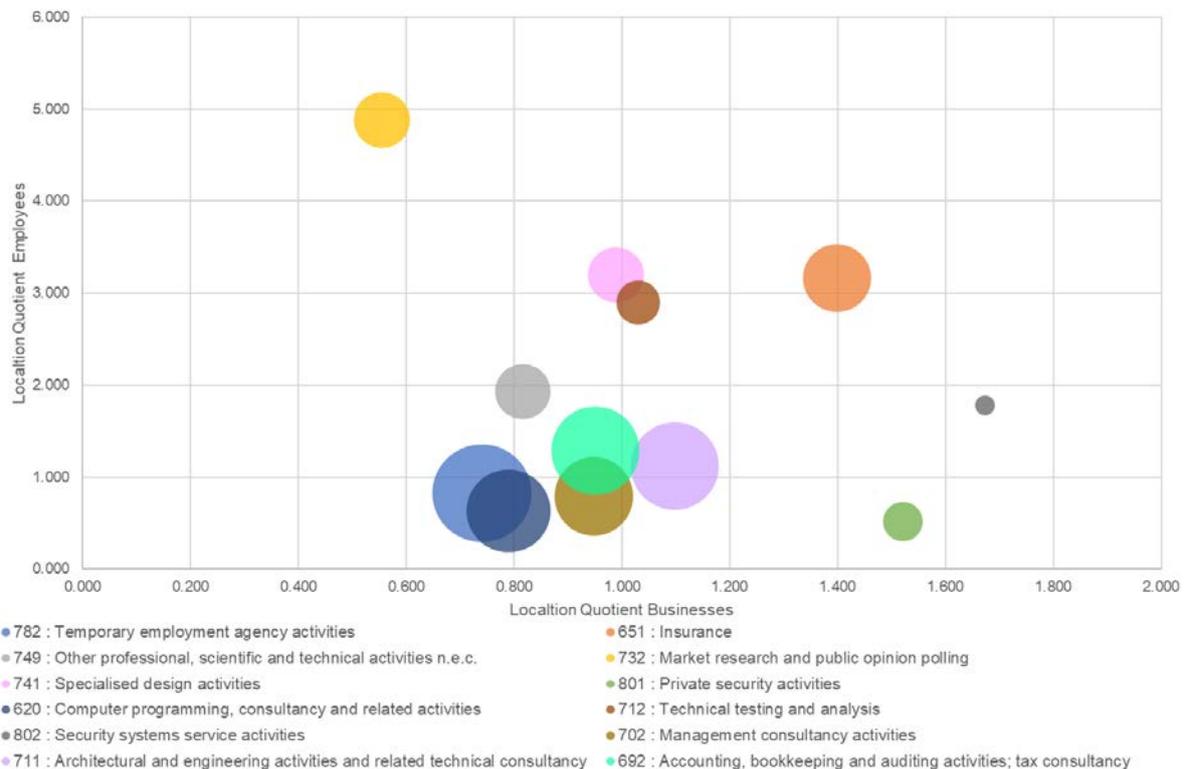


Table 15: Office sub sector location quotient breakdown

| Industry Area ¹⁶ | Bus. LQ | Emp. LQ | Number of Employees |
|--|---------|---------|---------------------|
| 782 : Temporary employment agency activities | 0.740 | 0.825 | 1250 |
| 692 : Accounting, bookkeeping and auditing activities; tax consultancy | 0.951 | 1.288 | 1000 |
| 711 : Architectural and engineering and related technical consultancy | 1.098 | 1.120 | 1000 |
| 620 : Computer programming, consultancy and related activities | 0.790 | 0.632 | 900 |
| 702 : Management consultancy activities | 0.948 | 0.791 | 800 |
| 812 : Cleaning activities | 1.076 | 0.757 | 700 |
| 651 : Insurance | 1.399 | 3.163 | 600 |
| 662 : Activities auxiliary to insurance and pension funding | 0.873 | 1.341 | 500 |
| 749 : Other professional, scientific and technical activities | 0.816 | 1.933 | 450 |
| 732 : Market research and public opinion polling | 0.555 | 4.883 | 400 |
| 741 : Specialised design activities | 0.989 | 3.199 | 400 |
| 691 : Legal activities | 0.442 | 0.644 | 350 |
| 750 : Veterinary activities | 1.365 | 2.577 | 300 |
| 661 : Activities auxiliary to financial services, except insurance & pension | 0.668 | 0.690 | 250 |
| 712 : Technical testing and analysis | 1.030 | 2.899 | 250 |
| 773 : Renting/leasing of other machinery, equipment & tangible goods | 1.408 | 1.470 | 225 |
| 801 : Private security activities | 1.521 | 0.518 | 200 |
| 701 : Activities of head offices | 0.878 | 0.302 | 175 |
| 781 : Activities of employment placement agencies | 0.861 | 0.441 | 175 |
| 581 : Publishing of books, periodicals and other publishing activities | 1.399 | 0.703 | 150 |
| 641 : Monetary intermediation | 0.594 | 0.216 | 150 |
| 731 : Advertising | 0.765 | 0.504 | 125 |
| 791 : Travel agency and tour operator activities | 0.438 | 0.644 | 100 |
| 811 : Combined facilities support activities | 0.818 | 0.297 | 100 |
| 813 : Landscape service activities | 1.479 | 1.031 | 100 |
| 591 : Motion picture, video and television programme activities | 0.569 | 0.378 | 75 |
| 772 : Renting and leasing of personal and household goods | 1.534 | 1.581 | 75 |
| 821 : Office administrative and support activities | 0.654 | 0.773 | 75 |
| 631 : Data processing, hosting and related activities; web portals | 0.798 | 0.446 | 50 |
| 802 : Security systems service activities | 1.673 | 1.784 | 50 |
| 742 : Photographic activities | 0.929 | 1.160 | 45 |
| 619 : Other telecommunications activities | 0.506 | 0.142 | 40 |
| 721 : Research & experimental development on natural sciences & engineering | 0.760 | 0.119 | 30 |
| 799 : Other reservation service and related activities | 1.175 | 1.988 | 30 |
| 649 : Other financial service activities, except insurance and pension funding | 0.489 | 0.099 | 20 |
| 582 : Software publishing | 0.762 | 0.497 | 15 |
| 771 : Renting and leasing of motor vehicles | 0.709 | 0.139 | 15 |
| 592 : Sound recording and music publishing activities | 1.110 | 0.663 | 10 |
| 602 : Television programming and broadcasting activities | 1.680 | 0.202 | 10 |

¹⁶ Business Register and Employment Survey : open access 2018 and UK Business Counts - local units by industry and employment size band 2018

| Industry Area ¹⁶ | Bus. LQ | Emp. LQ | Number of Employees |
|--|---------|---------|---------------------|
| 783 : Other human resources provision | 0.846 | 0.273 | 10 |
| 803 : Investigation activities | 2.745 | 1.546 | 10 |
| 639 : Other information service activities | 0.507 | 0.116 | 5 |
| 642 : Activities of holding companies | 0.467 | 0.663 | 5 |
| 663 : Fund management activities | 0.846 | 0.057 | 5 |

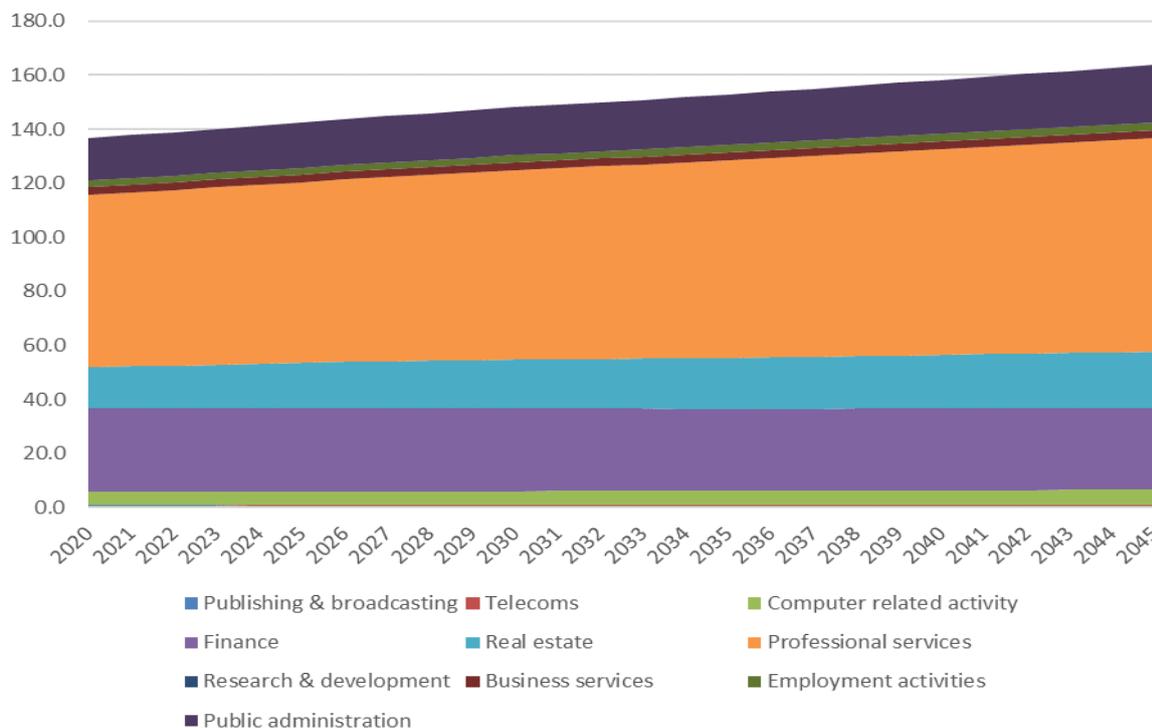
5.4 Forecasted floor space requirements

Unlike The East of England Forecasting Model (EFFM) predictions for industrial B1c/B2 space, for office space there a strong forecasted demand for office space within the Braintree area. The model splits office space into several distinct categories, including:

- B1a general office space; and B1a serviced business park office space;
- B2b research and design office space; and B2b science park office space.

The largest forecasted sub-sector requirement is forecast to be in the professional services area. This area is forecast to increase from 63,800 m² in 2020 to 79,100 m² in 2045, this is an increase of 15,200 m² or a 23.8% increase in required floorspace. The largest proportional increase is forecast to be in Real estate, which is forecast to increase by 36% from 15,300 m² to 20,700 m² in 2045. Growth in B1a space requirements is not universal across all identified sub-sectors with Telecoms, Finance and R&D forecast to see small contractions. Overall the requirement for this type of office space is forecast to increase by 19.7%, up from 136,800 m² in 2020 to 163,700 m² in 2045.¹⁷

Figure 26: Stacked area chart B1a floorspace forecast



¹⁷ <https://cambridgeshireinsight.org.uk/eefm/>

Serviced business park B1a office space is also forecasted to increase over the forecast period. The total quantum for this category is however much smaller at just 13,200 m² in 2020, with a forecast increase to 16,000 m² by 2045.

The largest business user of this type of space is in the provision of computer related activities, which currently accounts for 8,800 m² of this space, forecasted to increase by 21% to 10,600 m² by 2045 (chart and tables not shown).

Table 16: B1a floorspace forecast (extract 2020-2039)

| Sector (Thousand m ²) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Publishing & broadcasting | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Telecoms | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Computer related activity | 4.7 | 4.8 | 4.8 | 4.9 | 4.9 | 5.0 | 5.0 | 5.0 | 5.1 | 5.1 |
| Finance | 31.0 | 30.8 | 30.7 | 30.8 | 30.8 | 30.8 | 30.9 | 30.8 | 30.8 | 30.7 |
| Real estate | 15.3 | 15.6 | 15.9 | 16.2 | 16.5 | 16.7 | 17.0 | 17.2 | 17.5 | 17.7 |
| Professional services | 63.8 | 64.4 | 64.9 | 65.6 | 66.1 | 66.7 | 67.5 | 68.1 | 68.7 | 69.3 |
| Research & development | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Business services | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Employment activities | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 |
| Public administration | 15.6 | 15.8 | 16.0 | 16.2 | 16.4 | 16.6 | 16.8 | 17.0 | 17.3 | 17.5 |
| Total | 136.8 | 137.7 | 138.8 | 140.1 | 141.2 | 142.4 | 143.7 | 144.7 | 145.9 | 146.9 |
| Sector (Thousand m ²) | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
| Publishing & broadcasting | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
| Telecoms | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Computer related activity | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Finance | 5.2 | 5.2 | 5.2 | 5.3 | 5.3 | 5.3 | 5.4 | 5.4 | 5.4 | 5.5 |
| Real estate | 30.7 | 30.6 | 30.5 | 30.4 | 30.3 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 |
| Professional services | 17.9 | 18.2 | 18.3 | 18.5 | 18.7 | 18.9 | 19.1 | 19.3 | 19.5 | 19.7 |
| Research & development | 70.0 | 70.6 | 71.2 | 71.7 | 72.3 | 72.9 | 73.5 | 74.1 | 74.8 | 75.3 |
| Business services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Employment activities | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Public administration | 2.6 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.8 | 2.8 | 2.8 |
| Total | 17.7 | 17.9 | 18.1 | 18.3 | 18.5 | 18.8 | 19.0 | 19.2 | 19.5 | 19.7 |

As with B1a office space the requirement for B1b office space is also expected to increase within the forecast period. Over 98% of this type of space is estimated to currently be provided through science park centred provision. The equates to some 64,500 m² science park space in 2020 compared to just 1,200 m² of B1b space located elsewhere. The overall increased in this type of office space is forecast to be 8.2%, up from 65,000 m² in 2020 to 71,000 m² in 2045.

The largest growth area within this space is in professional services located at science parks, which are forecast to increase by 23.8% up from 12,500 m² in 2020 to 15,500 m² in 2040. Business services located at science parks are the largest single user of B1b space accounting for 49,600 m² in 2020, forecast to increase to 51,500 m² in 2045 (3.8%).

Growth in use cases is not universal, with research and development usage of B1b space expected to fall at both science park and other environments. This mirrors the forecasted fall in this use case within B1a office space.

Figure 27: Stacked area chart B1b office and science park floorspace forecast

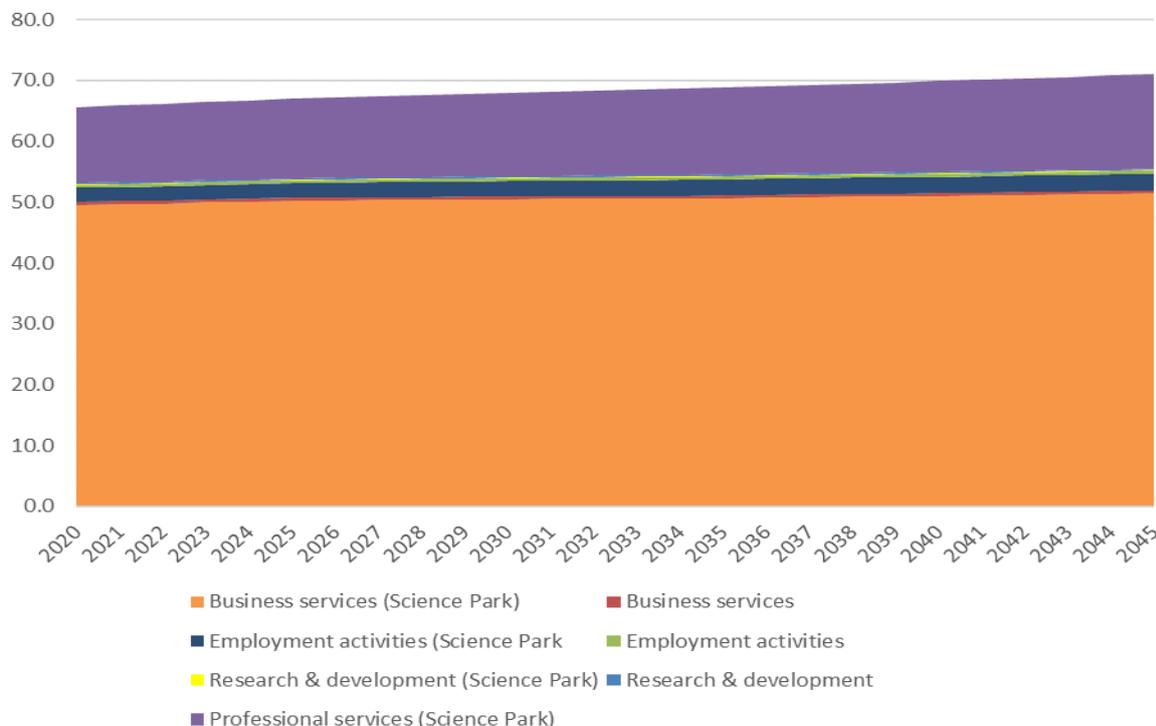


Table 17: B1a floorspace forecast (extract 2020-2039)

| Sector (Thousand m ²) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Research & development | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Business services | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Employment activities | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Professional services (Science Park) | 12.5 | 12.6 | 12.7 | 12.8 | 12.9 | 13.1 | 13.2 | 13.3 | 13.5 | 13.6 |
| Research & development (SP) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Business services (SP) | 49.6 | 49.7 | 49.8 | 50.0 | 50.1 | 50.2 | 50.3 | 50.3 | 50.4 | 50.4 |
| Employment activities (SP) | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.5 | 2.5 | 2.5 |
| Total | 65.6 | 65.9 | 66.1 | 66.5 | 66.7 | 67.0 | 67.2 | 67.4 | 67.6 | 67.8 |
| Sector (Thousand m ²) | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
| Research & development | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Business services | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Employment activities | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Professional services (Science Park) | 13.7 | 13.8 | 13.9 | 14.0 | 14.2 | 14.3 | 14.4 | 14.5 | 14.6 | 14.8 |
| Research & development (SP) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Business services (SP) | 50.5 | 50.5 | 50.5 | 50.5 | 50.6 | 50.7 | 50.7 | 50.8 | 50.9 | 50.9 |
| Employment activities (SP) | 2.5 | 2.5 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Total | 68.0 | 68.1 | 68.3 | 68.5 | 68.6 | 68.8 | 69.0 | 69.2 | 69.5 | 69.7 |

5.5 Rental values

Using the same Glenny data book information detailed in section 2.5, Braintree prime Office rents have increased by 20% from Q3 2015 to Q3 2019, up from £15 per sq. ft. to £18. This equates to an average increase of 2.1% every six months. This uplift is larger than experienced at Chelmsford (15.4%), but lower than experienced at Basildon (31.3%). Compared to the other areas reported on by Braintree, average prime office rents are £3 per sq. ft. cheaper than the next cheapest (reported) alternative. ¹⁸

Figure 28: Glenny LLP Office prime rent run chart

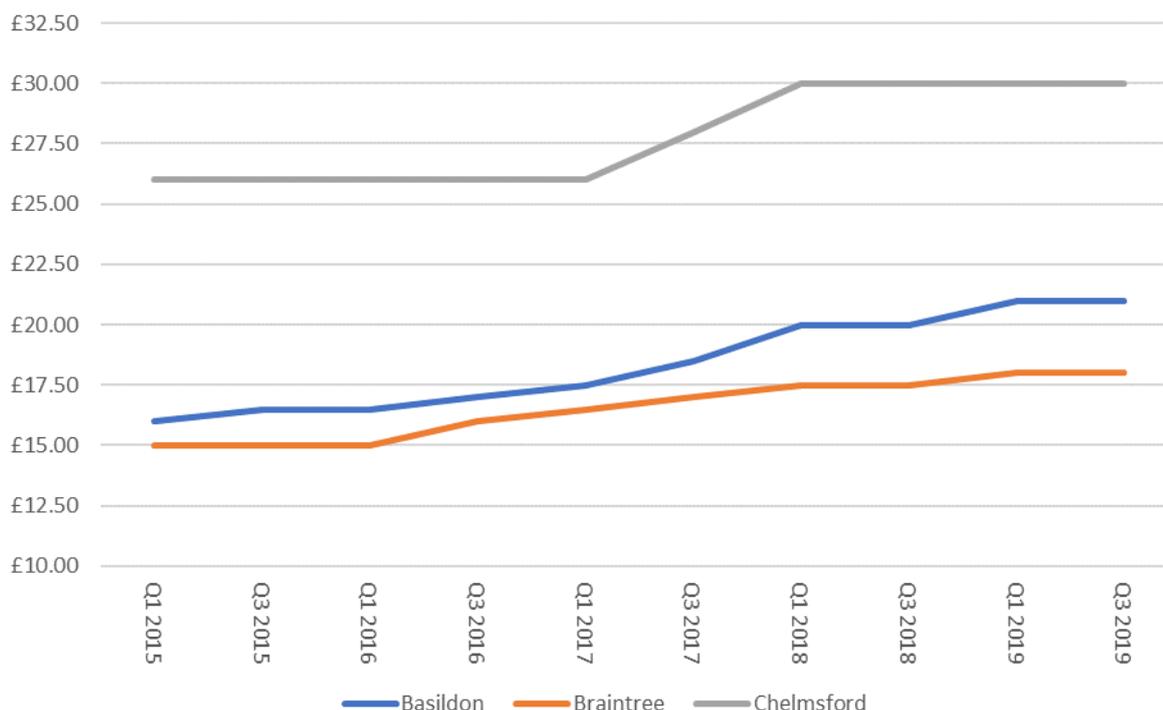


Table 18: Glenny LLP Office prime rent analysis

| Area | Q1 2015 | Q3 2015 | Q1 2016 | Q3 2016 | Q1 2017 | Q3 2017 | Q1 2018 | Q3 2018 | Q1 2019 | Q3 2019 | Change |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Basildon | 16 | 16.5 | 16.5 | 17 | 17.5 | 18.5 | 20 | 20 | 21 | 21 | 31.3% |
| Braintree | 15 | 15 | 15 | 16 | 16.5 | 17 | 17.5 | 17.5 | 18 | 18 | 20.0% |
| Chelmsford | 26 | 26 | 26 | 26 | 26 | 28 | 30 | 30 | 30 | 30 | 15.4% |

Secondary office rents have grown by an even larger margin during the period, increasing by a total of 64.7% from £8.5 per sq. ft. in Q3 of 2015 to £14 in Q3 of 2019. This was equivalent to an average 5.9% increase every six months. The pattern for increases in secondary rents is similar to that of prime rents with Basildon reporting the largest percentage increase and Chelmsford the lowest. As with prime rents Chelmsford is substantially more expensive than the other two reported areas, with Braintree offering the most cost effective average secondary office rent within reported areas.

¹⁸ Glenny Databook Q1 2015 up to Q3 2018

Figure 29: Glenny LLP Office secondary rent run chart

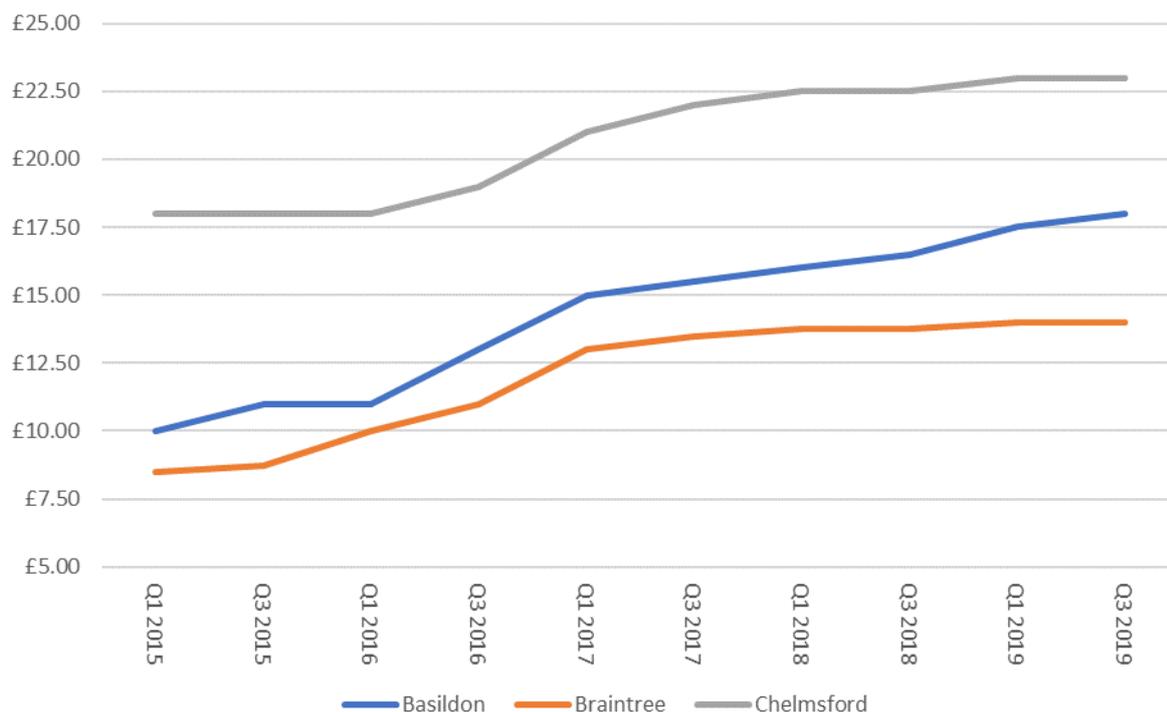


Table 19: Glenny LLP Office secondary rent analysis

| Area | Q1 2015 | Q3 2015 | Q1 2016 | Q3 2016 | Q1 2017 | Q3 2017 | Q1 2018 | Q3 2018 | Q1 2019 | Q3 2019 | Change |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Basildon | 10 | 11 | 11 | 13 | 15 | 15.5 | 16 | 16.5 | 17.5 | 18 | 80.0% |
| Braintree | 8.5 | 8.75 | 10 | 11 | 13 | 13.5 | 13.75 | 13.75 | 14 | 14 | 64.7% |
| Chelmsford | 18 | 18 | 18 | 19 | 21 | 22 | 22.5 | 22.5 | 23 | 23 | 27.8% |

Office capital values have increased by 32.5% in Braintree up from £200 per sq. ft. to £265 per sq. ft. Despite this increase both Basildon and Chelmsford have seen larger proportional and real terms increases, with capital office space values in Chelmsford £135 higher per sq. ft. and Basildon £15 higher per sq. ft.

6 Outline Economic & Financial Case

The following sections of this report provide an outline economic and financial evaluation for potential options for the scheme.

6.1 Investment Objectives

The investment objectives for this scheme are as follows:

1. ;
2. ;
3. ;
4. .
5. .

6.2 Critical Success Factors

CSF1: Strategic Fit

- The option must satisfy all 5 investment objectives and business needs
- The option must be aligned with and promote the national, regional and local strategies

CSF2: Potential Value for Money (VFM)

- The option must optimise the commercial opportunities for the project
- The option must provide value for money in the delivery of office space

CSF3: Potential Achievability

- The option must be politically acceptable at local, county and national level;
- The option must be achievable within current legislation;
- The options must be operationally achievable/physically achievable.

CSF4: Supply side Capacity and Capability

- The option must secure sufficient appropriate resources and expertise to be deployed within Braintree District Council to achieve the investment objectives.

CSF5: Potential Affordability

- The extent to which the option is affordable within the forecasted operational revenue envelope of Braintree District Council;
- The extent to which the option is affordable within the forecasted capital funding envelope of Braintree District Council.

6.3 Scope Appraisal

The scope options for this scheme are as follows:

- Option 1: ‘Barn’ style development encompassing a GIA of 3,100m².
- Option 2: ‘Pavilion’ style development encompassing a GIA of 3,400m².
- Option 3: ‘Stable’ style development encompassing a GIA of 3,800m².
- Option 4: ‘Dovecote’ style’ development encompassing a GIA of 3,450m².

Table 20: Scope advantages and disadvantages

| Option 1: ‘Barn’ style development encompassing a GIA of 3,100m ² | |
|--|--|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Initial cost estimate falls within project envelope • Provides prominence at the North end of the spine road. • Plaza benefits from Southerly aspect. • Shared relationship with Hub and Plaza. • Green route between Hub and Enterprise Buildings a desire line linking the wider infrastructure and crossing points. • Promotes footfall • Provides opportunity for dual aspect rooftop amenity. • Principle Barn Building can be a simple volume containing the service space, the wing containing the activity ‘Collaboration and Event’ Spaces. • Provides prominence from A131 roundabout. • Enterprise Centre Located at the Heart of the Horizon Hub. • Wing forms a natural Atrium. • Plan opens out to maximise views from the activity spaces into the parkscape. • Equal emphasis on entrance from North or South. • Extension of the Barn building viable. | <ul style="list-style-type: none"> • Smallest GIA of all options • Requires estate road for connectivity • Reduces facade zone to gain natural light. |
| Option 2: ‘Pavilion’ style development encompassing a GIA of 3,400m ² | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Provides prominence at the North end of the spine road. • Plaza benefits from Southerly aspect. • Shared relationship with Hub and Plaza. • Green route between Hub and Enterprise Buildings a desire line linking the wider infrastructure and crossing points. • Promotes footfall • Provides opportunity for dual aspect rooftop amenity. • Enterprise Centre Located at the Heart of the Horizon Hub. • Allows glimpse views back to parkland over interconnecting block from Plaza. | <ul style="list-style-type: none"> • Estimated to be outside the project cost envelope • Requires estate road for connectivity • Requires larger footprint to be developed • Setback from roundabout provides less prominence from main access off A131 • Key spaces focussed with outlook of the Business Park |



| | |
|--|--|
| <ul style="list-style-type: none"> • Equal emphasis on entrance from North or South. • Wings Could be Phased | |
| <p>Option 3: ‘Stable’ style development encompassing a GIA of 3,800m²</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Largest GIA of all options; • Provides prominence at the North end of the spine road. • Plaza benefits from Southerly aspect. • Shared relationship with Hub and Plaza. • Green route between Hub and Enterprise Buildings a desire line linking the wider infrastructure and crossing points. • Promotes Footfall. • Provides opportunity for dual aspect rooftop amenity. • Enterprise Centre Located at the Heart of the Horizon Hub. • Restricts view back to parkscape. • Wings could be phased. | <ul style="list-style-type: none"> • Most expensive of all the options and estimated to be outside the project cost envelope • Requires estate road for connectivity • Requires larger footprint to be developed • Setback from roundabout provides less prominence from main access off A131 • Key spaces focussed with outlook of the Hub building. • Hierarchy of Entrance from North or South |
| <p>Option 4: ‘Dovecote’ style’ development encompassing a GIA of 3,450m²</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Provides prominence at the North end of the spine road. • Able to link with Zone B if workshops a later phase. • Provides prominence from A131 Roundabout. • Continues principle of linear blocks framing views back to parkland. | <ul style="list-style-type: none"> • Estimated to be outside the project cost envelope • Removed from the natural pedestrian desire line. • Harder to promote the health, wellbeing and collaboration benefits of the Zone A Horizon Hub masterplan. • Enterprise Centre to be the Heart of the ‘Zone A – The Horizon Hub’ This is isolated by access road. • Less natural footfall. • Hierarchy of Entrance from North or South. • Limited Expansion. • Strong relationship with Highway. |

Table 21: Scope appraisal summary

| Reference to: | Option 1 | Option 2 | Option 3 | Option 4 |
|-------------------------|-----------|------------|------------|------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| Strategic Fit | | | | |
| Strategic Fit | ✓ | ✓ | ✓ | ✓ |
| Potential VFM | ✓ | ✓ | ✓ | ? |
| Potential achievability | ✓ | ✓ | ? | |
| Supply side capability | ✓ | ✓ | ✓ | ✓ |
| Affordability | ✓ | x | x | x |
| Summary | Preferred | Discounted | Discounted | Discounted |

Option 1: ‘Barn’ style development encompassing a GIA of 3,100m² has been identified as the preferred option at this early stage of the evaluation.

As the business case progresses to that of a full OBC, the options for both service and delivery solutions will be evaluated to enable BDC to arrive at a preferred solution that will include specifics around building configuration, commercial and management operation.

6.4 Benefits and Disbenefits

Table 22: High Level Benefits/Disbenefits Table

| Benefit | Type |
|---|---|
| A commercially viable Innovation Centre at Horizon 120 creates a new additional income stream for the district council | Quantifiable – Centre Income |
| Businesses that choose Braintree district as a location benefit from competitive market rates for Office and Industrial space and close to (Industrial) or slightly below (Office) the mean and medium level for NNDR within the east of England region | Quantifiable – Business survival |
| Provision of additional industrial class B1c and B2 space at the Horizon 120 development will help bring Braintree district closer to the equilibrium market rate for vacant space | Quantifiable – Space created |
| EEFM identifies ongoing requirement for additional B1a and B1b office floorspace that will in part be met by the Horizon 120 development | Quantifiable – Space Created |
| Provision of wrap around support services for new businesses at the Innovation Centre will increase their potential survival rate | Quantifiable – Survival rates |
| Modern state of the art conferencing, meeting and business lounge facilities will provide a local gravitational pull to the centre creating a new focal point for the local business community | Quantifiable - Footfall |
| Horizon 120 will Encourage new business start-ups through the provision of effective incubation facilities and wrap around support that will create new high value job opportunities within the district | Quantifiable – Jobs created, mean and median wage at centre |
| Horizon 120 will encourage new business start-ups through the provision of effective incubation facilities and wrap around support that will create additional GVA for the national economy | Quantifiable – GVA created |
| Horizon 120 will create a significant new cluster of innovative business growth in close proximity to the town of Braintree | Quantifiable – Business Births |
| New businesses that grow beyond the NNDR relief threshold will contribute to the local tax base. | Quantifiable – NNDR rates |
| Effective market intervention in provision of new state of the art business space and wrap around support services will increase positive views of the effectiveness of the local district council | Non-quantifiable |
| The centre will have an aspirational effect on young people from Braintree, through effective linkages with institutions of further and higher education | Non-quantifiable |
| Reduction in out-commuting from Braintree, increasing both indirect and induced spend within the local economy | Non-quantifiable |
| Increased community cohesion within the vicinity of Great Notley due to the visibility of inward investment within the area. | Non-quantifiable |
| Disbenefit: Horizon 120 could cause some displacement of activity taking place elsewhere, creating vacancies within alternative provision | Non-quantifiable |

6.5 Risks

Table 23: High Level Risks Table

| Risk | Mitigation |
|--|--|
| Risk that SELEP does not approve funding for project | Develop comprehensive evidence based OBC/FBC. |
| There is a substantial risk that Covid-19 will have an ongoing impact on the wider macro-economic climate and the way that businesses operate in the future. | Effective scenario analysis within OBC/FBC. |
| Brexit may pose both risks and create new opportunities for existing local businesses and potential new business start-ups within Braintree | Development of tailored wrap around business support services that maximise the survival potential of new business start-ups. |
| Excessive Construction Inflation | Achieve cost certainty as early as practicable within the project. |
| The UK is currently in recession, a prolonged recession may cause long term scaring to job and GDP growth at both local and national levels | Maximise opportunity for business space below the rateable threshold. Development of tailored wrap around business support services that maximise the survival potential of new business start-ups. |
| That the occupation rate for the centre is significantly lower and/or slower than anticipated | Scenario planning at OBC stage to assess the financial impact of lower/slower occupancy rates. |
| New businesses at the centre have a higher than anticipated failure/default rate | Development of comprehensive wrap around business support services to help to minimise business failure. |
| Risk that the wrap around support services and facilities are not tailored and enhanced enough to attract businesses that could choose to locate at alternative provision, particularly those sites linked to Universities | Develop best in class facilities at competitive market price. Identify target sector businesses and tailor development of wrap around support services and workshop facilities to meet their specific needs. |
| Risk that new high value start-ups choose an alternative centre affiliated to a university rather than Horizon 120 | Minimise risk by targeting wrap around support services and maker facilities to specific sub-sector business to develop a clear and understandable unique selling point for the centre. |

6.6 Equality Impact Assessment

In order for the scheme to progress to a full outline business case a full equalities impact assessment will need to be commissioned.

6.7 Environmental

The environmental impact of the scheme will not be ascertainable until a chosen design has been selected, the impact of this design will require quantification in the OBC/FBC.

6.8 Initial Cost Estimate

The initial cost estimate for Option 1: 'Barn' style development encompassing a GIA of 3,100m² as detailed in the Feasibility Assessment is £14,376,995.

An initial investment appraisal is being developed based on a range of assumptions to ascertain a potential benefit cost ratio (BCR) of the scheme. This will likely change at the point the OBC is developed as more detail emerges around the actual configuration of the building, the services it will offer, as well as the commercial and management models that will be adopted by BDC.

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The template

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

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

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

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

The standard process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:



| | |
|------------------------|--|
| Version control | |
| Document ID | HEC/BC/01 |
| Version | OBC CPC V0.6 |
| Author | Sylvester Eyong (BDC) Mike Hughes (CPC) |
| Document status | Final copy of OBC |
| Authorised by | |
| Date authorised | |

1. PROJECT OVERVIEW

1.1. Project name:

Enterprise Centre for Horizon 120 Business and Innovation Park

1.2. Project type:

Site development, skills and innovation

1.3. Federated Board Area:

Success Essex

1.4. Lead County Council / Unitary Authority:

Essex

1.5. Development location:

Horizon 120 Business & Innovation Park, South of Great Notley Country Park, Braintree, Essex.

1.6. Project Summary:

The provision of an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth as well as businesses aiming to stabilise and consolidate their activities.

This is a new 3,100 m² Enterprise Centre building with a variety of office spaces but no workshops and no laboratories or industrial use. There will also be a flexible conference space that can be transformed into smaller units.

It is a purpose built physical and virtual environment designed to drive collaboration, encourage idea generation and underpin problem solving.

As the focal point for Horizon 120 Business Park, the building will provide accommodation and support to germinate employment, interest and occupation.

It will forge the character and setting for the Horizon 120 Business & Innovation Park aspiration as outlined in the Design Code of the Local Development Order.

Spaces to be provided will include:

- Offices
- Spaces for events and collaboration
- Makers Space
- Business Lounge
- Hatchery and Co-working
- Boardroom and Meeting Suites
- Entrance and Communal Facilities
- Amenity Facilities
- External Spaces

1.7. Delivery partners:

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

| Partner | Nature of involvement (financial, operational etc.) |
|----------------------------------|--|
| Braintree District Council (BDC) | Financial and Operational (Lead Applicant) |
| Essex County Council (ECC) | Lead Local Authority |
| | |
| | |

1.8. Promoting Body:

Essex County Council

1.9. Senior Responsible Owner (SRO):

[Specify the nominated SRO and provide their contact details. The SRO ensures that a programme or project meets its objectives and delivers projected benefits. This is not the same as a Section 151 Officer.]

Dominic Collins

Corporate Director of Growth

Braintree District Council

Causeway House, Bocking End, Braintree, CM7 9HB

01376 552525 Ext. 2560 | 07546 310434

dominic.collins@braintree.gov.uk

1.10. Total project value and funding sources:

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

| Funding source | Amount (£) | Constraints, dependencies or risks and mitigation |
|----------------------------|-------------------|--|
| SELEP | £7M | Subject to approval of Business Case |
| BDC | £9M | Subject to Cabinet and Council Approval |
| Total project value | £16M | |

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

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

£7M sought from SELEP; Funding type is the Getting Building Fund (GBF)

1.12. Exemptions:

[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2017, Section 5.7.4 and 5.7.5]

None

1.13. Key dates:

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

Date for commencement of Expenditure: August 2020.

Early works package (sub-structure) construction start 11th January 2021

Superstructure construction Start Date: Wednesday 21 April 2021

Construction completion Date: 10 March 2022

Fit-out completion & opening 30th May 2022

1.14. Project development stage:

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

| Project development stages completed to date | | | |
|--|---|---|--------------------|
| Task | Description | Outputs achieved | Timescale |
| Inception | Understanding project scope and objectives. Justification and prioritisation of the project | Project Selection, Option Selection | Monday 10/08/20 |
| Feasibility | Preliminary study to establish whether the project is viable. Confirming whether or not the project should proceed. | Feasibility Report, Options Appraisal, Massing drawings and Outline Business Case | Wednesday 09/09/20 |
| | | | |
| Project development stages to be completed | | | |
| Task | Description | Timescale | |
| Options selection | Selection of preferred option from the options appraisal | | |

| | | |
|--|--|--|
| Initiation | Project definition, involving project constraints and problem statements. Clarifies objectives, scope, constraints, deliverables, stakeholders and key risks. | Monday 14/09/20 – Monday 23/12/20 |
| Setup (Detailed Project Planning) | Development of formal approved documents used to guide project execution and project control. They document planning assumptions and decisions, approved scope, cost, programme and facilitates communication among project stakeholders. | Monday, 14/09/20 – Wednesday 23/12/20 |
| Design Development | Development of concept, developed and Technical designs in accordance with the requirements of the Design Code within the Local development Order (LDO). | Monday 06/07/20 – Friday 19/02/21 |
| Planning and Approval | Deciding whether the design proposals are in accordance with the Design Code as stipulated in the LDO and approve accordingly. | Monday 31/08/20 – Wednesday 09/12/20 |
| Tender Action and Enabling works package | Development of tender documents, invitation to tender (ITT), selection of preferred contractor and tender notifications | Monday 07/12/20 – Monday 25/01/21 |
| Contract Signing | Production of Contract agreement documents defining scope, terms and conditions of agreement. Sets out completion date, transferred risks, derogations and amendments to the standard form of contract. | Friday 29/01/21 - |
| Pre-Construction | Putting together information that is already in the possession of the Council or which is reasonably obtainable by the council. This includes information about the project, planning and management of the project, health and safety hazards and information in the existing Health and Safety File. Provision of Construction phase plan by contractor. | Monday 01/02/21 – Tuesday 20/04/21 |
| Construction | Site possession, mobilisation, provision of adequate welfare facilities for workers, setting up procedures for RDD, RFI, carrying out operations on site, dealing with change requests, extensions of time as well as Loss and expense requests. | Wednesday 21/04/21 – Tuesday 31/05/22 |
| Soft Landing | Training of Facilities Management personnel on how to manage and maintain the building. | Monday April 4 2022 |
| Sectional Completion 1 | Handover of section 1 | Thursday March 10/03/22 |

| | | |
|---|---|------------------------|
| Sectional Completion and Practical Completion | 2 Preparing for soft landing, snagging, making good defects, any required training. Putting client insurance in place. | Tuesday May 31/05/22 |
| Handover | Planning how to handle latent defect and handing over keys. | Wednesday June 1, 2022 |
| In Use and defects Period | Identifying and recording benefits. | Wednesday May 31, 2023 |

1.15. Proposed completion of outputs:

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

Construction will be divided into two sections with;

- Section 1: That is the complete building with category A fit out, including raised floors and suspended ceilings as well as basic mechanical and electrical services;
- Section 2: This will include Category B fit out, and external works;
- Section 1 will be complete by Thursday 10/03/2022;
- Section 2 will be complete by Monday 30/05/22;
- Practical completion is expected on Tuesday 31/05/ 2022.

2. STRATEGIC CASE

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

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

2.1 Scope / Scheme Description:

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

2.1.1 Strategic Context

The Horizon 120 Enterprise Centre will provide a focus for business support, business location and business growth in one of the most exciting business park developments within the SELEP area. It will provide 2 floors of flexible business office spaces for lease, on a range of terms, with a ground floor offering a series of training and meeting rooms, conference space, open networking and touch down work space. A café/bistro will offer a hub for business engagement, networking and learning accessible to the Horizon 120 Business and Innovation Park, surrounding business parks, across the district and beyond. The Centre will comprise a purpose built building with modern facilities to facilitate the growth of micro businesses, start-ups, nascent business ventures and innovation oriented SMEs.

Braintree District Council owns the Horizon 120 Business and Innovation Park site. Braintree is currently promoting plots for development for bespoke buildings for hi-tech, industrial, warehouse and office provision, for a wide range of sectors including professional services, research and development, digital, distribution and advanced manufacturing. The 65 acre site was due to be brought forward by private sector developers; however, after many years of inaction, Braintree decided to purchase the land and develop it into a region leading business park itself, that will support employment and business diversification across the District and beyond, across the county and sub region.

To facilitate delivery on the site, the District Council has this year agreed a Local Development Order (LDO), to make the development of the site easier for potential tenants and to promote and secure a range of business types in the Park. The Park (which Braintree DC has the option to expand by another 26 acres) is, therefore, set to become a major new employment space, strategically positioned in an established commercial location, and will set the standard for a modern business environment. Situated adjacent to the A131 dual carriageway, the Park is in a highly accessible location, close to the A120, providing fast road access to Chelmsford, Colchester, Stansted Airport and the M11 (Junction 8).

2.1.2 Benefits to be Derived

Ultimately, the vision of Horizon 120 Business and Innovation Park is to create a business community which will add to the experience of employees and, through its combination of location and infrastructure provision, including the UK's first electric forecourt being developed

adjacent to the site (developed by Gridserve), will attract businesses to locate to the area supporting the outcomes of Braintree District Council, the North Essex Authorities and the wider A120 economic corridor, and SELEP. To that end, the enterprise centre will provide a focus for start-up and burgeoning companies, as well as established companies that require a flexible space with opportunities to network, engage in local supply chains, and gain access to a suite of business development programmes from partners including Colchester Institute, Adult Community Learning Essex, Anglia Ruskin University, the BEST Growth Hub and the Haven Gateway Partnership.

The purpose and ambition of the centre has become ever more necessary as Covid 19 has impacted on the economy. With nearly 40% of Braintree residents in work having been furloughed from their employment and the early impacts of the coronavirus crisis felt heavily in some of the key sectors of the Braintree economy (including construction, retail, manufacturing), Braintree District Council are keen to accelerate the delivery of the enterprise centre at a time when businesses will be looking to downsize, relocate to cheaper premises (Braintree offers a competitive cost advantage in this regard, given relatively low land and lease costs) and will need all the support they can to either establish themselves, grow or simply maintain their position in the coming years.

To that end, Braintree District Council has had the ambition to include an enterprise centre on the Horizon 120 Business and Innovation Park from its inception. However, Braintree has not had the financial resources to commit to the project in the short term and, to that end, has not been able to scope the breadth and range of spaces we are now planning, given the potential of Getting Building Funding to deliver on our ambition. The SELEP's support will deliver the enterprise centre several years in advance of it coming forward with just BDC resources and will increase the impact of the centre far wider than the original Business Park focus.

The Horizon 120 Enterprise Centre is looking 'to set a precedent for creating a 'distinct place that supports a new model of a healthy, holistic working lifestyle' promoted by the Horizon 120 Business Park. Ambitions for the site are to create a green and environmentally conscious business park that protects and enriches biodiversity. As such, the development of the enterprise centre will be planned to achieve high quality green infrastructure and space for flora and fauna, with no net loss of biodiversity. The Centre will, therefore, be developed at least to BREEAM Very Good standards.

As explained below, Braintree District Council has taken a bold step to fund the development of the 65 acre Horizon 120 Business and Innovation Park itself. The market failure of the commercial development sector has been replaced by forward thinking investment in the economic prosperity of the district by the local authority. To be more than another business park however, and to achieve the economic growth benefits of the sites development, particularly in a post Covid economy, businesses will need direct access to business support, business networks and suitably flexible business space. The Horizon 120 Enterprise Centre will deliver that and, with the support of the Getting Building Fund, it will be delivered more quickly and with a greater economic impact across a wider geographical area than initially imagined.

2.2 Logic Map

Table 1 – Logic Map

| Inputs | Outputs | Outcomes | Impacts |
|--|--|--|---|
| <p>For all schemes:</p> <p>Take from section 1.10 / Financial Case</p> <p>Grant Spend: £7m</p> <p>Matched Contributions Spend: £9m</p> <p>Leveraged Funding: £16m</p> | <p>For all schemes:</p> <p>Influenced by detail in section 3.2.</p> <p>Also refer to metrics output metrics within Appendix E</p> <ul style="list-style-type: none"> • Construct a high quality enterprise building, with offices and meeting rooms, a conference hall and café. • Create a strong connection to natural environment, with green routes which promote healthy | <p>Influenced by details in sections 2.1, 3.4, 3.5, 3.10</p> <p>For schemes of £2m of funding or less:</p> <p>-Jobs -Houses</p> <p>For schemes £2m-£8m:</p> <p>Include all required LEP shown in Appendix E:</p> <p>M&E Metrics for scheme type (skills, land/property/flood protection, business support / innovation / broadband, transport) plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>Include all required LEP M&E Metrics and consider further metrics within Appendix E plus any moderate or large benefits / disbenefits which occur as part of section 3 in this template</p> | <p>For schemes of £2m of funding or less:</p> <p>-n/a</p> <p>For schemes £2m-£8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>Given the nature of this scheme – high quality, innovative, centred on entrepreneurship – Its impact will have far reaching positive effects on</p> |

| Inputs | Outputs | Outcomes | Impacts |
|--------|--|--|---|
| | <p>transport links between The Country Park and Great Notley Village</p> <ul style="list-style-type: none"> • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Provide a range of facilities and support services including a maker space. • Achieve BREEAM Very Good, | <ul style="list-style-type: none"> • Enable a collaborative and nurturing environment to enable start up and grow + SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenant growth. <p>LEP M&E Metrics:</p> <ul style="list-style-type: none"> • 160 new jobs will be created as a result of the interaction (124 direct and 36 indirect) • Commercial floor space occupied – 3100m² (GIA), Classes: A2 – Financial & professional services, A3 – Restaurants & Cafes, B1 – Business. • Commercial rental value: £30/ft², inclusive of utilities <p>SKILLS</p> <ul style="list-style-type: none"> • Number of new staff – 4 <p>BUSINESS SUPPORT, INNOVATION & BROADBAND:</p> | <p>businesses and individuals alike. These include:</p> <p>SKILLS:</p> <ul style="list-style-type: none"> • Increased number of people going into higher paid jobs. • A larger population percentage going into NVQ Level 4 <p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> • Increased attractiveness to developers • Increased attractiveness to businesses • Increased productivity • Increased employment levels (Changes in GVA) • Regeneration of the area • Improvements in education • Improved levels of physical activity <p>BUSINESS SUPPORT, INNOVATION & BROADBAND;</p> <ul style="list-style-type: none"> • Increased effectiveness to developers • Increased attractiveness of area to developers • Value for Money |

| Inputs | Outputs | Outcomes | Impacts |
|--------|---------|--|--|
| | | <ul style="list-style-type: none"> • Virtual environment to support start-ups. • Business Training, leading to professional qualifications provided by an accredited training organisation <p>TRANSPORT:</p> <ul style="list-style-type: none"> • Better public transport integration <p>Reductions in carbon emissions</p> | <ul style="list-style-type: none"> • Increased productivity • Improved air quality • Improved road safety <p>Improvements in local health</p> |

2.3 Location description:

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

2.3.1 Location

The Horizon 120 area covers approximately 26.3 ha, and includes a series of development plots for business and commercial use, in addition to the landscape areas for recreation. The Enterprise Centre will form part of the business park.

The site is arable farmland, set within tree and hedge lined boundaries; but, benefits from a verdant, ecological setting within the locality.

With farmland and Great Notley Park on its borders, the setting is grassy, with walking trails and bridle paths that link to the wider countryside (see Site Location map below).

On the Southern boundary of the site, construction is already underway to build a Gridserve fully electric forecourt. It is the first of its kind in the UK. This innovative facility will provide quick and effortless charging for all types of electric vehicles. It provides sustainable, energy powered, affordable public charging. Its presence will amplify the message about innovation and enterprise.

2.3.2 Context and Connections

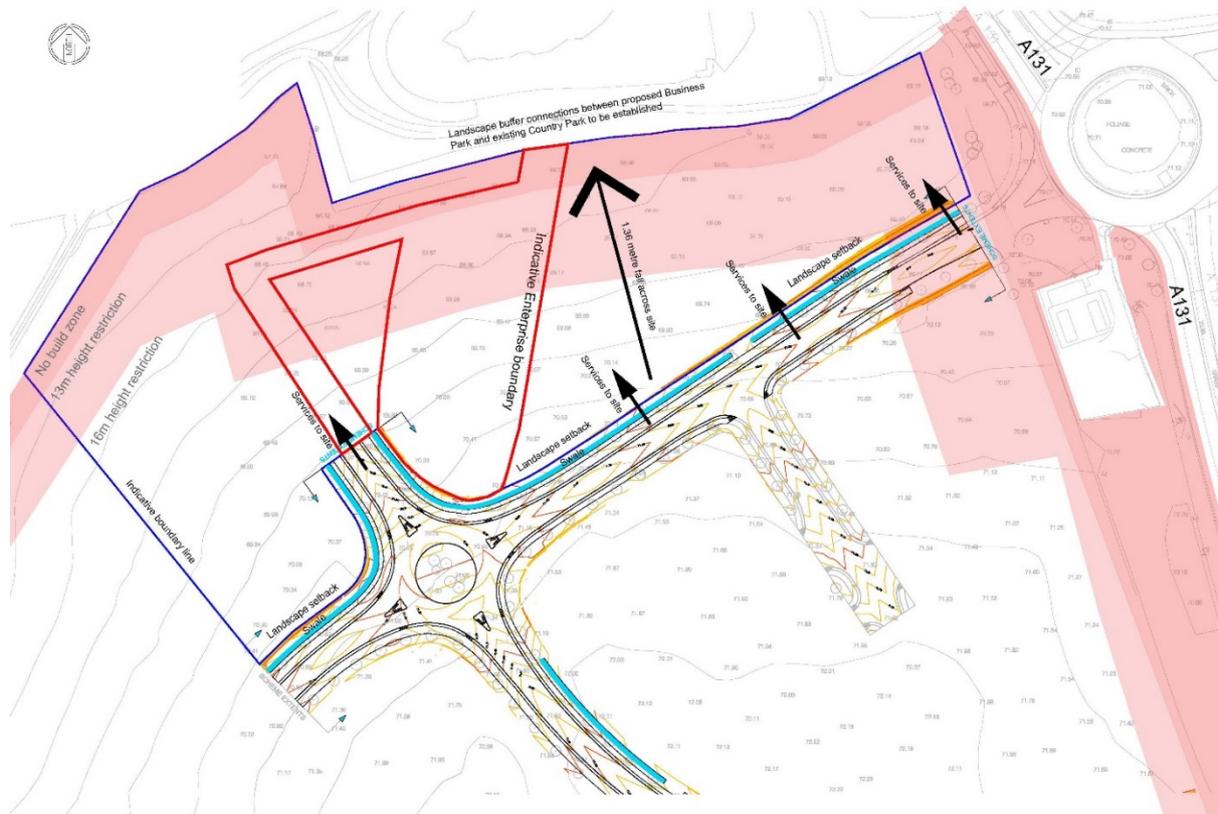
The site is set on the edge of Great Notley Village in Essex. It is located to the south of Great Notley Country Park across the A131 from Great Notley Village. To the south is Slamseys Farm and Store, a working farm which grows food crops, sells Christmas trees, makes Slamsey's Gin, teaches printmaking, stores caravans and rents out barns and containers. To the west, farmland extends out into the countryside. A solar farm can also be found.

There are two business parks within 2km of the site – Skyline Business Centre and Lynderswood Business Park. Chelmsford City Racecourse sits 2km south of the site.

The site is well connected by bus to Great Notley Village and further connection to Braintree railway station along London Road.

A series of bridle paths connect the site to the surrounding countryside, including Great Notley Country Park and Fitch Way Walking Trail to the north and Chelmsford City Race Course to the south. A pedestrian crossing across the A131 links the Village to the country park and the site.

Plan 1: Site Location and Zone A Plan



2.4 Policy context:

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

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

In 2013 Braintree District Council (BDC) launched its Economic Development Prospectus (EDP) 2013-2026. This document set the strategic context for the authority's action to support the Braintree economy. Whilst recognising the locational competitive economic advantage of Braintree (sited alongside the economic centres of Chelmsford, Colchester and near to Cambridge, in close proximity to the Haven Ports, London Stansted Airport and London and the M25 via the A120 and M11) the Prospectus recognised significant barriers to economic growth, including infrastructure deficits and the need to support its town centres and rural areas.

Importantly, the Prospectus recognised "We have attractive and accessible employment sites, but need to support the private sector to develop these sites" and, to that end, the "authority will work with owners and developers to bring forward key strategic employment sites as part of the economic development of the wider A120 economic corridor" including "land to the west of the A131 and Great Notley" – i.e. the Horizon 120 Business and Innovation Park site. Since 2013 therefore, Braintree have been working to ensure the land where the Horizon 120 site is based could be brought forward, developed and support businesses to locate in the district.

Importantly, the Prospectus also identified business support should be a central tenet of the authority's EDP. Providing land alone will not encourage the location and growth of businesses which support employment of its residents, the authority recognised:

"We need to build on our foundation of business support, stimulating demand through a co-ordinated approach to inward investment. We need to support growth of businesses with innovation potential including supporting the growth of the green economy".

Thus, support of business and development of the green economy has continued as a vital element in Braintree's economic development programme.

In 2017, BDC refreshed its EDP, refocussing the aim of a new Plan for Growth to deliver 9,000 jobs by 2026. Importantly the Plan for Growth was drafted in context of the governments Industrial Strategy Green Paper and recognised the need to support the UK's, and Braintree's, economic growth through a focus on productivity and innovation. Braintree submitted a response to the Green Paper committing to "work in partnership with Central Government, other public sector bodies and the private sector to encourage sustainable, productive economic growth within the district".

In aligning its economic policy objectives to that of UK Government, the local authority recognised Braintree lagged behind in terms of productivity – in 2017 Braintree ranked 6th in Essex, which itself ranked 5th out of 6 authority areas in the East of England. The lack of high-tech businesses locating in Braintree was compared to the wealth of such firms located in Uttlesford and nearby Cambridge and the subsequent high levels of productivity in those neighbouring areas. The prevalence of microbusinesses in Braintree was also considered a factor that depresses productivity in the area.

As with many areas across Essex and the UK, the Government's Industrial Strategy therefore provided a focus of attention to the Council, in response to which it reinforced belief that whilst the economy of the district would likely grow at an average rate without significant public sector investment, it would not reach full potential without intervention from the public sector. Given the current Covid-19 economic crisis, the Plan for Growth also prophetically suggested a general increase in economic prosperity of the district would arise "barring any further major external economic shocks".

To offer that public sector stimulus, the Plan for Growth again identified several barriers to the economy's development, and again suggested "A further inhibitor to growth is the lack of growth office space for businesses and general employment premises and sites that are at the point of being delivered. The result of this lack is businesses already in the district either do not grow in order to remain within their manageable spaces, or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree".

To break this barrier to growth the Plan suggests the authority work with public and private sector partners to target business support programmes to encourage businesses in growth sectors to flourish in the district and "create employment sites and a range of office accommodation fit for purpose and business need".

Whilst BDC has been identifying the need and developing plans to support delivery of business space and business support in pursuit of increasing employment of residents and improving their productivity, the authority has been working with partners across the North Essex A120 Corridor to determine common actions in support of the sub regional economy. In recent years, this focussed on a need to coordinate effort across the corridor in providing suitable business support and business space locations.

The North Essex Economic Strategy (2019) was the culmination of this work and suggested partners (including the authorities of Braintree, Colchester, Tendring and Essex County Council (ECC)) should work together, providing economic land and premises and support for innovation. This was enshrined in a new vision for the North Essex economy where “North Essex is a high value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity”. A series of missions are identified in the Strategy authorities are actively working together to achieve, including:

- “Driving Innovation” (“developing opportunities for innovative businesses to grow, technology clusters to emerge”) which specifically referenced the potential of Horizon 120 to support this ambition, and
- “Growing a Greener, Sustainable Economy” (“we want to ensure that North Essex is a leading example of sustainable development....through lower carbon, innovative businesses”).

Importantly these, and other ambitions and missions, have fed the Essex County wide approach that responded to government’s Industrial Strategy and productivity challenge. To that end, the Essex Prosperity and Productivity Plan (2020), developed by Success Essex in partnership with ECC, also identified a series of missions, including creating a “Dynamic economy”, which calls for “investment in open innovation facilities...with the aim of developing a stronger innovation ecosystem” and “extend the potential for business to business interaction...encouraging the participation of innovative small businesses”.

Importantly the Productivity Plan seeks to “ensure high-value businesses with the ability to expand have the physical capacity to do so” by “taking a proactive approach to the provision of business workspace, recognising the lack of supply in the context of significant pressures on land”. The strategic fit of the Horizon 120 Enterprise Centre with the Dynamic Economy mission is one of the reasons the Success Essex Board promoted our bid for Getting Building Fund support.

The South East Local Enterprise Partnership (SELEP) has been pragmatic and facilitative in establishing priorities for the growth of the Partnership’s region. Taking its drivers from requirements of central government initially through the Strategic Economic Plan and resulting growth deals, SELEP has consistently seen need to support schemes providing a range of business space coupled with business support programming. This is also evident in the LEP’s initial response to the government’s call for development of Local Industrial Strategies – Smarter, Faster, Together.

In this document, under priority 1, SELEP seeks to “Respond to increasing need for workspace flexibility”; even more relevant as we recover from the impact of Covid-19 on workplaces. There is also reference to “recent research indicates a shortfall in supply across a wide range of business space types and price brackets” and SELEP commits to build on its strong record of bringing forward new managed workspace and innovation centre space and recognises “responding to a more flexible working landscape demands a more integrated approach, linking existing and new facilities and creating conditions for businesses to make new connections and share ideas”.

These commitments are built on the SELEP recognition within its 2014 Strategic Economic Plan that key to the support of a productive economy “is provision of high quality, modern business space, meeting the needs of businesses in the key growth sectors”, mirrored in the Essex chapter of the SEP, where the Essex Federated board committed to “develop and expand four business incubation centres across Essex, and roll out a network of “Growth hubs” to provide integrated business space and support”.

Focussed on delivering against the productivity challenge, Essex committed to “bring forward investment in facilities that will support innovation, business growth and company creation. Through the proposed Growth Deal, Essex partners are looking to co-invest with government in Business Centres that offer provision such as:

- business networks;
- mentoring support;
- access to expertise and facilities; and
- signposting to other specialist support”.

A golden thread of business support and the need to develop innovative business spaces runs through the strategic intent and economic policy from Braintree to the A120 Corridor, the Success Essex Board and SELEP SEP to link with the ambition and intent of the governments Industrial Strategy. The Horizon 120 Enterprise Centre has the potential to become another feature in the LEP’s network of innovation and business support spaces, which could also in time provide the platform and home for future business support and skills support programmes the SELEP may wish to deliver.

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.]

Braintree is a thriving economy. It has significant competitive advantage in its location, sitting as it does at the intersection of road and rail infrastructure with direct access to domestic and international markets. This advantage is complemented by a high quality natural and historic environment and a supportive and entrepreneurial business environment where employment land is competitively priced. The Council and partners are serious about enabling investment and helping businesses establish and grow.

The Braintree economy has strengths in the construction, advanced manufacturing and engineering, financial and insurance, and wholesale retail sectors and logistics. Braintree’s economy is broadly in line with the East of England average, made up of:

- 89.5% - Micro businesses (0-9 employees),
- 10.0% - Small and Medium Enterprises (10-249 employees),
- 0.3% - larger businesses employing over 250 staff.

This context though also points to issues within the Braintree economy that require attention. For example, whilst its location is good for business it is also good for out-commuting of labour. This creates a situation within the district where the median salary for Braintree residents is almost £600 per week (reflective of the levels of out-commuting, probably to London) whereas the median wage of employees within the district is £514, lower than the Essex and UK average (£520 and £529 respectively).

As previously highlighted, productivity in the Braintree District is lower than the Greater Essex average. In 2017, at £41,200 labour productivity, Braintree was ranked 6th in Greater Essex, a consequence of relatively low-skilled employment and job opportunities within the district. This compares with the highest productivity level in Greater Essex in the neighbouring district,

Uttlesford, which has £52,100 labour productivity. The common link with these high productivity levels seen nearby is the high-tech business dominance of Cambridge which has spread to neighbouring areas and the impact of life sciences, principally Uttlesford and Stevenage in Hertfordshire.

In its Plan for Growth, Braintree identifies that to improve prospects of economic growth, through creation of more high quality jobs, businesses within the district need support from BDC to grow and new businesses need to be attracted to the district. To that end, the Plan recognises there is currently a lack of grow-on office space for businesses and general employment premises and sites at the point of being delivered.

The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces, or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree. In order to support this, the Plan specifically identifies the need to provide appropriate business premises as a key issue to address, and that the private and public sector need to intervene by creating employment sites and a range of office accommodation that are fit for purpose for business needs, including targeted support to businesses in our growing and emerging sectors, with innovation potential.

Braintree DC commissioned a feasibility study (by CPC Project Services) to examine how an enterprise centre at the Horizon 120 Business and Innovation Park would support delivery of relevant business space and help deliver the ambitions within the Plan for Growth. Whilst the feasibility study examines a broad range of sector specific land and premises requirements, it recognises the strong forecast demand for office space in the Braintree district, with an East of England Forecast Model estimate of requirements increasing from a 2020 level of 136,800m² to 163,700m² in 2045 – an increase of nearly 20%. Importantly, the demand for serviced business park B1a office space is also forecast to increase over that period.

The feasibility concludes that, for B1a/B1b type office space, the sectoral business mix operating in Braintree leans heavily toward those that would occupy B1a general type office space. Sectors seeking such space may include:

- Information and communication;
- Financial and insurance;
- Professional, scientific and technical;
- Administrative and support services (excluding call centre activities).

While, in totality, these sectors are proportionally smaller in Braintree than adjacent districts, some sub-sector clusters exist that, while small in employee terms, have high location quotients offering strengths to build on. These sub-sectors include insurance, specialised design, technical testing and analysis, and security systems services.

Importantly for innovation support, the study recognises professional, scientific and technical activities has (as of 2018) the largest number of 'local units', a total of 1,090 businesses, and also employs the most people at 5,325. The sector shows a relatively high density of clustering around the Horizon 120 site locality. This will provide good adjacencies for businesses looking to locate to Horizon 120, to the existing local sector specific business base. In terms of competition across the near locality, the study also recognises Braintree has substantially

lower prime office rents than Chelmsford and Basildon (being at least £3/ft² lower than the next cheapest alternative). VOA data on rateable values for office space puts Braintree just below the mean and median values; the area ranked 25th most expensive out of 46 in the east of England.

A combination of competitive rents and close to below average rate of local taxation, means Braintree offers a competitive environment from which to start or relocate a business requiring office space, with the EEFM suggesting a likely sustained upward trend in required level of office space within the district for the foreseeable future.

One can therefore conclude from the above that BDC's ambition for its economy is to increase the productivity of its businesses so that the quality of life and life chances of its residents can be improved. However, the lack of provision of suitable business premises in the district means that those businesses that can provide a higher quality, knowledge intensive and ultimately more productive employment are not growing or locating within the district, even though there is a likely increased demand for such office space in the years to come. There is a need, therefore, for the public sector to support provision, given the lack of private sector supply to satisfy this demand.

Given recognised clustering of knowledge intensive, highly productive businesses in the Horizon 120 Business Park vicinity, it is evident that an enterprise centre on the Horizon 120 site would not only support the location of productive businesses, it will provide business help and supply chain networking to bolster establishing and growth of new productive businesses in Braintree. Work on future phases of development of the Horizon 120 Business & Innovation Park being commissioned, it is likely that those businesses identify grow on, or move on, space available elsewhere on site, deepening high value business clusters and delivering greater economic growth to the area.

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.]

The funding requirement for the Enterprise Centre is as follows:

- Total project Cost = £16m
- Total Capital Asked for from SELEP = £7m
- Local Authority Funding = £9m. This includes land value of £1.3m

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.]

From all analytical evidence at our disposal, doing nothing is a disbenefit (see project benefits) and ignores the critically urgent requirement for support for new enterprises adapting to the seismic impacts of the Covid-19 pandemic, and the macro-economic disruption caused by the transition in the UK's relationship with the EU.

A feasibility study has been carried out. This analysis has three steps, which includes options identification and selection. The 'do-nothing' option has been identified as one of the options that must be considered, but really only for comparison purposes. The 'do-nothing' option is a forecast of the future without reference to the project. This scenario identifies the 'Business As Usual' (BAU) projection. It is a baseline scenario which explains a no-investment situation. It involves incurring operational and maintenance costs within already existing infrastructures.

The final step of the analysis is about evaluating feasibility of selected options to determine their economic sense and technical sustainability within the project environment. The analysis demonstrates that the 'Do Nothing' option will have a number of harmful consequences. These include:

- a complete negation of the clearly stated strategic objectives of the council.
- The council's priorities cannot be achieved.
- The Enterprise Centre forms the focal point of the Horizon Business Park and will help attract inward investment.
- Potential business clients will be forced to look at other, less attractive, alternatives.
- It will be tantamount to throwing-in the towel when evidence suggests market forces cannot reverse a steady decline in the number of businesses succeeding.
- The reluctance of businesses to invest in the district will intensify.

In such a scenario, given that the site has been unused for a considerable length of time it will, therefore, remain undeveloped for probably another ten years, due to lack of commercial viability. The LDO will require relaxing to enable the private sector to bring a different scheme to the market for B8 Warehouse type development, circa 2035. The upshot of this will be:

- scheme benefits will not accrue for a substantial period of time;
- substantially less GVA will be generated than the proposed enterprise centre;
- less (high quality) jobs per m² will be supported;
- added value in the support and creation of new high value businesses within the district will not be created;
- little additional social value will be added, as it will not have links to various industry and academic bodies that would otherwise develop within the Enterprise Centre;

resulting in lower than expected, even detrimental, economic growth in Braintree. It will lead to an increase in out-commuting and will manifest in maintaining Braintree’s low median wage and labour productivity, in comparison to Greater Essex (see para 2.5).

Therefore, following the options appraisal process, which is set out in detail in the Economic Case below, we are clear that the ‘Do Nothing’ option does not meet the series of investment objectives or critical success factors for the scheme.

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.]

2.8.1 Investment Objectives

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

2.8.2 Principle Problems, or Opportunities, to be addressed

Intervention through this scheme will help address a number of opportunities. One of the sub-targets within the infrastructure priority is Employment Sites and Premises, which the purchase and development of this site would help to achieve by:

- Problem / Opportunity 1: Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand.
- Problem / Opportunity 2: Investing in incubation, start-up and grow on space which is not being provided by the open market.
- Problem / Opportunity 3: Raising the profile of Braintree as a place to do business.

Complete the following using a system of 0, ✓, ✓✓, ✓✓✓ which maps the objectives to their ability to address each problem. Add rows and columns as required and note not all sections of the table may require completion; max. 1 page.]

Table 2 – Problems/Opportunities

| Investment Objectives | Problems / opportunities identified in 'Need for Intervention' section | | |
|--|---|---|---|
| | Problem / Opportunity 1 | Problem / Opportunity 2 | Problem / Opportunity 3 |
| | <p>Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand</p> | <p>Investing in incubation, start-up and grow on space which is not being provided by the open market</p> | <p>Raising the profile of Braintree as a place to do business</p> |
| <p>Objective 1 To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth</p> | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| <p>Objective 2 To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate</p> | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| <p>Objective 3 To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree</p> | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| <p>Objective 4 To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow</p> | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| <p>Objective 5 To create a physical environment that promotes health and wellbeing</p> | ✓✓ | ✓✓ | ✓✓ |
| <p>Objective 6 To develop a commercially viable centre that is self-sustaining for the long term without public subsidy</p> | ✓ | ✓✓✓ | ✓✓ |
| <p>Objective 7 Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation</p> | ✓✓✓ | ✓✓✓ | ✓✓✓ |

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.]

The site is relatively free of constraints and risks. The land has been in the ownership of the Council since December 2019 and the land has been thoroughly investigated. All relevant surveys (topographical, ecological, acoustic, traffic impact, ground conditions, etc.) have been completed. The Horizon 120 site has been re-profiled with each plot already at “line & level”, with gravity fed surface water drainage into a system of swales and land drains feeding into a new pond, in the NW of the site, providing a superb habitat for wildlife. Infrastructure works are in progress and will complete in April 2021 bringing all utilities, of sufficient capacity, to the plot boundary. There is no risk of off-site works or 3rd party interests affecting the plot.

Additionally, it is noted that:

- Construction of infrastructure and services is in two main phases – target completion, April 2021.
- Enterprise Centre must follow the design code set for Horizon 120 Enterprise Centre.
- Large office spaces (Over 65 square metres) do not seem to be in great demand and will be kept to a minimum.
- Asset Management team has confirmed what the maximum size of rooms should be - 65 square metres.

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.]

It is noted that:

- Horizon 120 Infrastructure Project: Ongoing construction of infrastructure and services – PC in April 2021.
- The £9m additional financing comes from the council. There is no dependence on any third parties.

2.11 Expected benefits:

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

The benefits that will accrue to businesses and residents as a result of completing this project are varied and include:

- New jobs: 187 gross direct jobs will be created;
- New jobs: 124 net direct jobs will be created after adjusting for leakage, displacement;

- New jobs: 36 additional indirect and inducted jobs will be supported by the centre;
- Apprenticeships: Individuals supported to enter apprenticeships will increase as some of the SMEs flourish and expand.
- Environmental: Use of new technology to promote the green agenda. Air source heat pumps and photovoltaic panelling will be provided as the primary energy saving equipment. A heat pump based system will provide a highly efficient method of supplying both heat and hot water to the Enterprise Centre. This will encourage other developments to adopt similar measures.
- Sense of Place: The Enterprise Centre offers bespoke solutions, governed by a contemporary design code that is focussed on quality and sustainability. It will create a sense of place and will include ancillary retail, a food outlet, serviced offices/meeting rooms and possibly childcare facilities.
- Virtual Provision: The Centre will reflect the changing world of work, offering “best in class”, fibre-optic connectivity and Wi-Fi hotspots.
- Healthy Workforce: It will also benefit from views over open countryside and paths or jogging trails linking to the Great Notley Country Park. This will encourage more exercise and healthy lifestyles for office workers and residents.

2.12 Stakeholder Awareness

It is important to understand and recognise the level and degree of stakeholder awareness and support for the scheme. Support is essential, but the awareness will also contribute to the potential success and economic viability of the project.

In the Management Case we consider how best to manage the process and acknowledge the capacity for different stakeholders to raise concerns throughout the lifetime of the project. This is achieved through the utilisation of BDC’s standard established Stakeholder Mapping template, a workbook which comprises of a number of worksheets.

Meanwhile, Stakeholder Workshops were held on xx xxx 2020, xx xxx 2020 and xx xxx 2020. These enabled the Council to capture, measure and determine the existing level of awareness and support for the scheme and then develop our Stakeholder Engagement Plan.

2.13 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.]

A full copy of the costed Risk Register for the Programme is provided at paragraph 5.4 of the Financial Case. Meanwhile, the key strategic risks associated with the strategic case have been identified as follows.

Table 3: Strategic Risks and Countermeasures

| Main Risk | Risk Register Ref | Counter Measures |
|---|-------------------|--|
| Business and Political Risks | | |
| 1. Cost escalation brought about by prevailing market conditions. | 6.5 | Reduce project scope. Explore value engineering. |

| Main Risk | Risk Register Ref | Counter Measures |
|--|-------------------|--|
| 2. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk. | 1.1 | Multi-disciplinary project team approach. |
| 3. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult. | 8.1 | Avoid Europe based supply chains as far as possible. |
| Service Risks | | |
| 1. Unauthorised changes to scope leading to cost escalation. | 6.1 | Put in place a strict change management regime and ensure that implementation is robust. |
| 2. Delivering a signature gateway building of the best quality with associated landscaping and access ways that falls within budget. | 6.4 | Regular design milestone cost checks and balance between product and cost. |
| 3. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'. | 5.6 | All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area. |
| 4. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment. | 5.11 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |
| External Environmental Risks | | |
| 1. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme. | 8.5 | Closely follow government advice. Ask for alternative programme from contractors at tender stage. |
| 2. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand. | 5.9 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |

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.

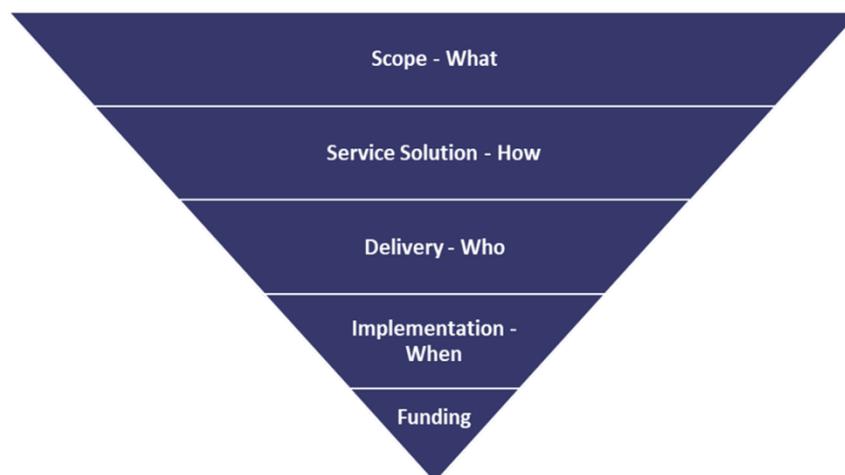
Long list of options considered:

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.

Optioneering and assessment for this business case has followed the HM Treasury options framework filter. This model outlines the following stages:



3.1.1 Investment Objectives

The investment objectives for this scheme are as follows:

1. To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
5. To create a physical environment that promotes health and wellbeing;
6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

3.1.2 Critical Success Factors

CSF1: Strategic Fit

- The option must satisfy all 5 investment objectives and business needs
- The option must be aligned with and promote the national, regional and local strategies

CSF2: Potential Value for Money (VFM)

- The option must optimise the commercial opportunities for the project
- The option must provide value for money in the delivery of office space

CSF3: Potential Achievability

- The option must be politically acceptable at local, county and national level;
- The option must be achievable within current legislation;
- The options must be operationally achievable/physically achievable.

CSF4: Supply side Capacity and Capability

- The option must secure sufficient appropriate resources and expertise to be deployed within Braintree District Council to achieve the investment objectives.

CSF5: Potential Affordability

- The extent to which the option is affordable within the forecasted operational revenue envelope of Braintree District Council;
- The extent to which the option is affordable within the forecasted capital funding envelope of Braintree District Council.

3.1.3 Scope Appraisal

The scope options for this scheme are as follows:

- **Do Nothing:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035;
- **Do Minimum:** Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m²;
- **Intermediate A:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m²;
- **Intermediate A:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m²;
- **Do Maximum:** Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m².

Table 4: Scope advantages and disadvantages

| Do Nothing: Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035. | |
|---|--|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Does not require LA funding; • Does not require SELEP grant funding; • No risk for public sector agencies. | <ul style="list-style-type: none"> • This scheme does not support the Councils investment objectives for the project; • The current site has been unused for a considerable length of time as it is not considered commercially viable; • It is considered highly unlikely that an alternative scheme will come forward in the near future, therefore scheme benefits will not accrue for a substantial period of time; • Would likely require the LDO to be changed to enable private sector to bring a different commercially attractive scheme to the market; • Probable alternative schemes such as Warehouse space (for which there is local demand), generate substantially less GVA than the proposed enterprise centre; • This alternative scheme will also support less jobs per m²; • Does not provide added value in the support and creation of new high value businesses within the district; • This alternative scheme adds little in the way of additional social value as it will not have links to various industry and academic bodies that are to be developed within the Enterprise Centre. |

Do Minimum: Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m².

| Advantages | Disadvantages |
|--|---|
| <ul style="list-style-type: none"> • Affordable without additional grant funding; • Enables SELEP funding to be spent elsewhere. | <ul style="list-style-type: none"> • Small building GIA; • Unlikely to realise ambition to be BRREAM excellent; • Budget will result in compromises to the aesthetics of the building design; • Will generate substantially less income due to the size constraints of the centre; • Likely to offer less wrap around and infrastructure support services to new businesses as elements such as the maker space could not be accommodated; • Will support substantially fewer businesses than the larger options; • Supports fewer jobs than the larger options; • Does not make efficient use of the existing plot of land allocated for the Enterprise Centre; • May not be competitive with other more expansive offering that are found within neighbouring local authorities; • Likely to offer little in the way of additionality to the reference case scheme. |

Intermediate A: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m²

| Advantages | Disadvantages |
|---|---|
| <ul style="list-style-type: none"> • Meets all of the Council's investment objectives and critical success factors for the scheme; • Will create a state of the art Centre that will support new business development and local jobs; • Optimum option in relation to balancing risks and benefits offered by all scope options; • Affordable within existing project envelope; • Allows all landscaping requirements of the LDO to be met; • Allows for a suitable number of parking spaces for centre users to be accommodated on the site; • Allows external space to be maximised to provide a functional external environment that promotes a community feel throughout the site; | <ul style="list-style-type: none"> • Less potential income generation than larger schemes. |

| | |
|---|--|
| <ul style="list-style-type: none"> • Is deliverable within the constrained timescales. | |
| <p>Intermediate B: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m²</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Will create a state of the art Centre that will support new business development and local jobs; • Larger GIA; • Increases the potential for income generation; • Is possibly deliverable within the constrained timescales; • Will create a state of the art Centre that will support new business development and local jobs; | <ul style="list-style-type: none"> • Requires a larger footprint to be developed; • Unfordable within existing project envelop; • Compromises the balance of internal and external space; • Presents some difficulties in meeting the LDO requirements for external space landscaping’ • Increases the commercial risk of the project i.e. more space to let; • Increases the ongoing operating costs for the centre. |
| <p>Do Maximum: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m²</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Will create a state of the art Centre that will support new business development and local jobs; • Largest GIA of all the ‘do something’ options; • Maximised potential for income generation; • Has the potential to maximise the GVA from the scheme • May be deliverable within the constrained timescales. | <ul style="list-style-type: none"> • Most capital intensive option; • Unfordable within existing project envelope; • GIA of the building will make positioning of the building on the site complex and will be difficult to achieve in light of the LDO requirements for external landscaping; • Severely compromises on the available outdoor space, creating a more imposing structure that will reduce the ability for people to meet and interact in the outdoor environment around the centre; • Increases the amount of parking space required on the site further encroaching on the usable external space on the site; • Highest risk option in commercial terms i.e. more space to let; • Presents some uncertainties in the project timeline due to the design complexities involved in fitting the building, its services and parking effectively on the existing site; • Highest ongoing operating costs for the centre. |

3.1.4 Scope Summary

Table 5: Scope appraisal summary

| Investment Objectives | Do Nothing | Min | Int. A | Int. B | Max |
|--|---------------|------------|-----------|------------|------------|
| 1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth; | x | ✓ | ✓ | ✓ | ✓ |
| 2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate; | x | ✓ | ✓ | ✓ | ✓ |
| 3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree; | x | ✓ | ✓ | ✓ | ✓ |
| 4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow; | x | ? | ✓ | ✓ | ✓ |
| 5. To create a physical environment that promotes health and wellbeing; | ? | ✓ | ✓ | ✓ | ✓ |
| 6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy; | x | ? | ✓ | ✓ | ✓ |
| 7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation. | ? | ✓ | ✓ | ✓ | ✓ |
| Critical Success Factors | | | | | |
| Strategic Fit | x | x | ✓ | ✓ | ✓ |
| Potential VFM | x | x | ✓ | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ✓ | ✓ | ? |
| Supply side capability | ✓ | ✓ | ✓ | ✓ | ✓ |
| Affordability | ✓ | ✓ | ✓ | x | x |
| Summary | Carry Forward | Discounted | Preferred | Discounted | Discounted |

Option 3: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m² is the preferred scope option as it meets all the projects critical success factors and investment objectives.

In line with HM Treasury Green book requirements the reference case option is also carried forward as an economic comparator, even though it fails to meet several of the project investment objectives and critical success factors.

All other scope options (2, 4 and 5) are discounted in line with the above appraisal.

3.1.5 Service Solution Appraisal

The service solution options for this business case are as follows:

- **Option 1:** A service office environment only;
- **Option 2:** A service office environment with meeting space and conference room;
- **Option 3:** Enterprise Centre with 1000m² office space, 100m² meeting space, conference room and café
- **Option 4:** Enterprise Centre with 1000m² office, co-working and event space, 100m² meeting space, conference room and café
- **Option 5:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space
- **Option 6:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office

Table 6: Scope advantages and disadvantages

| Option 1: A service office environment only; | |
|---|---|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Minimises design time; • Maximises lettable office space. | <ul style="list-style-type: none"> • Does not offer the Council a justification for involvement in the scheme as a service office environment will add little in the way of additional value required for public sector investment; • Will not gain local political support; • Unlikely to attract grant funding; • Unlikely to be a competitive offering compared to local and neighbouring district alternatives; • Unlikely to be cost competitive with private sector specialists in service office provision. |
| Option 2: A service office environment with meeting space and conference room; | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Offers income generation opportunities through the meeting and conference space; • Meets a local shortage of demand for meeting and conference room space. | <ul style="list-style-type: none"> • As option 1. |
| Option 3: Enterprise Centre with 1000m ² office space, 100m ² meeting space, conference room and café | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Considered the minimal configuration for effectively marketability of the centre; • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; | <ul style="list-style-type: none"> • Offers little in the way of variety of offering for potential customers; • Narrows the user base of the centre to those that can afford a full office let; • Limits the number of micro businesses that can be supported by the Enterprise centre by instead concentrating on those |

| | |
|--|--|
| <ul style="list-style-type: none"> • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite. | <p>businesses that can afford and require at least small office space;</p> <ul style="list-style-type: none"> • Limits the space available for day to day networking and collaborative working opportunities that are offered by the inclusion of co-working space; • Does not provide support for virtual office clients. |
| <p>Option 4: Enterprise Centre with 1000m2 office, co-working and event space, 100m2 meeting space, conference room and café</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. | <ul style="list-style-type: none"> • Does not provide support for virtual office clients; • Does not provide maker space facilities. |
| <p>Option 5: Enterprise Centre with 1000m2 office space, co-working and event space, 100m2 meeting space, conference room, café and maker space</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; | <ul style="list-style-type: none"> • Does not provide support for virtual office clients. |

| | |
|---|---|
| <ul style="list-style-type: none"> • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. • Maker space enables businesses to try out their theories and concepts in reality; • No local alternative will enable this to become a USP for the centre. | |
| <p>Option 6: Enterprise Centre with 1000m2 office space, co-working and event space, 100m2 meeting space, conference room, café , maker space and virtual office</p> | |
| <p>Advantages</p> | <p>Disadvantages</p> |
| <ul style="list-style-type: none"> • Offers income generation opportunities through the café, meeting and conference room space; • Meets a local shortage of demand for meeting and conference room space; • Onsite café facilities reduces the carbon footprint of centre users having to travel for alternative facilities nearby; • Café provides a degree of breakout space for centre users; • Creates a more self-contained business ecosystem allowing centre users to spend a greater amount of the working day onsite; • Co-working space enable business networking to take place on an informal and day to day basis; • Co-working space expose different business communities to chance and opportunity to collaborate, grow and develop relationships; • Co-working space is a cost efficient alternative to office space for micro businesses. • Maker space enables businesses to try out their theories and concepts in reality; • No local alternative will enable this to become a USP for the centre; • Servicing virtual clients will enable BDC to 'sweat the GIA of the asset'; • Offers another tier of support to local businesses that is extremely cost efficient; • Presents a viable alternative for micro businesses in the new Covid-19 environment. | <ul style="list-style-type: none"> • None. |

3.1.6 Service Solution Summary

Table 7: Service Solution appraisal summary

| Investment Objectives | Option 1 | Option 2 | Option 3 | Option 4 | Option 5 | Option 6 |
|--|------------|------------|------------|------------|----------|-----------|
| 1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth; | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate; | ✗ | ✗ | ? | ? | ✓ | ✓ |
| 3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree; | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |
| 4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow; | ✗ | ✗ | ✗ | ? | ✓ | ✓ |
| 5. To create a physical environment that promotes health and wellbeing; | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ |
| 6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy; | ? | ? | ✓ | ✓ | ✓ | ✓ |
| 7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation. | ✗ | ✗ | ? | ✓ | ✓ | ✓ |
| Critical Success Factors | | | | | | |
| Strategic Fit | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |
| Potential VFM | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Supply side capability | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Affordability | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Summary | Discounted | Discounted | Discounted | Discounted | Possible | Preferred |

Options 5 and 6 are both considered to meet all the projects investment objectives and critical success factors and are therefore shortlisted for full economic evaluation in addition to the reference case option identified within the scope appraisal.

Options 1 to four are discounted as they do not meet or only potentially meet some of the identified investment objectives and critical success factors.

3.1.7 Service Delivery Appraisal

The service delivery options identified for this business case are:

- Minimum – Local Authority delivery;
- Intermediate – Local Authority and Private Sector partner arrangements;
- Maximum – Private Sector partnership (PPP);

Table 8 – Service delivery advantages and disadvantages

| Minimum: Local Authority | |
|--|---|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • All requisite delivery structures are already in place; • Local Authority has extensive experience in delivering this service delivery model; • Cost effective model; • Most expedient model for delivery; • Politically acceptable; • Limited risk due to specialist support within LA | <ul style="list-style-type: none"> • May stifle innovation. |
| Intermediate: Local Authority and Private Sector Partner arrangements | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • All requisite delivery structures in place; • Local Authority has extensive experience in delivering this service delivery model; • Cost effective model; • Most expedient model for delivery; • Politically acceptable; • Limited risk due to specialist support within LA | <ul style="list-style-type: none"> • Contractor may not be au fait with the workings and culture of Local Authority |
| Maximum: Private Sector partnership (PPP) | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Private sector suppliers will provide specialisms and capacity that the Local Authority alone cannot provide • Services can be delivered relatively quickly | <ul style="list-style-type: none"> • Private contractor is an unknown quantity • Contractor may not be au fait with the workings and culture of Local Authority • Any private sector partnership will be unlikely to include local contractors; • Profit element of partnership may impact on funds available for development |

3.1.8 Service Delivery Summary

Table 9: Service Delivery appraisal summary

| Investment Objectives | LA | LA & PSP | PPP |
|--|------------|-----------|------------|
| 1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth; | ✓ | ✓ | ✓ |
| 2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate; | ✓ | ✓ | ✓ |
| 3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree; | ✓ | ✓ | ✓ |
| 4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow; | ✓ | ✓ | ✓ |
| 5. To create a physical environment that promotes health and wellbeing; | ✓ | ✓ | ✓ |
| 6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy; | ✓ | ✓ | ✓ |
| 7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation. | ✓ | ✓ | ✓ |
| Critical Success Factors | | | |
| Strategic Fit | ✗ | ✓ | ✗ |
| Potential VFM | ? | ✓ | ✗ |
| Potential achievability | ✗ | ✓ | ✓ |
| Supply side capability | ✗ | ✓ | ✓ |
| Affordability | ✗ | ✓ | ✗ |
| Summary | Discounted | Preferred | Discounted |

A mixture of public private sector partner arrangements are the preferred option for the delivery of this scheme, details of the procurement for a design and build contractor are contained within the Commercial Case for the scheme. Ongoing service delivery for the centre will be undertaken by the Local Authority.

3.1.9 Implementation Appraisal

The implementation options for this business case are:

- Do Minimum: Centre is operational by October 23
- Intermediate: Centre is operational by April 23;
- Do Maximum: Centre is operational by October 2022.

Table 10 – Implementation advantages and disadvantages

| Minimum: Enterprise Centre opens October 2023 | |
|--|--|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Allows for more extensive market engagement during procurement; • Allows for a longer design period; | <ul style="list-style-type: none"> • Minimises the speed at which benefits accrue; • Does not enable BDC to comply with grant funding spend requirements. |
| Intermediate: Enterprise Centre opens April 2023 | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Allows for more extensive market engagement during procurement; • Allows for a longer design period; | <ul style="list-style-type: none"> • Limits somewhat the speed at which benefits accrue; • Does not enable BDC to comply with grant funding spend requirements. |
| Maximum: Enterprise Centre opens October 2022 | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Maximises the speed at which accrual of benefits occurs; • Enables BDC to comply with grant funding spend requirements. | <ul style="list-style-type: none"> • Challenging delivery timeline limits pre-market engagement within procurement; • Challenging delivery timeline could stifle innovation during design. |

3.1.10 Implementation Summary

Table 11 – Funding appraisal summary

| Investment Objectives | Oct 23 | April 23 | Oct 22 |
|--|------------|------------|-----------|
| 1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth; | ✓ | ✓ | ✓ |
| 2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate; | ✓ | ✓ | ✓ |
| 3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree; | ✓ | ✓ | ✓ |
| 4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow; | ✓ | ✓ | ✓ |
| 5. To create a physical environment that promotes health and wellbeing; | ✓ | ✓ | ✓ |
| 6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy; | ✓ | ✓ | ✓ |
| 7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation. | ✓ | ✓ | ✓ |
| Critical Success Factors | | | |
| Strategic Fit | x | x | ✓ |
| Potential VFM | x | x | ✓ |
| Potential achievability | ✓ | ✓ | ✓ |
| Supply side capability | ✓ | ✓ | ✓ |
| Affordability | ✓ | ✓ | ✓ |
| Summary | Discounted | Discounted | Preferred |

In order to satisfy the grant requirements and maximise the accrual of benefits BDCs preferred implementation plan is to deliver the whole Enterprise centre in one phase to enable opening of the new facility in October 2022.

3.1.11 Funding Option Appraisal

The funding options identified for this business case are

- Minimum – Wholly Local Authority funded from capital programme;
- Intermediate - Mix of Local Authority borrowing and SELEP funding;
- Maximum - Wholly SELEP grant funded.

Table 12 – Funding advantages and disadvantages

| Minimum: Wholly Local Authority funded from capital programme. | |
|---|---|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Wouldn't require any additional Local Authority borrowing; • Maximum control over scale and timescale of scheme. | <ul style="list-style-type: none"> • Diverts capital from other community priorities such as Social Care and highways; • Cost prohibitive. • Affordability |
| Intermediate: Mix of Local Authority borrowing and Welsh Government funding. | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Ensures affordability of scheme; • Provides certainty to more than one public sector agency that the scheme fits strategically both locally and regionally; • Allows for the direction of capital monies to other community priorities. | <ul style="list-style-type: none"> • Repayment costs for Local Authority may impact on revenue budgets; • SELEP grant funding requirements may be onerous; • Application process may delay delivery. |
| Maximum: Wholly SELEP grant funded. | |
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Enables major local capital investment in other community priorities. | <ul style="list-style-type: none"> • SELEP grant funding requirements may be prohibitive; • SELEP funding protocols unlikely to fund 100% of any scheme; • Application process may delay delivery. • May stifle innovation. |

3.1.12 Funding Option Summary

Table 13 – Funding appraisal summary

| Investment Objectives | LA 100% | Mix | SELEP 100% |
|--|------------|-----------|------------|
| 1. To deliver at least 1000m ² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth; | ✓ | ✓ | ✓ |
| 2. To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate; | ✓ | ✓ | ✓ |
| 3. To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree; | ✓ | ✓ | ✓ |
| 4. To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow; | ✓ | ✓ | ✓ |
| 5. To create a physical environment that promotes health and wellbeing; | ✓ | ✓ | ✓ |
| 6. To develop a commercially viable centre that is self-sustaining for the long term without public subsidy; | ✓ | ✓ | ✓ |
| 7. Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation. | ✓ | ✓ | ✓ |
| Critical Success Factors | | | |
| Strategic Fit | ✗ | ✓ | ✓ |
| Potential VFM | ✓ | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ? |
| Supply side capability | ? | ✓ | ? |
| Affordability | ✗ | ✓ | ✓ |
| Summary | Discounted | Preferred | Discounted |

A mixture of local BDC and SELEP funding is the preferred option for delivery as it meets all of the projects investment objectives and critical success factors. The option to receive full grant funding for the project is obviously attractive to BDC but it has been discounted as it is unlikely to be approved by SELEP.

3.1.13 Long List Summary

Table 14 – Long List Summary

| | | | | | | | | | | | | |
|--|--|--|--|--|---|--|---|--|--|--|--|--|
| Scope appraisal | Do Nothing: Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035; | | Do minimum: Build an enterprise centre in zone A of the Business Park without SELEP grant. This will be an £8m Enterprise Centre. Approximate Building GIA: 1,750m ² ; | | Intermediate A: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,100m ² ; | | Intermediate B: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,400m ² ; | | Do Maximum: Build an enterprise centre in zone A of the Business Park. Approximate Building GIA: 3,800m ² ; | | | |
| Service solution (Long list appraisal) | Option 1: A service office environment only; | | Option 2: A service office environment with meeting space and conference room; | | Option 3: Enterprise Centre with 1000Xm ² office space, 100m ² meeting space, conference room and café | | Option 4: Enterprise Centre with 1000Xm ² office, co-working and event space, 100m ² meeting space, conference room and café | | Option 5: Enterprise Centre with 1000Xm ² office space, co-working and event space, 100m ² meeting space, conference room, café and maker space | | Option 6: Enterprise Centre with 1000Xm ² office space, co-working and event space, 100m ² meeting space, conference room, café, maker space and virtual office | |
| Service Delivery | Minimum: LA Delivery | | | | Intermediate: LA and Private Sector Delivery | | | | Maximum: Private Sector partnership (PPP) | | | |
| Implementation | Minimum: Enterprise Centre opens October 2023 | | | | Intermediate: Enterprise Centre opens October 2023 | | | | Maximum: Enterprise Centre opens October 2022 | | | |
| Funding | Minimum: Wholly LA Funded | | | | Intermediate: Mixed LA & SELEP Funded | | | | Maximum: Wholly SELEP Funded | | | |

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.]

Based on the longlist appraisal the shortlisted options for this business case are as follows:

- **Do Nothing:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035;
- **Option 5:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space
- **Option 6:** Enterprise Centre with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office.

Following the options appraisal process set out above option 6 is Braintree District Councils preferred option. In terms of capital costs there is no difference between options 5 and 6, only the revenue costs differentiate the two. As stated above the Do Nothing option does not meet a series of investment objectives or critical success factors for the scheme and has only been shortlisted as an economic comparator.

Internal workshops within Braintree District Council have considered the available options and a broad level of officer consensus across a range of disciplines has shown support for the identified preferred option. Key reasons for this are:

- The development of an Enterprise Centre at Horizon 120 aligns to the priorities within the 2020-2024 Corporate Strategy and the Economic Development Prospectus 2013-2026, which includes an ambition to deliver 9,000 job growth by 2026.
- There is a strong demand for growth in office space in the locality, with forecasts that office space requirements will increase from the 2020 level of 136,800m² to 163,700m² by 2045; an increase of almost 20% on current levels.
- A building with a GIA of 3,100m² offers the ability to leverage opportunities from the existing sectoral mix present within the district, providing business incubation facilities to encourage new enterprise start-ups and wrap around business support services to help ensure business survival.
- The target Professional, scientific and technical services areas are clustered quite densely in the locality around the location of Horizon 120, presenting opportunities for businesses that decide to locate there, strong adjacencies to the existing business community.
- At a GIA of 3,100m² the development will be able to comply fully with the local development order minimising any potential issues with planning.

Local Political Support for the preferred option has been obtained from the portfolio holder, Cabinet, Full Council and the local members for Great Notley.

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 quantitative economic appraisal for the scheme has adopted the following approach:

- All costs and benefits are expressed in constant 2020 prices and are presented in the discounted cashflow utilising a discount factor of 3.5% for years 0 through 29 and 3.0% for years 30 onwards;
- Year 0 for the project is identified to be the 2020/21 financial year;
- Sunk costs have been excluded from all calculations;
- The evaluation time horizon adopted for the business case has been set at 40 years.
- The DCLG preferred method of economic appraisal has been adopted and the appropriate land value uplift has been calculated for both the reference 'do nothing' option and BDCs preferred 'do something option';
- The VOA land value estimates for policy appraisal have been used to calculate the approximate land value uplift achievable for the reference case scheme;
- A land valuation report conducted by Kemsley Property Consultants dated 28th September 2020 has been used to calculate the land value uplift achievable for the preferred case scheme;
- The total site size for the development is 10,000m²;
- HCA guidance has been used to indicate the employment density for space of different planning use cases;
- The potential GVA of employment that is resultant of the scheme has been calculated based on ONS regional balanced value estimates 2018 divided by the BRES 2018 number of people employed within specific sectors and Braintree District;
- HCA guidance on additionality has been used to inform the approach to deadweight, leakage, displacement and economic multipliers;
- The benefit cost ratio has been calculated on the GBF element and total public cost of the scheme;
- Further benefit cost ratios have been calculated to demonstrate the total public value of the scheme based on all workplace GVA not just those moving from unemployment to employment;
- HCA guidance on 'Calculating Cost per job' has been used to demonstrate the gross public sector cost per job created by the Enterprise Centre;
- The reference case is considered to be a private sector development, and will not be in receipt of any SELEP funding.

3.4 Economic appraisal assumptions:

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

3.4.1 Reference Case

The following economic assumptions have been made in relation to the reference case:

- **Development description: A 5000m² (GEA) B8 planning use class warehouse, with a 10% ongoing vacant space allocation (4500)m²;**
- Construction: Estimated to take place during business case years 12 and 13, equally spread across the two financial years. Build cost is estimated at £927 per m²;
- Optimism Bias: Is set at 24% and has not been mitigated;
- Risk: Set at 10% of the capital value based on expected SOC stage valuations;
- Opening Date: Year 14 of the appraisal (2034/35). For this scheme to come to the market the current LDO will need to be relaxed, it has been assessed that the likely timeframe for this will be 10 years. A further 5 years are expected to pass before a developer decides to take up the opportunity to develop a scheme and complete the design and build process.
- Deadweight value of land: £21,000 per ha based on VOA land value estimates for policy appraisal for agricultural space 2019;
- Land value post uplift: £600,000 per ha based on VOA land value estimates for policy appraisal for industrial space 2019
- Employee Density (HCA): Storage and distribution (regional) 1:77m²
- Leakage: 12% leakage based on 2011 Census data on method of travel to work usual place of residence and place of work. This indicates that there were a total of 42,204 people over the age of 6 working in Braintree District, with 37,277 of these residing within Essex (88.3%).
- Displacement: 30% There is considered to be a low level of displacement of existing activity as the EEFM forecasts an ongoing demand for light industrial and warehouse space within the district. The relatively poor condition of some of the existing stock may however lead to some displacement of existing activity as businesses look to access more modern, fit for purpose space.
- Multipliers: 1.29 composite multiplier identified by the HCA for B2/B8 space within a local area;
- Average annual GVA per employee: Estimated to be £51,200 for SIC subsectors 52-53 (Warehousing, transport support, postal and courier activities) within Braintree;
- Average annual GVA per employee in region: £63,025 based on a SIC sectors within Braintree;
- Construction Employee Jobs: Based on a construction coefficient of 10 (private industrial) multiplied by 1 job for every £1m construction spend;
- Construction leakage: 25% as per HCA guidance;
- Construction displacement: 25% as per HCA guidance;
- Construction multiplier: 2.7 as per HCA guidance;

- Average annual GVA per Construction employee: Estimated to be £79,000 for SIC sector F (Construction) within Braintree;
- Economic inactivity conversion rate: 10% of net direct jobs created by the scheme will be taken by those currently unemployed or economically inactive;
- Employee turnover rates have assumed that there will be on average one new employee at the warehouse, who moves from being economically inactive to employment each year.
- Persistence: Benefits arising from the movement from being economically inactive to economically active are assumed to persist for a ten year period, depreciating in a straight line at a rate of 10% per annum.

3.4.2 Preferred Case

The following economic assumptions have been made in relation to the preferred case:

- **Development description: Development of a 3100m² (GIA) Enterprise Centre, with a 10% ongoing vacant space allocation (310)m².**
- Opening Date: The Enterprise Centre is forecast to open on 1st October 2022, which is Y2 of the appraisal.
- LGF Grant: £7,000,000
- Optimism Bias: Is set at 24% and has been mitigated to 6.2% (see section 3.5.3 below for full breakdown);
- Risk: Estimated risk cost is £1,150,000 (see section 5.4 below for full breakdown);
- Land value post uplift: £185.33 per m² based on local valuation;
- Employee Density (HCA): Professional Services 1:12 m²
- Deadweight: The deadweight for the preferred case is estimated to be the total value of the reference case (assumptions set out above)
- Leakage: 12% leakage based on 2011 Census data on method of travel to work usual place of residence and place of work. This indicates that there were a total of 42,204 people over the age of 6 working in Braintree District, with 37,277 of these residing within Essex (88.3%);
- Displacement: 25% (HCA guidance ready reckoner low). There is considered to be a low level of displacement of existing activity as the EEFM forecasts an ongoing demand for office space within the district. The level is assessed to be slightly lower than the reference case as there is no within district equivalent to the proposed Enterprise Centre, the nearest equivalent alternatives being out of district, in Colchester and Chelmsford;
- Multipliers: 1.29 composite multiplier identified by the HCA for B1 space within a local area;
- Average annual GVA per employee: Estimated to be £90,086 for SIC subsectors J, K, M and N within Braintree;
- Average annual GVA per employee in region: £63,025 based on a SIC sectors within Braintree;
- Construction Employee Jobs: Based on a construction coefficient of 16.6 (private commercial) multiplied by 1 job for every £1m construction spend;
- Construction leakage: 25% as per HCA guidance;

- Construction displacement: 25% as per HCA guidance;
- Construction multiplier: 2.7 as per HCA guidance;
- Average annual GVA per Construction employee: Estimated to be £79,000 for SIC sector F (Construction) within Braintree;
- Economic inactivity conversion rate: 10% of net direct jobs created by the scheme will be taken by those currently unemployed or economically inactive;
- Survival Rates: ONS survival rates have been applied to businesses operating at the centre on a basis of Year 1 95%, Year 2 80%, Year 3 65%, Year 4 55%, Year 5 46%, with extrapolations from that point forward. This will lead to an average of two new individuals moving from unemployment to employment within the centre for each year of operation;
- Persistence: Benefits arising from the movement from being economically inactive to economically active are assumed to persist for a ten year period, depreciating in a straight line at a rate of 10% per annum.

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](#).]

3.5.1 Capital Costs

As this business case does not involve a residential scheme holding costs are assumed to be irrelevant in line with the template guidance.

Table 15 – Capital Cost Summary

| Cost Element | Reference Case | Preferred Case |
|---------------|-------------------|--------------------|
| Capital Cost | £5,935,000 | £16,000,000 |
| Optimism Bias | £1,424,400 | £994,560 |
| Risk | £593,500 | £1,150,000 |
| Total | £7,952,900 | £18,144,560 |

3.5.2 Preferred Case Capital Costs Breakdown

The capital costs of the scheme is estimated to be £16m. A breakdown of this cost is set out in the elemental plan below.

Table 16 – Cost Summary

| Element of building | Cost |
|-----------------------------|------------------------|
| Facilitating works | £ 40,048.86 |
| Substructure | £ 492,731.89 |
| Frame, Upper Floors & Roofs | £ 1,597,693.38 |
| Staircases | £ 225,290.56 |
| External Walls | £ 2,402,119.43 |
| M&E | £ 1,723,958.06 |
| Internal Walls | £ 313,024.42 |
| Wall Finishes | £ 261,318.15 |
| Floor Finishes | £ 403,969.61 |
| Ceiling Finishes | £ 174,568.87 |
| Internal Doors | £ 158,252.88 |
| M&E Fitout | £ 915,986.71 |
| FF&E | £ 97,259.59 |
| External Works | £ 1,696,975.23 |
| Sub Total work cost | £ 10,503,197.65 |
| Contingency @ 10% | £ 1,050,319.77 |
| Add Client Directs | £ 1,446,482.58 |
| Add Professional Fees | £ 1,700,000.00 |
| Add land purchase costs | £ 1,300,000.00 |
| Total costs | £ 16,000,000.00 |

3.5.3 Preferred Case Optimism Bias

Based on a scheme of £16 million value optimism bias has been calculated on the basis of a standard build project rate of 24% (£3.8m) mitigated to take account of project specific factors, to leave a residual optimism bias estimation of £994,560, which equates to 6.2%. A full breakdown of these mitigations is set out in the table below.

Table 17 – Optimism Bias Mitigation

| Factors | Mitigation % | Mitigation explanation | CAPEX | Mitigated | Residual |
|---------------------------------------|--------------|--|-----------|-----------|----------|
| Late contractor involvement in design | 25% | Some mitigation, but early design is without contractor and therefore still a risk | 76,800 | 19,200 | 57,600 |
| Poor contractor capabilities | 80% | All contractors in the framework are vetted financially and have significant experience in the education sector. | 345,600 | 276,480 | 69,120 |
| Dispute and claims occurred | 75% | The project mandate, aligned to an experienced set of contractors, means that disputes can be managed without significant risk | 1,113,600 | 835,200 | 278,400 |
| Design Complexity | 90% | There is no significant design complexity in this option | 38,400 | 34,560 | 3,840 |
| Degree of innovation | 90% | There is no significant design complexity/innovation in the preferred option | 153,600 | 138,240 | 15,360 |
| Inadequacy of business case | 70% | The business case is the reasonably compelling financially and more compelling Economically for this option | 1,305,600 | 913,920 | 391,680 |
| Project management team | 90% | The Council has an experienced project management team set up for this scheme | 38,400 | 34,560 | 3,840 |
| Poor project intelligence | 80% | Good project intelligence exists | 76,800 | 61,440 | 15,360 |
| Public relations | 80% | No major negative responses | 76,800 | 61,440 | 15,360 |
| Site characteristics | 80% | Site characteristics are sound for the preferred option | 76,800 | 61,440 | 15,360 |
| Economic | 75% | This option is the best economically | 422,400 | 316,800 | 105,600 |
| Legislation/Regulations | 80% | LDO in place to facilitate preferred scheme | 115,200 | 92,160 | 23,040 |

Capital Expenditure: **£3,840,000**
Mitigated: **£2,845,440**
Residual **£994,560**

3.6 Benefits:

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

‘Initial’ Benefits

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

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

‘Adjusted’ Benefits

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

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

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

3.6.1 Quantitative Benefits Assessment

The quantitative benefits assessment for the reference scheme generated the following results:

Table 18 – Reference Case Quantifiable Benefits

Annual Jobs/GVA

| Ref | Calculation | Description | |
|-----|----------------|---|-------------|
| A | | Gross direct jobs | 44 |
| B | A*Leakage | Leakage | 5 |
| C | A-B | Workplace direct effects | 39 |
| D | C*Displacement | Displacement | 12 |
| E | C-D | Net workplace direct effects | 27 |
| F | E*Multiplier | Multiplier | 8 |
| G | E+F | Total net workplace effects | 35 |
| H | | Average annual GVA per employee | £ 51,200 |
| I | | Average annual GVA per employee in region | £ 63,025 |
| J | (E*H)+(F*I) | Total net local effects | £ 1,886,600 |
| K | | | £ 1,886,600 |

Construction Jobs/GVA

| Ref | Calculation | Description | |
|-----|----------------|---|-------------|
| A | | Gross direct jobs | 46 |
| B | A*Leakage | Leakage | 12 |
| C | A-B | Workplace direct effects | 35 |
| D | C*Displacement | Displacement | 9 |
| E | C-D | Net workplace direct effects | 26 |
| F | E*Multiplier | Multiplier | 44 |
| G | E+F | Total net workplace effects | 70 |
| H | | Average annual GVA per employee | £ 79,000 |
| I | | Average annual GVA per employee in region | £ 63,025 |
| J | (E*H)+(F*I) | Total net local effects | £ 4,827,100 |
| K | | | £ 4,827,100 |

Social Value Converting Unemployment to Employment (10 Year Persistence)

| Ref | Value | Description | 40 Year Value |
|-----|----------|---|---------------|
| 1 | 10% | Ongoing Unemployment to Employment | 23 |
| 2 | 10% | Construction Unemployment to Employment | 3 |
| 3 | £ 51,200 | Ongoing Unemployment to Employment | £ 9,558,125 |
| 4 | £ 79,000 | Construction Unemployment to Employment | £ 205,400 |
| 5 | | | £ 9,763,525 |

The quantitative benefits assessment for the preferred scheme generated the following results:

Table 19 – Preferred Case Quantifiable Benefits

Annual Jobs/GVA

| Ref | Calculation | Description | |
|-----|-----------------|---|--------------|
| A | | Gross direct jobs | 187 |
| B | A*Leakage | Leakage | 22 |
| C | A-B | Workplace direct effects | 165 |
| D | C*Displacement | Displacement | 41 |
| E | C-D | Net workplace direct effects | 124 |
| F | E*Multiplier | Multiplier | 36 |
| G | E+F | Total net workplace effects | 160 |
| H | | Average annual GVA per employee | £ 90,086 |
| I | | Average annual GVA per employee in region | £ 63,025 |
| J | (E*H)+(F*I) | Total net local effects | £ 13,439,564 |
| K | Less Deadweight | Total net additional effects | £ 11,552,964 |

Construction Jobs/GVA

| Ref | Calculation | Description | |
|-----|-----------------|---|--------------|
| A | | Gross direct jobs | 266 |
| B | A*Leakage | Leakage | 66 |
| C | A-B | Workplace direct effects | 199 |
| D | C*Displacement | Displacement | 50 |
| E | C-D | Net workplace direct effects | 149 |
| F | E*Multiplier | Multiplier | 253 |
| G | E+F | Total net workplace effects | 402 |
| H | | Average annual GVA per employee | £ 79,000 |
| I | | Average annual GVA per employee in region | £ 63,025 |
| J | (E*H)+(F*I) | Total net local effects | £ 27,716,325 |
| K | Less Deadweight | Total net additional effects | £ 22,889,255 |

Social Value Converting Unemployment to Employment (10 Year Persistence)

| Ref | Value | Description | 40 Year Value |
|-----|-----------------|---|---------------|
| 1 | 10% | Ongoing Unemployment to Employment | 98 |
| 2 | 10% | Construction Unemployment to Employment | 15 |
| 3 | £ 90,086 | Ongoing Unemployment to Employment | £ 39,457,688 |
| 4 | £ 79,000 | Construction Unemployment to Employment | £ 1,177,100 |
| 5 | | Total | £ 40,634,768 |
| 6 | Less Deadweight | Total net additional effects | £ 30,871,253 |

The quantitative benefits appraisal identifies that BDC's preferred option is forecast to generate substantially more jobs and therefore GVA than the reference case alternative. There are several factors which influence this including:

- The preferred options is estimated to become operational 12 years earlier than the reference case scheme due to several local factors including that the land has remained undeveloped to this point in time as it has not been seen as commercially attractive. It has also been considered that the likely alternative developments on the site would require the council to seek to relax the recent LDO on the land, in order to enable a private developer to bring an alternative scheme to market;
- The Enterprise Centre has a substantially higher employee density than the hypothesized alternative Warehouse scheme, and despite being smaller in GIA/GEA, it will naturally support a greater number of direct jobs;
- The expected tenancy profile for the Enterprise Centre is estimated to be drawn from SIC sectors J (Information and Communication), K (Finance and Insurance), M (Professional, Scientific and Technical) and N (Admin and Support Services) which create substantially higher GVA than SIC subsector 52-53 (Warehousing);
- The construction of the Enterprise Centre has a higher construction co-efficient than the construction of a warehouse with the result that construction will support more jobs in the preferred case than the reference case;
- The estimation of displacement for the reference case is estimated to be slightly higher than the preferred case due to the condition of the local stock of warehouse space.

Key metrics from the analysis include:

- The Enterprise centre is estimated to support 160 net ongoing jobs within the local economy of which 124 will be directly employed at the centre;
- The total annual GVA supported by the centre once it reaches 90% capacity is estimated to be £13,439,564 per annum;
- Over the 40 year model it is estimated that 98 people will move from being economically inactive to being economically active generating at total of £39,457,688 GVA over the period;
- Construction is estimated to support a net workplace effect of 402 jobs for the duration of the build, of which 149 are direct net workplace jobs, and 15 of which are estimated to be taken by those who are economically inactive.

3.6.2 Qualitative Benefits Assessment

Scheme benefits have been grouped into four categories, and the benefit groups were then weighted by the project team to facilitate the qualitative assessment.

Table 20 – Benefits assessment table

| Benefit Category | Example Qualitative Benefits | Weight Total 100% |
|---|---|-------------------|
| Support the growth of key economic sectors within the local economy | <ul style="list-style-type: none"> Improved links with markets beyond the District and Essex; Create higher value employment opportunities, helping to retain and attract new residents; | 25% |
| Foster business development and support existing businesses within the District | <ul style="list-style-type: none"> Facilitate business growth and maximise business survival rates; Enable a critical mass of SMEs either directly or indirectly, thereby facilitating additional value through clustering; Help small to businesses develop greater efficiencies and specialisms enabling them to become more competitive within the marketplace; | 25% |
| Stimulate skills development in Braintree District and the wider Essex County | <ul style="list-style-type: none"> Improve attractiveness of Braintree as a business location; Increase skills base and competitiveness of local labour force; Support the movement from unemployment to employment, and from less productive to more productive jobs. | 25% |
| Improve the attractiveness of Braintree as a place to do businesses | <ul style="list-style-type: none"> Attract inward investment and new businesses to the area acting as a catalyst for further localised regeneration; Reduce commuter outflows; Raise awareness of opportunities and aspirations in the local area and wider region; Help to create a stronger and more diversified local economy. | 25% |

Table 21 – Benefits assessment results

Each of the benefit groups were scored on a range of 0-10 for each option. These scores were agreed by the workshop participants to confirm that the scores were fair and reasonable.

| Benefit Group | Weight | Maximum Score | Raw Scores | | Weighted Scores | |
|---|-------------|---------------|----------------|----------------|-----------------|----------------|
| | | | Reference Case | Preferred Case | Reference Case | Preferred Case |
| Support the growth of key economic sector within the local economy | 25% | 10 | 4 | 8 | 1.0 | 2.0 |
| Foster business development and support existing businesses within the District | 25% | 10 | 2 | 8 | 0.5 | 2.0 |
| Stimulate skills development Braintree District and the wider Essex County | 25% | 10 | 3 | 9 | 0.8 | 2.3 |
| Improve the attractiveness of Braintree as a place to do businesses | 25% | 10 | 3 | 9 | 0.8 | 2.3 |
| Total | 100% | | 12 | 36 | 3.0 | 8.5 |

The qualitative benefits assessment identifies that the preferred scheme is expected to generate substantially greater benefits to the locality than the reference case scheme. This aligns to the option appraisal framework application, where the preferred scheme to deliver an ‘Enterprise Centre with at least 1000m² office space, co-working and event space, 100m² meeting space, conference room, café, maker space and virtual office’ was found to meet all the investment objectives and critical success factors for the scheme.

In contract the reference case did not meet any of the project investment objectives and only three of the five critical success factors.

3.7 Local impact:

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

Estimates for leakage set out above suggest that 87.5% of jobs supported by the Enterprise Centre will be filled by those living within the Essex County area. This is a workplace direct effect of 165 jobs.

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.]

Options Summary:

- **Do nothing Reference Case:** Site remains undeveloped for the next ten years due to commercial viability, LDO relaxed to enable private sector to bring a different scheme to the market for B8 Warehouse type development circa 2035 (5000m² GEA);
- **Option 6 Preferred Case:** Enterprise Centre (3100m² GIA) with 1000m² office space, co-working and event space, 100m² meeting space, conference room, café and maker space and virtual office;

The economic appraisal results for this business case are set out in table 22 below. To provide a rounded economic analysis a range of BCR's have been produced based on different approaches, these can be summarised as follows:

- BCR Reference Case: There is no BCR as the costs are not public sector costs and the scheme would not be in receipt of any GBF grant or public funding;
- BCR GVA whole life model (40 years):
 - A: All ongoing revenue income generated by the centre;
 - B: All construction costs, inclusive of optimism bias and risk;
 - B: All ongoing revenue costs to operate the centre (less business rates);
 - C: Total GVA for net workplace effects generated by the scheme;
 - A and C: Less deadweight benefits.
- BCR GBF Only Land Value Uplift (40 years):
 - A: Land value uplift;
 - B: GBF cost only;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence.
- BCR GBF Only Land Value Uplift Less Deadweight (40 years):
 - A: Land value uplift;
 - B: GBF cost only;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
 - A and C: Less Reference Case Deadweight benefits;
- BCR Full Capital Cost Land Value Uplift (40 years):
 - A: Land value uplift;
 - B: Full capital cost of the scheme;
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
- BCR Full Capital Cost Land Value Uplift Less Deadweight (40 years):
 - A: Land value uplift;
 - B: Full capital cost of the scheme.
 - C: GVA for only those moving from being economically inactive to economically active, with a 10 year persistence;
 - A and C: Less Reference Case Deadweight benefits.

Table 22 – DCLG Summary Table

| Re | DCLG Sections | Appraisal | 5000m2 Warehouse | 3100m ² Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight | 3100m ² Enterprise Centre GBF Only | 3100m ² Enterprise Centre GBF Only Net Deadweight | 3100m ² Enterprise Centre Whole Capital Cost | 3100m ² Enterprise Centre Whole Capital Cost Net Deadweight |
|----------|--|-------------------------------------|------------------|--|---|--|---|--|
| | Option | | Reference Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case |
| A | Present Value Benefits | | £357,696 | £15,200,295 | £1,730,065 | £1,372,369 | £1,730,065 | £1,372,369 |
| B | Present Value Costs (£m) | | £- | £29,627,799 | £6,763,285 | £6,763,285 | £15,420,060 | £15,420,060 |
| C | Present Value of other quantified impacts (£m) | | £4,213,566 | £261,255,614 | £23,494,537 | £19,280,971 | £23,494,537 | £19,280,971 |
| D | Net Present Public Value (£m) [A-B] or [A-B+C] | | £4,571,262 | £246,828,110 | £18,461,317 | £13,890,055 | £9,804,542 | £5,233,280 |
| E | 'Initial' Benefit-Cost Ratio [A/B] | | No BCR | 0.51 | 0.26 | 0.20 | 0.11 | 0.09 |
| F | 'Adjusted' Benefit Cost Ration [(A+C)/B] | | No BCR | 9.331 | 3.730 | 3.054 | 1.636 | 1.339 |
| G | Significant Non-monetised Impacts | See Qualitative Benefits Assessment | | | | | | |
| H | Value for Money (VfM) Category | | No BCR | High | High | High | Low | Low |

| Re | DCLG Sections | Appraisal | 5000m ² Warehouse | 3100m ² Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight | 3100m ² Enterprise Centre GBF Only | 3100m ² Enterprise Centre GBF Only Net Deadweight | 3100m ² Enterprise Centre Whole Capital Cost | 3100m ² Enterprise Centre Whole Capital Cost Net Deadweight |
|----|------------------------------|------------------|----------------------------------|--|---|--|---|--|
| | Option | | Reference Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case |
| I | Switching Rationale Category | Values for & VfM | >2 = High >1 = Low | >2 = High >1 = Low | >2 = High >1 = Low | >2 = High >1 = Low | >2 = High >1 = Low | >2 = High >1 = Low |
| J | DCLG Financial Cost (£m) | | N/A | N/A | N/A | N/A | N/A | N/A |
| K | Risks | | See risk sections of the report. | | | | | |

It should be noted that the initial cost benefit ratio for this project using the land value uplift calculations do not provide an accurate reflection of the benefits of the scheme as the parcel of land within which the Enterprise Centre will be built is only one hectare, while the capital cost of a building is substantial. The adjusted BCR is therefore put forward as the most accurate representation of value for money.

The deadweight reference scheme is considered ambitious and has been developed in order to provide a robust counterweight to BDCs preferred development of an Enterprise Centre. It is entirely plausible that the land on which the Enterprise Centre is to be developed could remain undeveloped for the whole of the 40 year time horizon, were this scenario to occur then the deadweight value of the scheme would be negligible at just the agricultural value of one hectare of land alone.

In summary:

- If all GVA impacts of the scheme are considered the scheme presents a very high and robust BCR of 9.33:1;
- Using DCLG's preferred land value uplift calculation against the GBF funding allocation alone, after subtracting for deadweight the scheme provides a high BCR of 3.05:1 (3.7:1 before deadweight).

Sensitivity applied to these figures based on switching values is set out below.

Table 23 – DCLG Summary Switching Value 5% Economically inactive to active

| Ref | Scheme Description | 5000m2 Warehouse | 3100M2 Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight | 3100m2 Enterprise Centre GBF Only | 3100m2 Enterprise Centre LGF Only Net Deadweight | 3100m2 Enterprise Centre Whole Capital Cost | 3100m2 Enterprise Centre Whole Capital Cost Net Deadweight |
|-----|----------------------------------|------------------|--|-----------------------------------|--|---|--|
| | Option | Reference Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case |
| A | Present Value Benefits (£M) | £ 357,696 | £15,200,295 | £ 1,730,065 | £ 1,372,369 | £ 1,730,065 | £ 1,372,369 |
| B | Present Value Costs (£M) | £ - | £ 29,627,799 | £ 6,763,285 | £6,763,285 | £ 15,420,060 | £15,420,060 |
| C | Present Value Other Impacts (£M) | £685,424 | £ 261,255,614 | £11,077,973 | £10,392,549 | £ 11,077,973 | £ 10,392,549 |
| D | Net Present Public Value (£M) | £1,043,120 | £ 246,828,110 | £6,044,753 | £ 5,001,633 | -£2,612,022 | -£ 3,655,142 |
| E | Initial Benefit Cost Ratio | No BCR | 0.51 | 0.26 | 0.20 | 0.11 | 0.09 |
| F | Adjusted Benefit Cost Ratio | No BCR | 9.331 | 1.894 | 1.740 | 0.831 | 0.763 |
| H | Value for Money Category | No BCR | High | Low | Low | Low | Low |

Reducing the proportion of employment that is resultant from a movement from being economically inactive to economically active by 5% to 5% of the total can be seen to have a downward effect on all relevant BCR calculations. For some calculations this could push the BCR below the threshold of 1 that is necessary to indicate a low value for money for the scheme.

Table 24 – DCLG Summary Switching Value 15% Economically inactive to active

| Ref | Scheme Description | 5000m2 Warehouse | 3100M2 Enterprise Centre Whole Life GVA Model inc. risk and Optimism Bias Net Deadweight | 3100m2 Enterprise Centre GBF Only | 3100m2 Enterprise Centre LGF Only Net Deadweight | 3100m2 Enterprise Centre Whole Capital Cost | 3100m2 Enterprise Centre Whole Capital Cost Net Deadweight |
|-----|----------------------------------|------------------|--|-----------------------------------|--|---|--|
| | Option | Reference Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case | Preferred Case |
| A | Present Value Benefits (£M) | £357,696 | £15,200,295 | £1,730,065 | £1,372,369 | £1,730,065 | £1,372,369 |
| B | Present Value Costs (£M) | £- | £ 29,627,799 | £6,763,285 | £6,763,285 | £15,420,060 | £15,420,060 |
| C | Present Value Other Impacts (£M) | £4,955,729 | £ 261,255,614 | £33,435,216 | £28,479,487 | £33,435,216 | £28,479,487 |
| D | Net Present Public Value (£M) | £5,313,424 | £ 246,828,110 | £28,401,996 | £23,088,571 | £19,745,220 | £14,431,796 |
| E | Initial Benefit Cost Ratio | No BCR | 0.51 | 0.26 | 0.20 | 0.11 | 0.09 |
| F | Adjusted Benefit Cost Ratio | No BCR | 9.331 | 5.199 | 4.414 | 2.280 | 1.936 |
| H | Value for Money Category | No BCR | High | High | High | High | Low |

Increasing the proportion of employment that is resultant from a movement from being economically inactive to economically active by 5% to 15% of the total can be seen to have an upward effect on all relevant BCR calculations. Within this scenario all variations are close to or above the 2% threshold that would indicate a high value for money for the scheme.

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.]

The procurement process followed by the project team is robust and well-structured and is expected to result in a viable procurement.

Two procurement options were looked at:

- Go out to full market
- Use a Framework

Due to the tight deadlines of the programme, the council decided to use a Framework Agreement. Advantages to the council of using one of these established OJEU approved procurement frameworks are as follows:

1. Faster, more efficient procurement leading to time savings gained from streamlined tendering processes.
2. Contractors have been vetted for their financial standing and technical capability –reduced risk and additional vetting will be carried by the council before appointment is finalised.
3. Cost savings –lower overheads and profit from Contractors owing to prospect of large volume of work.
4. Ease of Project Management –clients see their wider project administration costs reduced from standard contracts.
5. The framework promoters offer end to end administration, project initiation and relationship support to the client.
6. Many of the frameworks have evolved to offer the best contractors for particular types of projects in given areas.
7. The frameworks are promoting best practice ways of working in BIM, sustainability, inclusion and collaboration.

A number of Agreements were reviewed:

1. The Southern Construction Framework
2. The Crown Commercial Service, Lot 3.2: Construction & Assoc. Services
3. The London Construction Programme Major Works Framework
4. Procure Partnerships East Framework
5. The LHC Framework –Schools & Community Buildings
6. PAGABO Framework –Major Works £5M to £10M (South East)
7. The Scape Group Region Framework
8. Fusion 21 Framework
9. Essex Construction Framework 2 –Lot 3 (£4m+)

The LHC framework became the front runner. Following review, this framework was deemed suitable, with minor concerns regarding the definition of our build fitting into a “Community Building” definition.

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.]

A decision was made earlier in the process to use an established national framework. We (The project team) identified nine pre-approved public sector procurement frameworks which can be used by Braintree District Council, namely:

1. The Southern Construction Framework
2. The Crown Commercial Service, Lot 3.2: Construction & Assoc. Services
3. The London Construction Programme Major Works Framework
4. Procure Partnerships East Framework
5. The LHC Framework – Schools & Community Buildings
6. PAGABO Framework – Major Works £5M to £10M (South East)
7. The Scape Group Region Framework
8. Fusion 21 Framework
9. Essex Construction Framework 2 – Lot 3 (£4m+) framework promoters offer end to end administration, project initiation and relationship support to clients.

Advantages to BDC of using one of these established OJEU approved procurement frameworks are as follows:

1. Avoids the requirement to use a contract notice (since the project is advertised through a pre-approved framework)
2. Faster, more efficient procurement leading to time savings gained from streamlined tendering processes.
3. Contractors have been vetted for their financial standing and technical capability – reduced risk.
4. Cost savings – lower overheads and profit from Contractors owing to prospect of large volume of work.
5. Ease of Project Management – clients see their wider project administration costs reduced from standard contracts.
6. The Any of the following Public Sector Frameworks can be used by Braintree District Council:
7. Many of the frameworks have evolved to offer the best contractors for particular types of project in given areas.
8. The frameworks are promoting best practice ways of working in BIM, sustainability, inclusion and collaboration

Following careful analysis and evaluation, we came to the conclusion that the LHC framework was best suited for our purpose.

Individuals within the Council have had positive experiences of the LHC framework in the past. It provided a robust but flexible option to suit our initial combined procurement thoughts.

An early appointment of a contractor will be made using the LHC framework. The form of contract will be JCT Design and Build. A pre-construction Services Agreement (PCSA) will be used to limit the risk to Braintree District Council resulting from the early appointment of the contractor.

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.]

Braintree District Council has a specialist in-house team; with highly experienced personnel. The Head of Procurement and her team have several years experience between them and have in-depth knowledge of the different procurement routes that can be used in this scheme.

Lessons learnt from past experience include:

- When assessing Framework Agreements, look at the costs involved in using the Agreement, mostly these are to the Supplier / Contractor, however these are passed on in the quoted prices,
- Mini-competition provides the most value for money route when using a Framework Agreement,
- Provide as much information as you have at the time of mini-competition, even if this is subject to change,
- Allow as long as possible for Suppliers / Contractors to read, absorb, ask relevant clarification questions, and to produce a decent submission. Subject to the value and the complexity of the documents, this can be 2-3 weeks for a simple exercise, to 4-5 weeks for a complex, high value exercise,
- The questions and weightings used to evaluate the submissions are key and should be similar to the ones used for the creation of the Framework Agreement, although these can be amended to be more relevant to the work required,
- Avoid an early commitment to a single provider, in order to maintain competitive pressure and to mitigate the risk of a price “ambush” by a contractor aware of programme constraints.

4.4 Competition issues:

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

The Council has considered a variety of procurement alternatives & is proceeding with procurement on a single stage basis, with an early works package but maintaining competitive dialogue and tension, until after the planned SELEP Accountability Board meeting on November 20th. This approach will deliver the optimum balance between cost certainty and mitigating the risk of over-reliance on a single contractor during a pressurised delivery programme.

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.]

The Council has procured specialist interim resources to focus on this project and prioritise its delivery. The additional resources include a Project Director, who holds a PhD in Architecture and is full member of the Royal Institute of British Architects (RIBA). The Project Director led on the delivery of similar projects at Royal Holloway, University of London and at the London Borough of Lambeth.

The project is being led by a multi-disciplinary team which identifies all issues and inter-dependencies & ensuring that the workload is spread effectively.

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 identification, analysis and mitigation of risk is covered elsewhere in this document. Meanwhile, the potential for risk transfer has been assessed and is planned to be managed through the procurement of the contract utilising a Design and Build Contract.

It is planned that early contractor involvement will assist in bringing the project in within budget. Early contractor involvement will allow the contractor to have significant input into the detailed design and product specification, which should contribute to reducing the risk of abortive works at detailed design stage.

Establishing a comprehensive and robust Employers Requirements Document (ERD) would help to transfer much of the risk generally incurred at construction stage over to the Contractor, as the contractor's will employ their own architects to submit the planning application and provide them with a full package of production information.

It is expected the ERD will provide as much detailed information about the site that is practically possible. The ERD will provide the bidding contractors with a full topographical survey (including any statutory services) and detailed geotechnical surveys at tender stage, thus reducing and transferring risk of any potential claim for delay due to ground conditions at construction stage.

One of the greatest risks to a client utilising a Design and Build contract is the changing of the brief. It is anticipated that through thorough preparation and consultation, a design brief, developed floor plan, and comprehensive set room data sheets, should result in minimal changes, thus minimising risk. However, it should be noted that as with all projects, changes to the brief can occur at any stage.

Table 25 – Commercial Risk categorisation

| Risk Category | Potential allocation | | | |
|------------------------------------|----------------------|----------------|------------------|--------|
| | Delivery Body | Federated Area | Scheme Promoters | Shared |
| Design risk | | | | ✓ |
| Construction and development risk | ✓ | | | |
| Transition and implementation risk | | | | ✓ |
| Availability and performance risk | ✓ | | | |
| Operating risk | | | ✓ | |
| Variability of revenue risks | | | ✓ | |
| Termination risks | | | ✓ | |
| Technology and obsolescence risks | | | ✓ | |
| Control risks | | | ✓ | |
| Residual value risks | | | ✓ | |
| Financing risks | | | | ✓ |
| Legislative risks | | | | ✓ |
| Other project risks | | | | ✓ |

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.]

By using a National framework, social value will be a key consideration. TOMs (themes, outcomes & measures) will focus on training opportunities for local people, impact on the environment, support for a local charitable enterprise.

5 FINANCIAL CASE

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

5.1 Total project value and funding sources:

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

The funding requirement for the Enterprise Centre is as follows:

- Total project Cost = £16m
- Total Capital Asked for from SELEP = £7m
- Local Authority Funding = £9m. This includes the land value of £1.3m

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.]

SELEP Funding sought is £7m. Type is GBF.

5.3 Costs by type:

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

The following cashflow forecast has been prepared for the preferred case. Braintree District Council confirm that:

- Optimism Bias has been excluded from the calculations;
- The cashflow shows the total inclusive and exclusive of the risk contingency for the project;
- The budget for monitoring and evaluation is to be met from internal Braintree District Council revenue costs and will be borne as an overhead to existing project delivery;
- Construction inflation assumptions are set at 0% for Year 0 (2020/21), 2% for Year 1 (2021/22) and 3% for Year 3 and 4 (2022/23);
- CPI target inflation rate of 2% has been applied to all revenue expenditure items and all unit based income items (such as bookable meeting rooms), and estimated five yearly uplift in letting and membership costs is assumed at a rate of 10% every five years;
- The cost of monitoring and evaluation will be borne by BDC and therefore has no direct financial cost as officer time will not be charged to the project (i.e. it is a sunk cost).

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

Table 26 – Expenditure Forecast

| Cost type | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|----------------------------------|-------------|-------------|------------|----------|-------------|
| Capital Construction | £2,445,913 | £10,053,997 | £3,200,090 | £300,000 | £16,000,000 |
| Non-capital Contributions (Land) | -£1,300,000 | | | | -£1,300,000 |
| QRA | £1,025,000 | £125,000 | | | £1,150,000 |
| Monitoring and Evaluation | £0 | £0 | £0 | £0 | £0 |
| Total funding requirement | £2,170,913 | £10,178,997 | £3,200,090 | £300,000 | £15,850,000 |
| Inflation (%) | 0% | 2% | 3% | 3% | |
| Net Risk | £1,145,913 | £10,053,997 | £3,200,090 | £300,000 | £14,700,000 |

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.]

Table 27 – QRA table

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|------------|--------------|---|------------|--------|----------|--|--------------|--------|-----------------------------------|------------|--|
| 1.0 | BRIEF | | | | | | | | | | |
| 1.1 | 02/10/2020 | Timely completion of SELEP Business case for funding approval | 2 | 5 | 10 | Wider team engaged to input into Business Case deliverables. | Braintree DC | Open | | N/A | Consequences of not achieving SELEP funding not assessed. |
| 1.2 | 05/10/2020 | LDO Delivering a Compliant Scheme | 3 | 5 | 15 | Continued liaison with planning team / Buy in. Agreement of what the Planning team require in advance of the submission date to preview /feedback informally on WIP before submission. Explanation document describing approach and compliance with LDO. Strutt and Parker to develop and inform submission strategy (notably non architecture). | S&P/STL/ CPC | Open | Stage 3 | N/A | Design team working to deliver compliance |
| 1.3 | 02/10/2020 | Project ownership and governance | 3 | 3 | 9 | Clear leadership and terms of reference - steering group meetings/EPB. | CPC | Open | | N/A | N/A |
| 1.4 | 02/10/2020 | Instruction of Design/ PM/ QS Team for Stage 3 & 4 Design | 2 | 3 | 6 | Braintree scheduled to issue POs on 6/10/20 following sign off on 5/10/20 | Braintree DC | Open | | £200,000 | Based on 1 month's programme delay pre-contract resulting in acceleration required on site to recover time |
| 1.5 | 05/10/2020 | Operational Approach Defined | 3 | 3 | 9 | Operational Team input into the building / layout / spaces and innovative offers (makers space etc). Level of service in catering provision and event space operation. Agree / determine next level of detail, service provision and sign off layouts. | Braintree DC | Open | Stage 2/3 | £100,000 | Based on 2 weeks' programme delay pre-contract resulting in acceleration required on site to recover time |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|-----|----------------------|--|------------|--------|----------|--|--------------|--------|-----------------------------------|---------|---|
| 1.6 | 05/10/2020 | Business case rejected by SELEP | 3 | 3 | 9 | Review by SELEP independent technical evaluator | BDC | Open | | N/A | Consequences of not achieving SELEP funding not assessed. |
| 2.0 | PLANNING | | | | | | | | | | |
| 2.1 | 02/10/2020 | Completion of Planning Pack by end of November 2020 | 3 | 3 | 9 | Consultation between Stride and Planning Officer during design development period. Compliance with LDO requirements. | Stride | Open | | N/A | Currently on programme to achieve |
| 2.2 | 02/10/2020 | Planning Officer Resource | 3 | 3 | 9 | Planning Officer assigned to project and Planning Performance Agreement is in place. | Braintree DC | Open | | N/A | N/A |
| 2.3 | 02/10/2020 | Compliance with LDO | 2 | 2 | 4 | LDO checklist in place and regular review taking place. | Stride | Open | | N/A | Design team working to deliver compliance |
| 2.4 | 05/10/2020 | Design rejected by LPA | 2 | 4 | 8 | Engagement with planners via PPA | Braintree DC | Open | | N/A | Design team working to deliver compliance |
| 3.0 | STATUTORY | | | | | | | | | | |
| 3.1 | 02/10/2020 | Supporting documentation requirements to be determined e.g. Noise Dust and Vibration | 3 | 3 | 9 | Requirements to be developed in line with Planning and LDO requirements. | Stride | Open | | N/A | Design team working to deliver compliance |
| 3.2 | 02/10/2020 | Agreement of Fire Strategy (Building Control/Fire Officer) | 3 | 3 | 9 | In collaboration with building control authority, ensure that objections by the LFPA to aspects of the fire safety strategy are addressed. | Stride | Open | | N/A | Design team working to deliver compliance |
| 4.0 | THIRD PARTIES | | | | | | | | | | |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|-----|---------------|---|------------|--------|----------|--|--------------|--------|-----------------------------------|----------------|--|
| 4.1 | 02/10/2020 | Completion of Balfour Beatty works on schedule and ahead of commencement on site. | 3 | 3 | 9 | Closely monitor progress of BB works package and report to Project Steering Team weekly so mitigation strategy can be agreed if handover is delayed. | Braintree DC | Open | | 20,000 | Worst case risk for BB demob/decant but low risk because a) works due to complete before ours commence, and b) existing site cabin does not clash with our works |
| 5.0 | DESIGN | | | | | | | | | | |
| 5.1 | 02/10/2020 | Appointment of Fire Safety Consultant | 1 | 1 | 1 | Proposal for fire strategy consultant off framework being sought from Hydrock. | CPC | Open | | Included above | Included above in 1 month precontract delay resulting in on site acceleration |
| 5.2 | 02/10/2020 | Acoustics requirements for the project. | 1 | 3 | 3 | Acoustic specialist to be appointed from RIBA stage 2 onward. | CPC | Open | | N/A | Design team working to deliver compliance |
| 5.3 | 02/10/2020 | Late agreement of Option 5 Design. Accelerated design programme, completion of Stage 2 by 7/10/2020 | 3 | 3 | 9 | Good communication/steering team meetings in place with all project stakeholders to enable quick decision making on design/operational impact. | STL/BDC/CPC | Open | RIBA 2/3 | Included above | Included above in 1 month precontract delay resulting in on site acceleration |
| 5.4 | 02/10/2020 | Timely sign off of design stages by BDC. | 3 | 3 | 9 | Internal sign off agreed with AK and SE. Engagement with Council. Design freeze dates with all relevant parties. | Braintree DC | Open | | Included above | Included above in 1 month precontract delay resulting in on site acceleration |
| 5.5 | 02/10/2020 | Urgent appointment of further design consultants to achieve Stage 3 completion on time. | 1 | 5 | 5 | CPC to issue proposal to BDC for remaining consultant appointments. If no direct supplier agreement is in place, appointments to be made as sub-consultants. | CPC | Open | | Included above | Included above in 1 month precontract delay resulting in on site acceleration |
| 5.6 | 05/10/2020 | Suitability of Ground Investigation Information | 3 | 3 | 9 | Review current information and highlight any gaps in information and associated risk. | HYD | Open | ASAP | £200,000 | Assumed additional 1 month design delay for surveys and findings. Cost for accelerated on site works |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|------|-------------|---|------------|--------|----------|--|-------------|--------|-----------------------------------|------------------------------|--|
| 5.7 | 05/10/2020 | Contractor Impact on Design | 3 | 3 | 9 | Early engagement with Contractors at stage 1 of tender process to understand any proposals they have that may impact on current design. If significant review commercial and programme risks before adopting the proposals. | CPC/HYD/STL | Open | RIBA 3 | N/A | Design team working to deliver compliance |
| 5.8 | 05/10/2020 | Zone coordination MEP/Structures | 1 | 1 | 1 | Agree and understand key servicing zone requirements at design stage positioning structure to accommodate. Set out basic servicing and structure zones so this is understood by any potential stakeholders such as the Architect and Main Contractor's specialist MEP sub-contractors. | HYD | Open | RIBA 3 | N/A | Design team working to deliver compliance |
| 5.9 | 05/10/2020 | COVID 19 impact on business operations/ use of facility. Covid restrictions impact on the appetite for the large events space, with this impacting on the financial projections for a number of years | 3 | 3 | 9 | Design features to adapt to meet the need for social distancing and the potential that things never return back to the way we were used to. Enable flexibility of event space to enable multiple smaller groups | STL/BDC/CPC | Open | RIBA 3 | Impact on revenues not CAPEX | Assumed this item doesn't refer to a change in concept |
| 5.10 | 05/10/2020 | Insufficient parking to service the office space and events activity at Horizon 120, resulting in parking on streets or in neighbouring Great Notley Garden Village | 5 | 4 | 20 | Discussions to be held with the Great Notley Country Park to consider use of overflow car park, although attractiveness of this car park as grass, particularly in winter months is questionable | BDC/CPC | Open | RIBA 2 | Impact on revenues not CAPEX | Assumed this item doesn't refer to a change in concept |
| 5.11 | 05/10/2020 | Move to homeworking reduces appetite for office space | 2 | 4 | 8 | Flexible space able to adapt to where demand is required and offer of multiple space types including coworking etc. Identify key industries where homeworking may not be possible | STL/BDC | Open | RIBA 2/3 | Impact on revenues not CAPEX | Assumed this item doesn't refer to a change in concept |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|------|------------------|---|------------|--------|----------|---|---------|--------|-----------------------------------|------------------------------|---|
| 5.12 | 05/10/2020 | Additional Plant Space Requirement | 3 | 3 | 9 | HYD have reviewed the current architectural requirements and provided plant spatial advice. 10% plant space provision and load capacity could be added, subject to agreement with client. We have provided sections through corridors to show MEP impact and also outline present known plant and equipment size requirements on plans for inclusion in the architectural design. | HYD | Open | RIBA 3 | £5,000 | Based on say additional 20m2 GIA required @ say £250/ft |
| 5.13 | 05/10/2020 | Incoming Utilities | 3 | 3 | 9 | HYD have undertaken an initial load assessment and intend to update this a release to the utilities contractor at each RIBA Stage | HYD | Open | RIBA 4 | N/A | Client advised sufficient capacity available |
| 5.14 | 05/10/2020 | Kitchen & Café Servery | 4 | 4 | 16 | HYD have advised team on allowance/provision made and recommended that a specialist consultant be appointed. | CPC | Open | RIBA 5 | N/A | Provision of £100k for kitchen included |
| 5.15 | 05/10/2020 | Sprinkler Requirements | 4 | 5 | 20 | HYD have advised that a Fire Consultant be appointed and engaged Hydrock in house fire team to provide a fee proposal for consideration | HYD | Open | ASAP | N/A | Design team working to deliver compliance |
| 5.16 | 05/10/2020 | Secondary Supplies | 4 | 5 | 20 | Will be required if sprinkler system is necessary. Hydrock will update the MEP design when known | HYD | Open | RIBA 3 | N/A | Design team working to deliver compliance |
| 5.17 | 05/10/2020 | Incorrect operating assumptions lead to future revenue deficits | 3 | 3 | 9 | Flexible design to facilitate changes in response to market demand | BDC/STL | Open | RIBA 2/3 | Impact on revenues not CAPEX | Assumed this item doesn't refer to a change in concept |
| 6.0 | FINANCIAL | | | | | | | | | | |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|-----|-------------|---|------------|--------|----------|---|-------|--------|-----------------------------------|--|--|
| 6.1 | 02/10/2020 | Cost certainty and alignment of scope of works to budget. | 4 | 4 | 16 | VE exercise undertaken to reduce projection by £600k. Further VE required by reduction of NIA to further reduce overspend by £500k. | CPC | Open | | £250,000 | Assumed risk based on 50% of the VE shortfall not being achievable |
| 6.2 | 02/10/2020 | Cost certainty - close out remaining provisional sums. | 3 | 5 | 15 | Regular review during design team meetings to firm up scope for remaining provisional sums. | CPC | Open | | | |
| 6.3 | 02/10/2020 | BREEAM Pre-Assessment premium | 5 | 3 | 15 | | | Open | | £100,000 | Excellent included for within budget but depends on route to achieve credits. |
| 6.4 | 02/10/2020 | Aspiration to achieve 'Excellent' on BREEAM score needs to be calculated. | 3 | 4 | 12 | | | Open | | Design team action to provide proposed measures to achieve | |
| 6.5 | 05/10/2020 | Achieving Early Cost Certainty | 4 | 4 | 16 | Stage 2 Release to determine Market appetite Stage 3 + Release Competitive Tender. Discussion: Accelerating Substructure/Superstructure and Façade packages Early Contractor Involvement / Tender let on Stage 3+ / 4a. CPC Budget review and Process of Budget Rationalisation | Team | Open | Stage 2/3 | £250,000 | Based on the risk of losing competitive tension in the tender process and by the design not being ready in time to competitively procure as a lump sum |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|------------|--------------------|--|------------|--------|-----------|--|--------------------|--------|-----------------------------------|---|-------------------------|
| 6.6 | 05/10/2020 | Budget Rationalisation Balancing Cost / Delivering Brief. Concurrency of Design Development, Budgetary Rationalisation and Market Feedback | 4 | 5 | 20 | BDC to make decisions based on level of offer: quantum of office space quantum of café space quantum of event space Resultant level of parking based on maximum standards to be defined further to spatial decisions above. | CPC/STL/ CPC | Open | Stage 2 | Included above | |
| 7.0 | PROCUREMENT | | | | | | | | | | |
| 7.1 | 02/10/2020 | Early contractor appointment necessary to achieve aggressive programme. | 3 | 5 | 15 | Two stage procurement route using LHC framework agreed with BDC Procurement. Early PQQ process for readiness of suitable contractors for tender. | | Open | | 2-stage risk premium incl above | |
| 7.2 | 02/10/2020 | Risk premium of taking competitive tension out of the procurement process | 3 | 5 | 15 | | | Open | | 2-stage risk premium incl above | |
| 8.0 | PROGRAMME | | | | | | | | | | |
| 8.1 | 02/10/2020 | Impact of BREXIT on long lead in on supply items from European countries. E.g. lift, AHUs, HVAC | 2 | 3 | 6 | Specification of UK products. Due diligence on supply chain to be undertaken and early procurement of long lead items. | Stride/ Hydrock | Open | | Assumed included within 2 months Contractor acceleration included for above | |
| | 05/10/2020 | Programme – Deadlines prescribed by Funding/ SELEP Committee Approval of Budget | 5 | 5 | 25 | Accelerating Design Programme. Concurrent Design and Budgetary rationalisation and Market Feedback. | BDC/CPC | Open | All Stages | | |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|-----|--------------------------------------|---|------------|--------|----------|--|-------------|--------|-----------------------------------|------------|-------------------------|
| 8.2 | 02/10/2020 | Construction programme too rapid. Spend requirement of £1.5m by March 2021 and £7m by PC in March 2022. | 3 | 5 | 15 | | | Open | | | |
| 8.3 | 02/10/2020 | Maintaining accelerated design programme outputs through to completion of RIBA stage 4 | 5 | 3 | 15 | Ensure design programme rigorous and all relevant parties have contributed. Check key milestones being met. | CPC/STL/HYD | Open | All Stages | | |
| 8.4 | 02/10/2020 | Impact on programme due to sub-contractors performance and the ability to source sufficient labour | 5 | 1 | 5 | | | Open | | | |
| 8.5 | 05/10/2020 | COVID & BREXIT | 5 | 5 | 25 | Foresight of: Construction Supply chain – Labour and Material availability/cost and lead times Market – Solvency (principal contractor and supply chain) Impact on business operation Incorporation of new models of operation / Working practices / Processes. | BDC/CPC | Open | All Stages | | |
| 8.6 | 05/10/2020 | Delay increasing risk of recovery of SELEP grant | 3 | 3 | 9 | | | Open | | | |
| 9.0 | SERVICES & INFRASTRUCTURE | | | | | | | | | | |

| Ref | Date Raised | Risk Description | Likelihood | Impact | Severity | Mitigation Plan | Owner | Status | Forecast Date for Risk Mitigation | Value £ | Quantification comments |
|------|---|--|------------|--------|----------|--|---------|--------|-----------------------------------|-------------------|---|
| 9.1 | 02/10/2020 | Performance of Statutory Authorities with regard to new supplies | 1 | 3 | 3 | Water, Gas, Sewer, electrical, communications / broadband - delay to programme and additional costs associated with temporary works while awaiting utility supply. | | Open | | N/A | We are advised the available infrastructure is already ready and available. |
| 10.0 | CONSTRUCTION | | | | | | | | | | |
| 10.1 | 02/10/2020 | ground conditions variant to that expected | 1 | 1 | 1 | | | Open | | £25,000 | £25,000 capex. Programme incl in 2 months acceleration above |
| 11.0 | ENVIRONMENTAL AND SUSTAINABILITY | | | | | | | | | | |
| 11.1 | 02/10/2020 | Decision to be made on 'Excellent' BREEAM | 3 | 3 | 9 | Pre-assessment to be costed to allow decision making on whether BREEAM target needs to be aligned to 'Very Good' | STL/BDC | Open | Stage 2 | Incl above | Incl Above |
| | TOTAL | | | | | | | | | £1,150,000 | |

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.]

An extract from the project financial cashflow is provided below, this contains the total cost over 40 years and extracts for years 0-9. CPI target inflation has been used accruing at a yearly rate for all unit cost income items and all expenditure and at a stepped rate for lets and memberships of 10% every five yearly interval.

Table 28 – Funding Profile Whole Life Cost Model

| | | 20 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|----------------------------|----------------------|--------------------|--------------------|--------------------|------------------|------------|------------|------------|------------|------------|------------|
| CAPITAL EXPENDITURE | 40 Year Total | Yr0 | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 | Yr6 | Yr7 | Yr8 | Yr9 |
| BDC CAPEX | -£16,000,000 | -£2,445,913 | -£10,053,997 | -£3,200,090 | -£300,000 | | | | | | |
| GBF SELEP | £7,000,000 | | £7,000,000 | | | | | | | | |
| Land Value | £1,300,000 | £1,300,000 | | | | | | | | | |
| Total Capital | -£7,700,000 | -£1,145,913 | -£3,053,997 | -£3,200,090 | -£300,000 | £0 | £0 | £0 | £0 | £0 | £0 |

| REVENUE EXPENDITURE | Total | Yr0 | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 | Yr6 | Yr7 | Yr8 | Yr9 |
|-----------------------------|---------------------|------------|------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Staffing | -£15,103,291 | £0 | £0 | -£172,005 | -£276,330 | -£281,857 | -£287,494 | -£293,244 | -£299,108 | -£305,091 | -£311,192 |
| Administrative/office costs | -£818,014 | £0 | £0 | -£7,500 | -£15,000 | -£15,300 | -£15,606 | -£15,918 | -£16,236 | -£16,561 | -£16,892 |
| Building running costs | -£7,278,687 | £0 | £0 | -£66,735 | -£133,470 | -£136,139 | -£138,862 | -£141,639 | -£144,472 | -£147,362 | -£150,309 |
| Security (CCTV) | -£208,556 | £0 | £0 | -£1,875 | -£3,825 | -£3,902 | -£3,980 | -£4,059 | -£4,140 | -£4,223 | -£4,308 |
| Marketing & website | -£2,244,598 | £0 | £0 | -£40,000 | -£40,800 | -£41,616 | -£42,448 | -£43,297 | -£44,163 | -£45,046 | -£45,947 |
| Property Management | -£2,002,138 | £0 | £0 | -£18,000 | -£36,720 | -£37,454 | -£38,203 | -£38,968 | -£39,747 | -£40,542 | -£41,353 |
| Lifecycle (sinking fund) | -£1,669,560 | £0 | £0 | -£15,010 | -£30,620 | -£31,233 | -£31,857 | -£32,495 | -£33,145 | -£33,807 | -£34,484 |
| Replacement FFE | -£539,465 | £0 | £0 | -£4,850 | -£9,894 | -£10,092 | -£10,294 | -£10,500 | -£10,710 | -£10,924 | -£11,142 |
| Grounds Maintenance | -£307,829 | £0 | £0 | -£2,768 | -£5,646 | -£5,759 | -£5,874 | -£5,991 | -£6,111 | -£6,233 | -£6,358 |
| Loan Interest | -£2,026,725 | £0 | £0 | -£42,485 | -£84,112 | -£82,939 | -£81,733 | -£80,491 | -£79,213 | -£77,898 | -£76,544 |
| Total Expenditure | -£32,198,862 | £0 | £0 | -£371,228 | -£636,417 | -£646,291 | -£656,351 | -£666,602 | -£677,046 | -£687,687 | -£698,529 |

| REVENUE INCOME | Total | Yr0 | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 | Yr6 | Yr7 | Yr8 | Yr9 |
|----------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Office Space | £15,303,904 | £0 | £0 | £56,737 | £283,683 | £291,788 | £291,788 | £291,788 | £320,967 | £320,967 | £320,967 |
| Café Servery | £1,097,648 | £0 | £0 | £10,398 | £20,796 | £20,796 | £20,796 | £20,796 | £22,875 | £22,875 | £22,875 |
| Hatchery (Co working) | £11,716,576 | £0 | £0 | £21,875 | £156,250 | £225,000 | £225,000 | £225,000 | £247,500 | £247,500 | £247,500 |
| Boardroom | £1,975,170 | £0 | £0 | £2,583 | £18,817 | £37,577 | £38,328 | £39,095 | £39,877 | £40,674 | £41,488 |
| Networking & Event space 1 | £1,904,593 | £0 | £0 | £2,490 | £18,145 | £36,234 | £36,959 | £37,698 | £38,452 | £39,221 | £40,005 |
| Networking & Event space 2 | £2,469,159 | £0 | £0 | £3,228 | £23,521 | £46,974 | £47,914 | £48,872 | £49,850 | £50,847 | £51,864 |
| Maker Space | £3,785,662 | £0 | £0 | £6,533 | £47,600 | £71,768 | £73,203 | £74,667 | £76,161 | £77,684 | £79,238 |

| | | | | | | | | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Virtual Office | £1,520,774 | £0 | £0 | £2,625 | £19,125 | £28,831 | £29,407 | £29,995 | £30,595 | £31,207 | £31,831 |
| Meeting Rooms | £2,560,082 | £0 | £0 | £3,347 | £24,387 | £48,704 | £49,678 | £50,672 | £51,685 | £52,719 | £53,773 |
| Total Income | £42,333,568 | £0 | £0 | £109,817 | £612,323 | £807,672 | £813,074 | £818,583 | £877,962 | £883,694 | £889,541 |
| Grand Total Exc. Risk | £2,434,706 | -£1,145,913 | -£3,053,997 | -£3,461,501 | -£324,093 | £161,381 | £156,722 | £151,982 | £200,916 | £196,007 | £191,012 |
| Cumulative Cash Flow | | -£1,145,913 | -£4,199,910 | -£7,661,411 | -£7,985,504 | -£7,824,123 | -£7,667,401 | -£7,515,419 | -£7,314,503 | -£7,118,496 | -£6,927,484 |
| Quantifiable Risk Assessment | -£1,150,000 | -£1,025,000 | -£125,000 | | | | | | | | |
| Total Inc. Risk | £1,284,706 | -£2,170,913 | -£3,178,997 | -£3,461,501 | -£324,093 | £161,381 | £156,722 | £151,982 | £200,916 | £196,007 | £191,012 |

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.]

The £9m component of the funding, from Braintree District Council is subject to Cabinet and Council approval. The £9m includes a Land Value of £1.3m.

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.]

A copy of the costed Risk Register is provided above at paragraph 5.4. However, the key strategic risks have been identified as follows:

| Main Risk | Risk Register Ref | Counter Measures |
|--|-------------------|--|
| Business and Political Risks | | |
| 4. Cost escalation brought about by prevailing market conditions. | 6.5 | Reduce project scope. Explore value engineering. |
| 5. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk. | 1.1 | Multi-disciplinary project team approach. |
| 6. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult. | 8.1 | Avoid Europe based supply chains as far as possible. |
| Service Risks | | |
| 2. Unauthorised changes to scope leading to cost escalation. | 6.1 | Put in place a strict change management regime and ensure that implementation is robust. |
| 5. Delivering a signature gateway building of the best quality with associated landscaping and access ways that falls within budget. | 6.4 | Regular design milestone cost checks and balance between product and cost. |
| 6. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'. | 5.6 | All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area. |
| 7. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face | 5.11 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |

| Main Risk | Risk Register Ref | Counter Measures |
|---|-------------------|--|
| meetings in a socially distanced environment. | | |
| External Environmental Risks | | |
| 2. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme. | 8.5 | Closely follow government advice. Ask for alternative programme from contractors at tender stage. |
| 3. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand. | 5.9 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |

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.

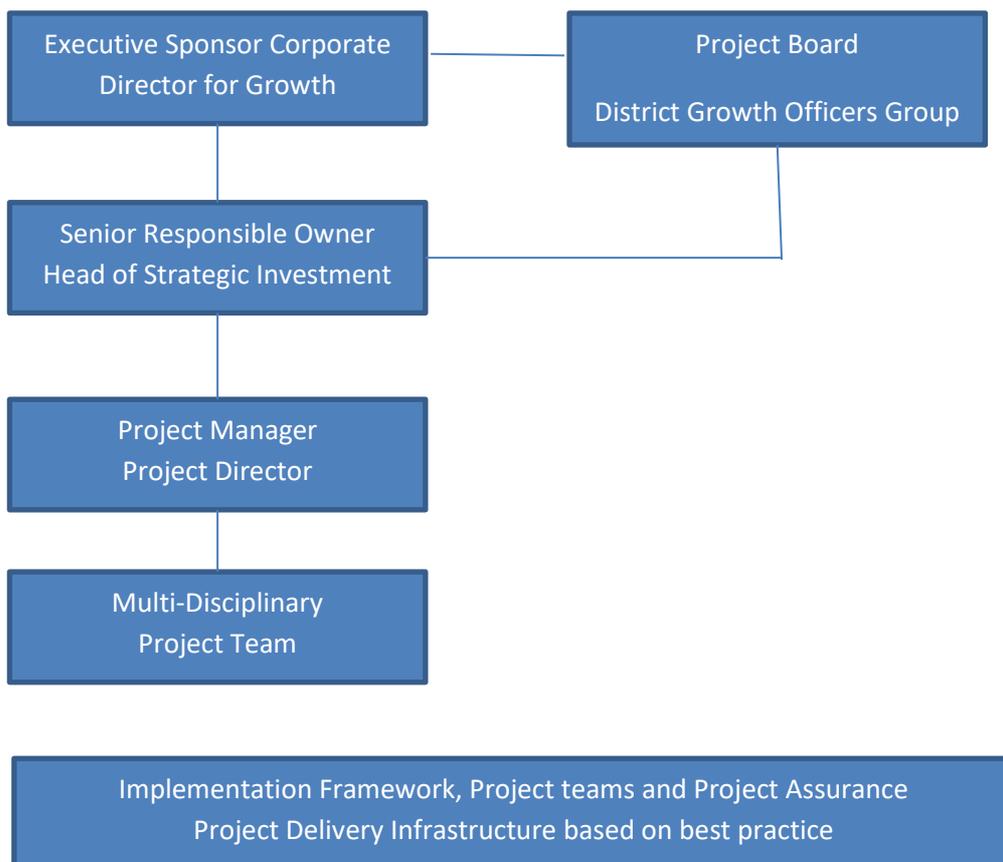
6.1 Governance:

[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.]

Project governance is the management framework within which project decisions are made in Braintree District Council. The council has a set of policies, processes, guidelines, procedures and templates which inform the implementation of projects and programmes within the council. These constitute the project implementation standards of the council.

The governance mechanism has been designed to ensure compliance with these implementation standards and is as shown below:

BDC PROJECT GOVERNANCE STRUCTURE FOR HORIZON ENTERPRISE CENTRE



The roles and responsibilities within the council's project governance structure are:

- The project sponsor is directly accountable to the project Board. The responsibilities for which the sponsor is accountable include the provision of leadership on culture and values, keeping projects aligned with the council's strategy and portfolio direction, ensuring continuity of sponsorship and providing assurance.
- The senior responsible owner (SRO) is accountable for ensuring a programme or project meets its objectives, delivers the projected outcomes and realises the required benefits. SRO is directly accountable to the project sponsor (PS).
- The project director/ Project Manager (PD) is accountable to the senior responsible owner for the day to day management of the project.
- The Project Board is a decision making body that is accountable for the success or failure of the project, provides unified direction to the project and Project Manager, provides the resources and authorize the funds for the project and provides visible and sustained support for the Project Manager.

6.2 Approvals and escalation procedures:

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

The Enterprise Centre project is managed by a Project Director. The delivery process is in stages. The tasks performed by the Project Director at key stages of the project delivery process include:

- Delivering client requirements in accordance with the specifications in the correct sequence.
- Monitoring progress and cost against programme and project budget.
- Managing any deviations from plans
- Managing the cost and impact of any changes.
- Ensuring all stakeholders are engaged appropriately
- Following the agreed procedure for reporting
- Progressing, managing and updating the Risk log.

The Project Director is supported by an internal project team made up of key stakeholders and a team of consultants. Key among these are the Project Manager, the Cost Consultant, the Architect, the Mechanical and Electrical Engineers, the Structural Engineer and the Planning Consultant.

Management oversight is provided by the Project Sponsor and the Senior Responsible Owner via dashboard reporting. This formal reporting happens monthly. In addition, weekly meetings are carried out by the Head of Strategic Investment. Escalation of issues to the Project Sponsor and to the Senior Responsible Owner can also take place as needed. There is a Project Board which responsible for governance and decision making. The project director reports to the team through Highlight Reporting on a quarterly basis.

Alongside these is a Project Assurance team whose responsibilities is to give confidence to the Project Board that the project is on course to achieve its objectives, outcomes and predefined benefits. This is achieved by carrying out project health checks at key stage gates of the delivery process.

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 consultants on the project are reviewed quarterly against an agreed Service Level agreement as defined in the contract, as well as predefined Key performance indicators (KPIs).

There is a strict change control process which is robust and implemented by the Project Director in an ordered and systematic manner.

Project team meetings are held on a weekly basis and actions are followed up in a timely manner to forestall any delays to the programme.

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.]

The key stakeholders on this project comprise:

- South East Local Enterprise Partnership (SELEP)
- Ward Councillors
- BDC Commercial Team
- BDC Economic Development Team
- BDC Asset management team
- Local Residents
- Local Businesses
- SMEs
- Investors

BDC has a standard established Stakeholder Mapping template which is being used by the Project Team to manage the process and, in doing so, enable us to acknowledge the capacity for different stakeholders to raise concerns throughout the lifetime of the project.

This document comprises of the following tabs (worksheets):

- Stakeholder **Register** – comprising a list of identified stakeholders and contact details
- Stakeholder **Management Analysis** – essentially, this is the Stakeholder Engagement Plan and monitors the issues and predisposition of commitment for each stakeholder
- *Stakeholder **Matrix** – identifies the communication methodology for each stakeholder
- Stakeholder **Plan** – monitors the success of communication for each stakeholder

* Copy attached at Appendix H.

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.]

The new building will comply with all relevant disabled access requirements. The needs of those with protected characteristics are being considered in the design development of the Enterprise Centre.

All members of the professional team and the eventual main construction contractor are required to provide satisfactory equality and diversity policies as a prerequisite for selection.

There are no indications that this project would have an adverse impact on the protected characteristics of any individuals.

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 Risk Register is the management tool that logs potential risks to the project, primarily driven by Health and Safety, cost, programme delays or any other risks that may be relevant to the successful completion of the project. The risk register will be formally reviewed and updated on an ongoing basis, but issued formally monthly.

The Project Director ensures that roles and responsibilities are coordinated carefully to assure that risk and control processes operate as intended. The challenge for the Project Director is to assign specific roles and to coordinate effectively and efficiently among the project team members, so that the risk owners are clearly identified and held accountable.

Clear responsibilities must be defined, so that each group of risk and control professionals understands the boundaries of their responsibilities, and how their positions fit into the project's overall risk and control structure.

The Project Director is responsible for maintaining effective internal controls and for implementing risk and control procedures on a day-to-day basis. The Project Director identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.

At the operational level, the procedure is tried and tested and is as follows.

- Quantify likelihood and impact of each risk – High, Medium, Low.
- Assign severity to each assessed risk - done automatically on BDC register.
- Identify control method and/or control actions together with key delivery dates.
- Identify the risk owner to monitor, manage and mitigate the risk, through to closure.
- Assign cost impact to risk if failure to manage
- Update progress of any actions being undertaken to manage/mitigate the risk.

For the purposes of the register impact is defined as the following:

| <i>Effect</i> | <i>Cost / Benefit (k)</i> | <i>Schedule (weeks)</i> | <i>Quality*</i> | | <i>Likelihood</i> | <i>Probability</i> |
|---------------|---------------------------|-------------------------|-----------------|--|-------------------|--------------------|
| 1 (VL) | <£10 | <2 | 1 | | 1 (VL) | <1% |
| 2 (L) | £10-£50 | 2-4 | 2 | | 2 (L) | 1-5% |
| 3 (M) | £50-£200 | 4-8 | 3 | | 3 (M) | 5-50% |
| 4 (H) | £200-£500 | 8-12 | 4 | | 4 (H) | 50-75% |
| 5 (VH) | >£500k | >12 | 5 | | 5 (VH) | 75-100% |

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.]

A full Programme Plan in Gantt Chart format is provided at Appendix D. The sequence of key project activities which make up the Critical Path, along with Milestones, are as follows:

Phase One: (Jul '20 – Feb '21)

| | | |
|---|------------------|------------------------|
| 1. Appointments | 11 weeks | to September '20 |
| 2. Funding | 1 week | to August '20 |
| 3. Design Development | 32 weeks | to February '21 |
| 4. <i>SELEP Funding Board</i> | <i>milestone</i> | <i>23 November '20</i> |
| 5. <i>Principal Designer Design Risk Freeze</i> | <i>milestone</i> | <i>30 November '20</i> |
| 6. Planning & Submission | 15 weeks | to December '20 |
| 7. <i>Compliance Application</i> | <i>milestone</i> | <i>30 November '20</i> |

Phase Two: (Dec '20 – May '22)

| | | |
|--|------------------|-------------------|
| 1. Procurement – Substructure | 8 weeks | to February '21 |
| 2. Construction Programme – Substructure | 16 weeks | to May '21 |
| 3. Procurement – Main Works | 10 weeks | to April '21 |
| 4. Construction Programme – Main Works | 56 weeks | to May '22 |
| 5. <i>Practical Completion</i> | <i>milestone</i> | <i>31 May '22</i> |

The shortest time possible to achieve completion of Phase 1 is 33 weeks. The shortest time possible to achieve completion of Phase 2 is 72 weeks. The Programme Plan shows that the shortest time possible to complete the project is 95 weeks. We are currently progressing through the design development stage.

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.]

Previous Project Experience and Track Record of the Project Delivery Team

The Project delivery Team has a demonstrable track record of delivering complex projects successfully in recent years. However the team is made up of seasoned professionals with vast amounts of experience in the delivery of similar projects with a mix of permanent project

managers and highly experienced interims with specialist expertise. The team was assembled by the Head of Strategic investment who himself has several years experience in portfolio, programme and project management. The project is managed by the project director who also has several years experience in portfolio, programme and project management. Similar projects being delivered by the team are currently at the construction stage. Despite the effect of the pandemic they are on course to be delivered successfully.

These include Horizon 120 infrastructure project, I-construct and Manor street. Two of these projects, Horizon 120 infrastructure and Manor House are significantly larger in scope and capital value involving inter-dependencies with 3rd parties. The third, I-construct is a smaller project. All three are currently on site and on course to be delivered successfully, in accordance with their respective business cases

The team has laid the foundation for success by developing and nurturing a control environment for delivering programmes and projects successfully, in an attempt to raise the maturity level of Portfolio, programme and project management in the council. This initiative was designed to raise the maturity level from its present level 1 to level 3 by October 2022 using the P3M3 framework.

This control environment comprises: Delivery teams, namely a Project board, an assurance team and an internal project team. Other components of this environment include a hierarchy of documents and templates; effective controls; and a conducive environment for collaborative working. The programme and project Assurance Board provides confidence to the Project Board and stakeholders, on all capital projects, that the projects will achieve their stated objectives

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.]

6.10 Logic Map

| Objectives | Inputs | Outputs | Outcomes | Impacts |
|---|---|---|---|--|
| <p>Take Scheme objectives from section 2.7</p> <p>Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;</p> <p>Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;</p> <p>Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;</p> <p>Objective 4: To develop state of the art,</p> | <p>For all schemes:</p> <p>Take from section 1.10 / Financial Case</p> <p>Grant Spend £7m</p> <p>Matched Contributions Spend £9m</p> <p>Leveraged Funding £16m</p> | <p>For all schemes:</p> <p>Influenced by detail in section 3.2.</p> <p>Also refer to metrics output metrics within Appendix E</p> <ul style="list-style-type: none"> • Construct a high quality enterprise building with offices and meeting rooms, a conference hall and a café. • Create a strong connection to natural environment with green routes which promote healthy transport links between The Country Park and Great Notley Village • Provide a range of facilities and support | <p>Influenced by details in sections 2.1 and the Economic Case</p> <p>For schemes of £2m of funding or less:</p> <p>-Jobs -Houses</p> <p>For schemes £2m-£8m:</p> <p>Include all required LEP shown in Appendix E:</p> <p>M&E Metrics for scheme type (skills, land/property/flood protection, business support/innovation/broadband, transport) plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>Include all required LEP M&E Metrics and consider further metrics within Appendix E plus</p> | <p>For schemes of £2m of funding or less:</p> <p>-n/a</p> <p>For schemes £2m-£8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>For schemes more than £8m:</p> <p>-Relevant impacts from Appendix E plus any moderate or large benefits/disbenefits which occur as part of section 3 in this template</p> <p>Given the nature of this scheme – high quality, innovative, centred on entrepreneurship – Its impact will have far</p> |

| Objectives | Inputs | Outputs | Outcomes | Impacts |
|--|--------|--|---|--|
| <p>affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;</p> <p>Objective 5: To create a physical environment that promotes health and wellbeing;</p> <p>Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;</p> <p>Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.</p> | | <p>services including a maker space.</p> <ul style="list-style-type: none"> • Achieve BREEAM Excellent / Net Zero Carbon. | <p><i>any moderate or large benefits/disbenefits which occur as part of section 3 in this template</i></p> <ul style="list-style-type: none"> • Enable a collaborative and nurturing environment to enable start up and grow on SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenants to grow. <p>LEP M&E Metrics</p> <ul style="list-style-type: none"> • 160 new jobs will be created as a result of the interaction (124 direct and 36 indirect) • Commercial floor space occupied – 3100 sq. metres (GIA), Classes: A2 – Financial and professional services, A3 | <p>reaching positive effects on businesses and individuals alike. These include:</p> <p>SKILLS:</p> <ul style="list-style-type: none"> • Increased number of people going into higher paid jobs. • A larger percentage of the population going into NVQ Level 4 <p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> • Increased attractiveness to developers • Increased attractiveness to businesses • Increased productivity • Increased employment levels (Changes in GVA) • Regeneration of the area • Improvements in in education |

| Objectives | Inputs | Outputs | Outcomes | Impacts |
|------------|--------|---------|---|--|
| | | | <ul style="list-style-type: none"> – Restaurants and Cafes, B1 – Business. • Commercial rental value: £30 per sq. foot inclusive of utilities <li style="text-align: center;">SKILLS • Number of new staff – 4 <li style="text-align: center;">BUSINESS SUPPORT, INNOVATION AND BROADBAND • Virtual environment to support start-ups. • Business Training leading to professional qualifications provided by an accredited training organisation <li style="text-align: center;">TRANSPORT • Better public transport integration • Reductions in carbon emissions | <ul style="list-style-type: none"> • Improved levels of physical activity <li style="text-align: center;">BUSINESS SUPPORT, INNOVATION AND BROADBAND; • Increased effectiveness to developers • Increased attractiveness of area to developers • Value for Money • Increased productivity • Decreased deprivation • Improved air quality • Improved road safety • Improvements in local health |

7 DECLARATIONS

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

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

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

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

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

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

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

| | |
|-------------------------------|--------------------|
| <i>Signature of applicant</i> | |
| <i>Print full name</i> | Dominic Collins |
| <i>Designation</i> | Corporate Director |

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 | Assumptions stated in Risk Register (table 22, Section 5.4) |
| Real Growth | |
| Discounting | In line with HM Treasury Green book guidance 3.5% years 0 to 29, 3% years 30 onwards |
| Sensitivity Tests | All main sources of uncertainty have been identified and have been modelled |
| Additionality | Additionality identified in line with HCA guidance: |
| Administrative costs of regulation | |
| Appraisal period | 40 years |
| Distributional weights | None applied |
| Employment | Employment calculations in line with HCA guidance on employment density. |
| External impacts of development | |
| GDP | |
| House price index | |
| Indirect taxation correction factor | |
| Inflation | Inflationary increase in the price of construction materials is stable. |
| Land value uplift | |
| Learning rates | |
| Optimism bias | <p>Ordinarily, the Green Book would suggest an optimism bias of 24% at this stage. This has been significantly mitigated by completed site surveys and earthworks.</p> <p>The operational costs and occupancy rates are informed by current experience at the Braintree Enterprise Centre</p> |

| | |
|--------------------------------|---|
| Planning applications | The LDO requires a 28 day checklist submission process rather than a planning application |
| Present value year | Present Value Year is 2020. |
| Private sector cost of capital | |
| Rebound effects | |
| Regulatory transition costs | |

9 APPENDIX B - FUNDING COMMITMENT

Draft S151 Officer Letter to support Business Case submission

Dear Colleague

In submitting this project Business Case, I confirm on behalf of [Insert name of County or Unitary Authority] that:

- The information presented in this Business Case is accurate and correct as at the time of writing.*
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.*
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.*
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.*
- The delivery body has access to the skills, expertise and resource to support the delivery of the project*
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting*
- The project will be delivered under the conditions in the signed LGF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

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

Yours Sincerely,

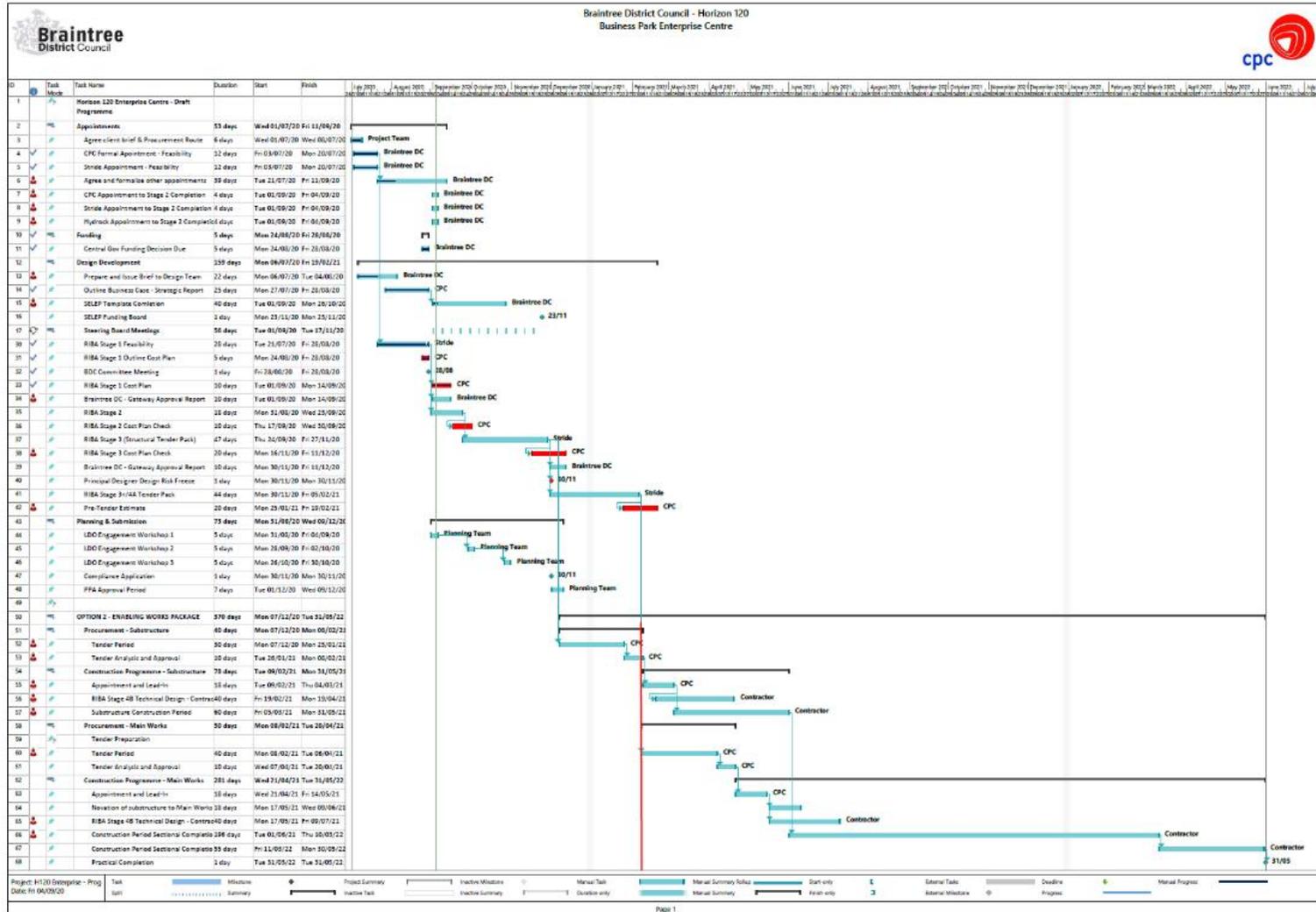
SRO (Director Level)

S151 Officer

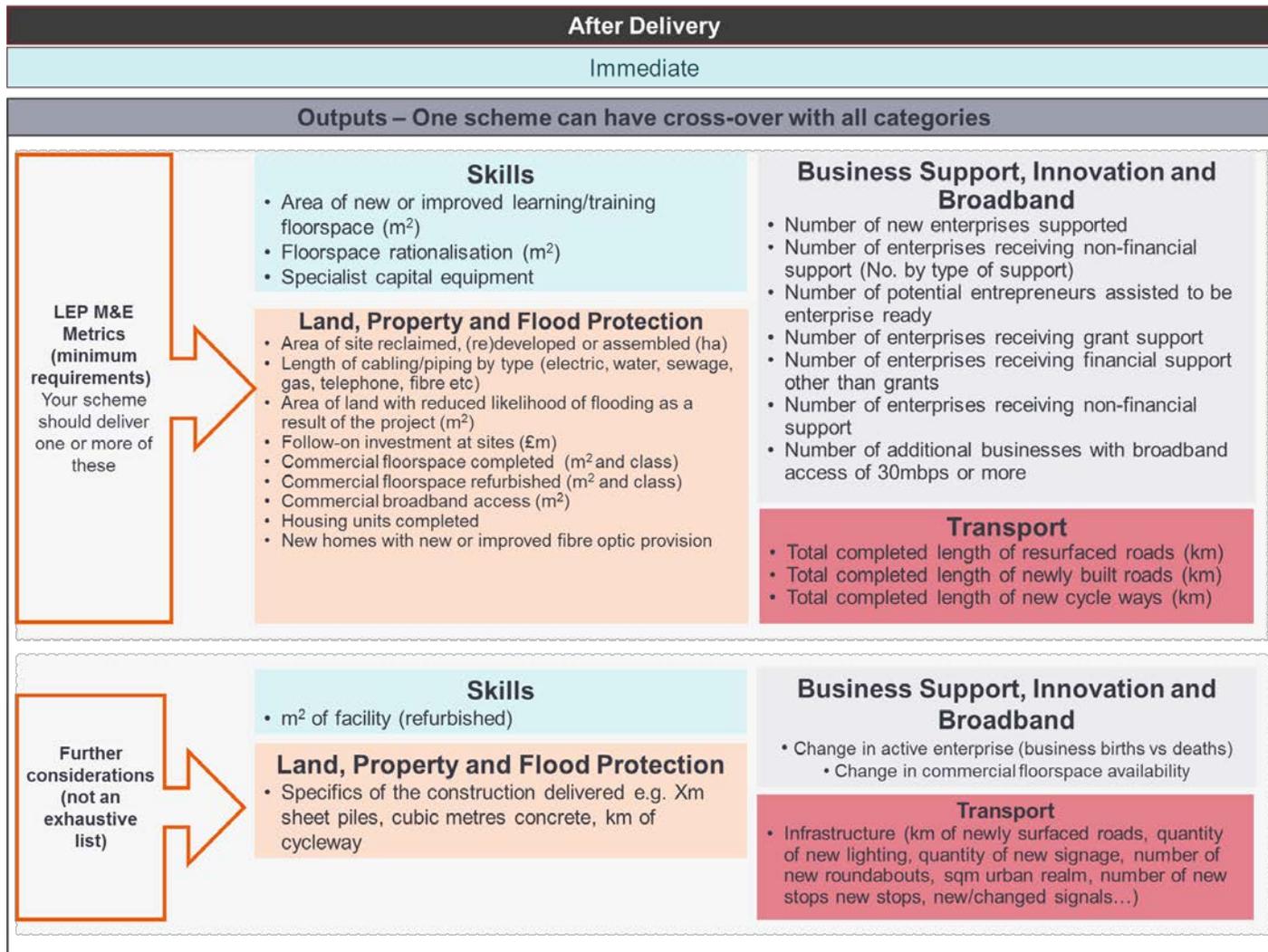
10 APPENDIX C – RISK MANAGEMENT STRATEGY

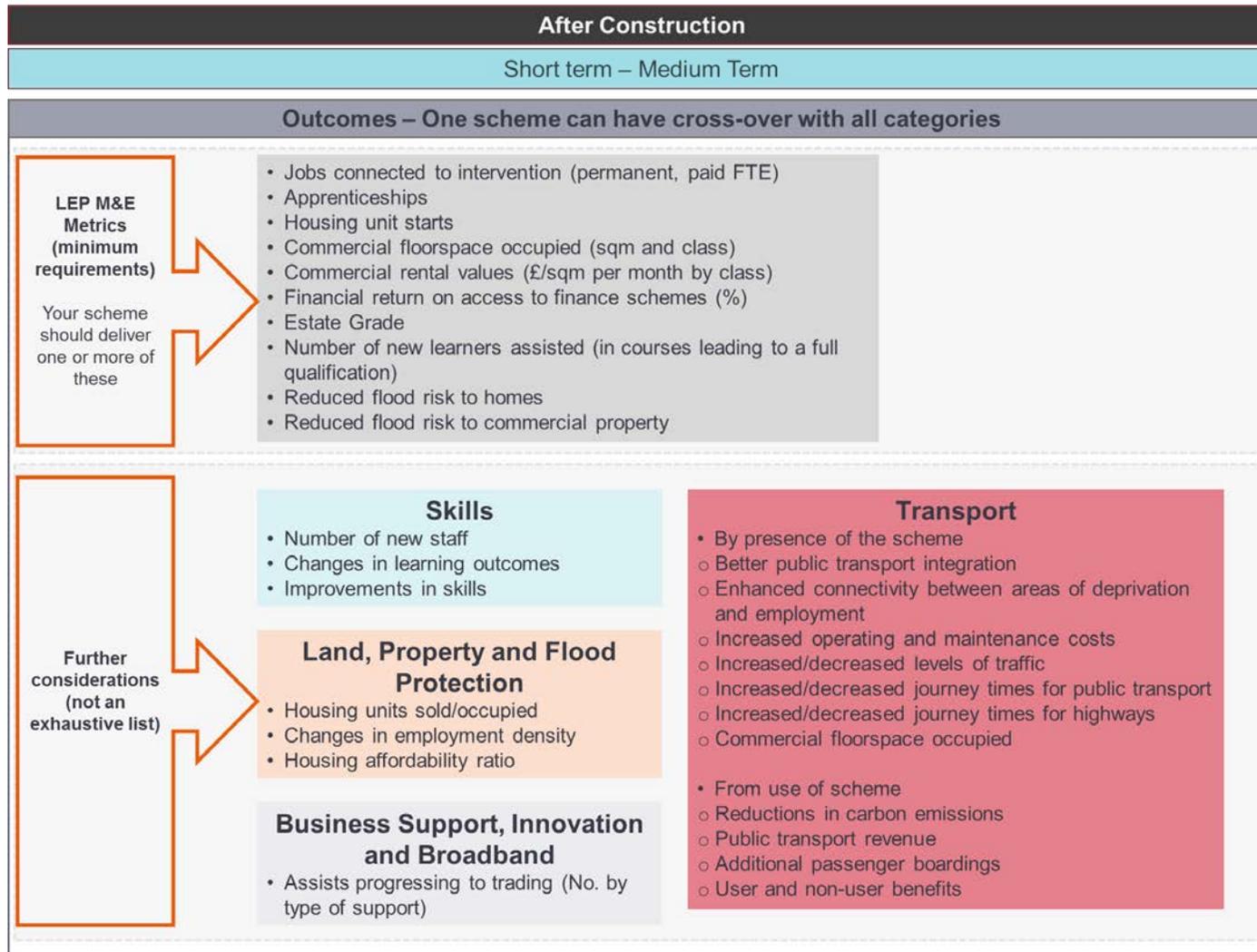
A copy of the Programme’s full costed Risk Register is included at section 5.4 of the Financial Case above.

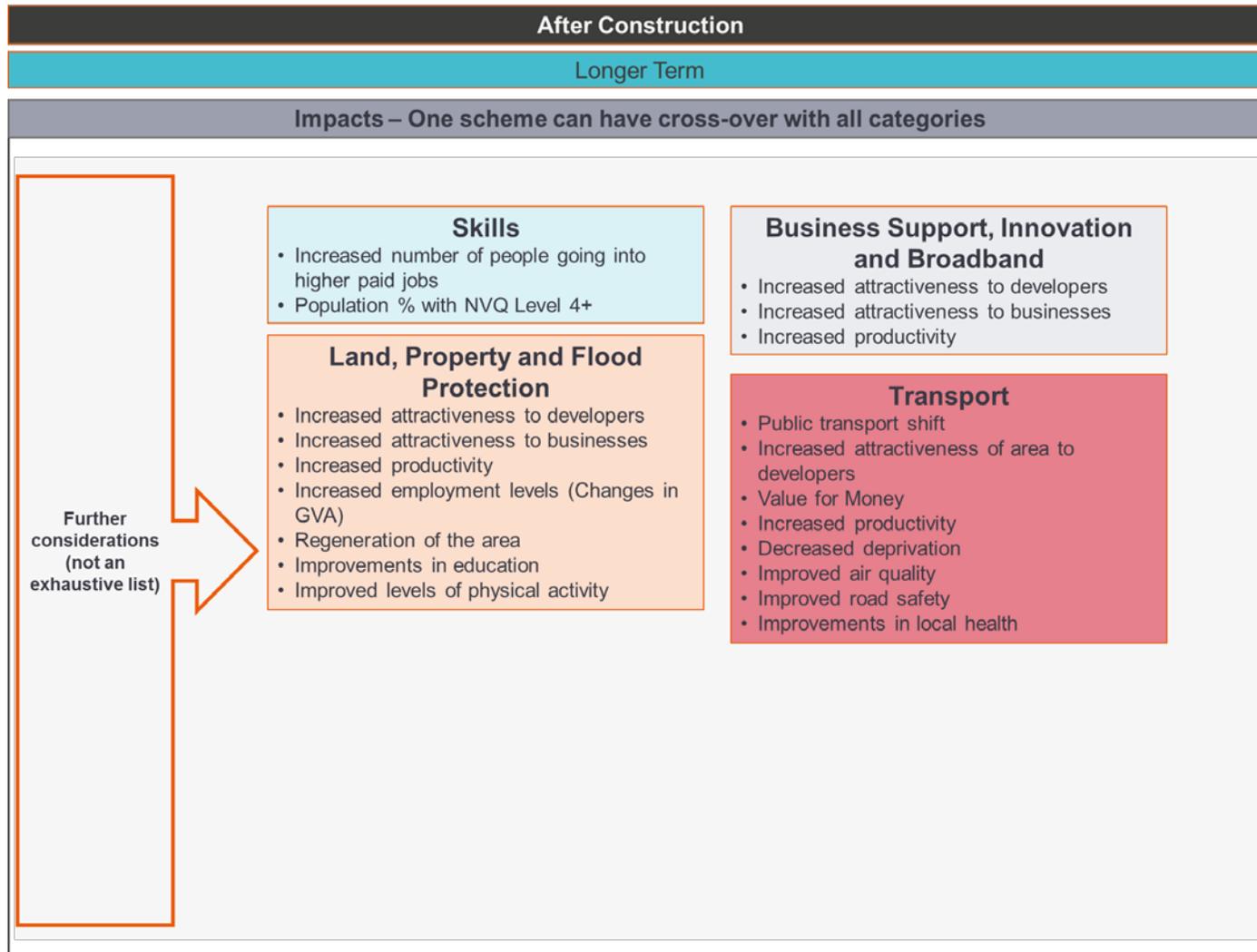
11 APPENDIX D – GANTT CHART



12 APPENDIX E – MONITORING AND EVALUATIONS METRICS FOR LOGIC MAP







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

Braintree District Council has systems, processes and procedures in place for tracking, monitoring, reporting and taking corrective action on capital programmes and projects.

The management of programmes and projects is currently judged to be at maturity level 2. This means that Braintree District Council ensures that each programme is run with its own processes and procedures to a minimum specified standard. The council also ensures that

In October 2019, an assessment was carried out looking at processes employed, the competencies of people, the tools deployed and the management information used to manage and deliver improvements. This assessment was based on the requirements of the Portfolio, programme and Project management maturity model (P3M3) framework.

It led to plans being drawn up to put a robust monitoring and evaluation plan in place which has currently reached advanced implementation stages.

The over-arching objective of the council was to establish a Control Environment, for Delivering Capital Programmes and Projects successfully, with features and characteristics that were commensurate with the maturity level the council expected to achieve within two years. The council's target was to achieve maturity level 2 by October 2020 and maturity level 3 by October 2021.

The environment the council has put in place has the following features and characteristics:

1. There are three teams, with a healthy tension between them, namely:
 - An Implementation team (Strategic Investment)
 - An Oversight Team (DGOG)
 - An Independent Assurance Team (PPAT)
2. There is a hierarchy of documents for Portfolio, Programme and Project Management. These include Policies, Processes, Guidelines, Procedures and Templates for producing portfolio, programme and project documents.
3. The presence of Effective Controls, including:
 - Approval points/ Gateways
 - Periodic Reporting
 - Regular Meetings
 - Change Control
 - Auditing Arrangements
4. Engendering a conducive environment for collaborative working. Each programme or project should establish ad hoc arrangements for collaborative working.

The last evaluation in August 2020 showed that the council was well on its way to achieve maturity level 2.

The following baseline report templates are in use within the council for managing capital programmes and projects.

1. Project Justification Report template
2. Risk Register
3. Issue Register
4. Actions Register
5. Stakeholder and Communications Management
6. Resource Management
7. Benefits Realisation Matrix
8. Programme Report template
9. Procurement of Consultants Report template
10. Commissioning a Feasibility Study template
11. Dashboard report template
12. Highlight Report
13. Outline Business Case template
14. Project Initiation Document (PID) template
15. Procurement Strategy template
16. Project Implementation Framework
17. Invitation to Tender (ITT) report template
18. Cabinet Report template
19. Full Business Case template
20. Pre-construction Health and Safety File Information template

MONITORING AND EVALUATION PLAN

PURPOSE

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

A NOTE ON COSTS

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

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

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

AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

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



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

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

| | | | | |
|--|--|--|--|--|
| | | | <p>the 'Further considerations' section (see 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> |
|--|--|--|--|--|

H120 ENTERPRISE CENTRE FOR HORIZON 120 BUSINESS AND INNOVATION PARK

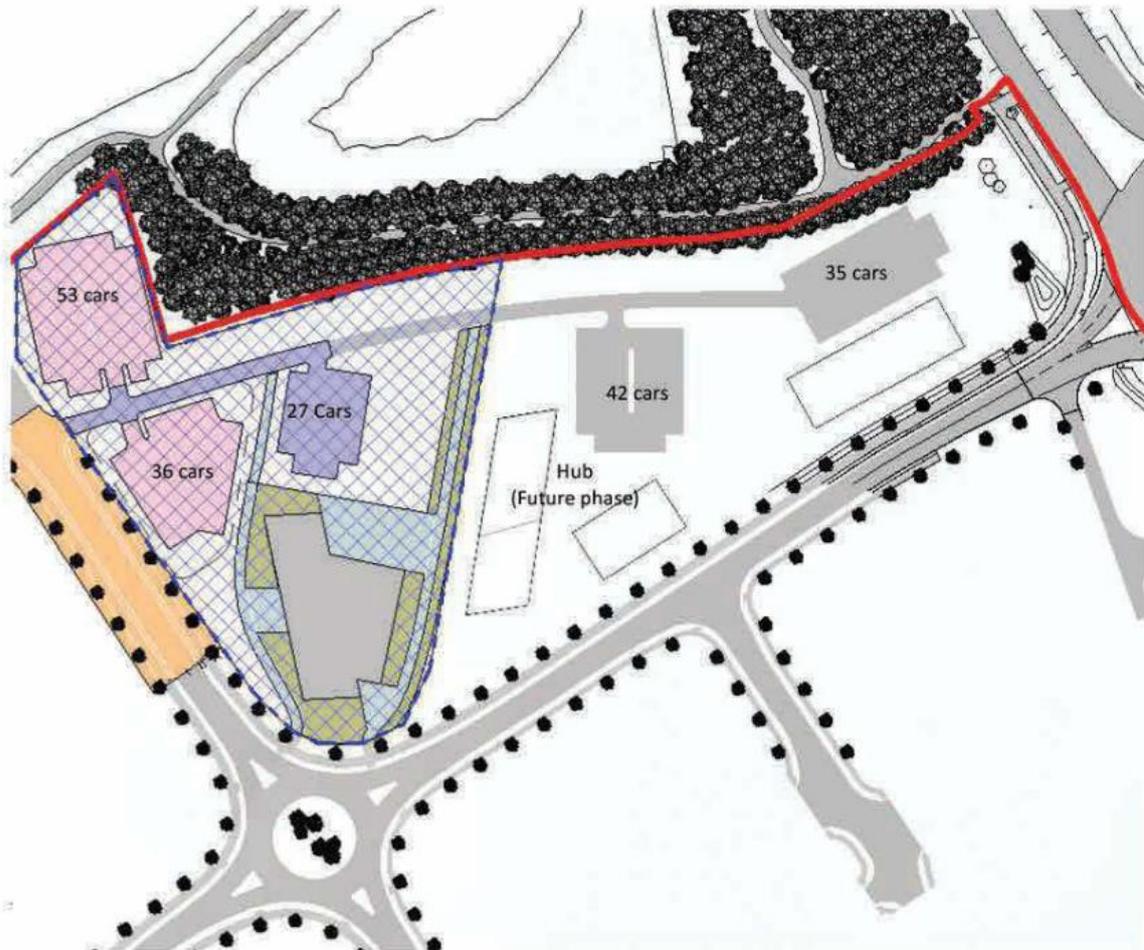
This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the H120 Enterprise Centre for Horizon 120 Business and Innovation Park, how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

The geography of the scheme is shown in the map below

[insert map(s) of final scheme here]



Area Categories

- Balfour Beatty road extension
- Initial stage car park and road development extent
- Later stage car park and road development extent
- Development area extent
- Hard landscape development extent
- Soft landscape development extent
- Building outline
- Light touch meadow seeding (tbd)

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 | [20/21] | | | | [21/22] | | | | [22/23] | | | | | | | |
|--|-------------------------------------|--------------------|--|---------------------------------------|-----------------------|-----------------------------------|---|-----|-----|-----|---------|-----|-----|-----|---------|-----|----|----|--|--|--|--|
| | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | |
| | | | | | | | Note: all quarterly figures are £m | | | | | | | | | | | | | | | |
| IN1 | Grant Spend £7m | Planned / Forecast | | SELEP Monitoring Requirements | Quarterly | Planned/ Forecasted Spend Profile | | 0.5 | 0.4 | 0.3 | 0.3 | 1.0 | 1.5 | 3.0 | | | | | | | | |
| IN2 | Matched Contributions Spend £9m* | Planned / Forecast | | BDC Monitoring Requirements | Monthly | Planned/ Forecasted Spend Profile | | 0.9 | 0.2 | 0.2 | 0.6 | 0.5 | 1.2 | 1.9 | 2.7 | 0.5 | | | | | | |
| IN3 | Leveraged Funding £16m* | Planned / Forecast | | BDC and SELEP Monitoring Requirements | Monthly | Planned/ Forecasted Spend Profile | | 1.4 | 0.6 | 0.5 | 0.9 | 1.5 | 2.7 | 4.9 | 2.7 | 0.5 | | | | | | |
| *Note: there remains £0.3m of expenditure expected to be incurred in the next financial year. | | | | | | | | | | | | | | | | | | | | | | |

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

| Milestone | Planned Date of Delivery |
|--|--|
| Start of project (start spending LGF or match funding) | 1 August 2020 |
| Public Consultation | |
| Detailed Design | November 2020 |
| Full Planning Permission Granted | December 2020 Through adopted Local Development Order |
| Site Mobilisation Works Commence | February 2021 |
| Completion of Section 1 of 2 | Main construction PC 31/03/22 |
| Project Completion / Site Opening | Fit-out complete & opening end May 2022 |

INPUT 5: RISK MITIGATION

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

High Level Risks Table

| Main Risk | Risk Register Ref | Counter Measures |
|---|-------------------|--|
| Business and Political Risks | | |
| 7. Cost escalation brought about by prevailing market conditions. | 6.5 | Reduce project scope. Explore value engineering. |
| 8. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk. | 1.1 | Multi-disciplinary project team approach. |
| 9. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult. | 8.1 | Avoid Europe based supply chains as far as possible. |
| Service Risks | | |
| 3. Unauthorised changes to scope leading to cost escalation. | 6.1 | Put in place a strict change management regime and ensure that implementation is robust. |
| 8. Delivering a signature gateway building of the best quality with | 6.4 | Regular design milestone cost checks and balance between product and cost. |



| Main Risk | Risk Register Ref | Counter Measures |
|---|-------------------|--|
| associated landscaping and access ways that falls within budget. | | |
| 9. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'. | 5.6 | All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area. |
| 10. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment. | 5.11 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |
| External Environmental Risks | | |
| 3. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme. | 8.5 | Closely follow government advice. Ask for alternative programme from contractors at tender stage. |
| 4. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand. | 5.9 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |

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 | Construct a high quality enterprise building with offices and meeting rooms, a conference hall and a café. | Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring |
| | | <p>Value: High quality category A fitting.</p> <p>Source of Value: Quality Assurance</p> <p>Future Monitoring Approach: End user surveys</p> <p>Frequency of tracking: Once after opening for One Year After Report</p> <p>Costs Allocated to Monitoring: End of defects inspection</p> |
| | | Details: Proposed Method of Collecting Baseline Information |
| | | Approach for Collection: End user surveys |

| | | |
|-----|---|---|
| | | Costs Allocated: Final certificate at end of making good defects |
| OP2 | Create a strong connection to natural environment with green routes which promote healthy transport links between The Country Park and Great Notley Village | Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring |
| | | Value: Reduced commute time between the country park and Great Notley Village |
| | | Source of Value: Economic Development report |
| | | Future Monitoring Approach: |
| | | Frequency of tracking: Once after opening for One Year After Report |
| | | Costs Allocated to Monitoring: In-house costs |
| | | Details: Proposed Method of Collecting Baseline Information |
| | | Approach for Collection: End user surveys |
| | | Costs Allocated: In-house costs |
| OP3 | Provide a range of facilities and support services including a maker space | Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring |
| | | |

| | | |
|-----|---------------------------------------|---|
| | | <p>Value: Improved user satisfaction</p> <p>Source of Value: Asset management report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening for One Year After Report</p> <p>Costs Allocated to Monitoring: Project Capital Cost</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: User satisfaction surveys</p> <p>Costs Allocated: In-house costs</p> |
| OP4 | Achieve BREEAM Very Good as a minimum | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: BREEAM Very Good</p> <p>Source of Value: Contractor's report</p> <p>Future Monitoring Approach: Once after opening for One Year After Report</p> <p>Frequency of tracking: Once after opening for One Year After Report</p> |

| | | |
|--|--|--|
| | | Costs Allocated to Monitoring: Project Capital Cost |
| | | Details: Proposed Method of Collecting Baseline Information |
| | | Approach for Collection: |
| | | Costs Allocated: Project Capital Cost |

...OP2, OP3, OP4 etc



- 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 | Output Description | |
| OC1 | Jobs connected to the intervention | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>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)</p> <p>Source of Value: Full Business Case, p22</p> <p>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.</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>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</p> |
| | | <p>Details: Proposed Method of Collecting Baseline Information</p> |

| | | |
|--|--|---|
| | | <p>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.</p> <p>Costs Allocated: To send the email and interpret results- £0</p> |
|--|--|---|

COMPLETE AND REPEAT FOR ALL OUTCOMES

| ID | Output Description | |
|-----|---|---|
| OC1 | Enable a collaborative and nurturing environment to enable start up and grow on Businesses to thrive. | Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring |
| | | <p>Value: End User Satisfaction Rate</p> <p>Source of Value: Benefits Realisation report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: In-house costs</p> |
| | | Details: Proposed Method of Collecting Baseline Information |

| | | |
|-----|---|---|
| | | <p>Approach for Collection: User Satisfaction surveys</p> <p>Costs Allocated: In-house costs</p> |
| OC2 | Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> |
| | | <p>Value: End User Satisfaction Rate</p> <p>Source of Value: Benefits Realisation report</p> <p>Future Monitoring Approach: User satisfaction surveys</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: In-house costs</p> |
| | | <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: User Satisfaction Survey</p> <p>Costs Allocated: In-house costs</p> |

| | | |
|-----|---|--|
| OC3 | Offer flexibility for Businesses (tenants) to grow. | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Ability to move into more suitable accommodation within the premises following growth</p> <p>Source of Value: Marketing Newsletter</p> <p>Future Monitoring Approach: Satisfaction Survey</p> <p>Frequency of tracking: Once after opening and once for five years after opening report</p> <p>Costs Allocated to Monitoring: Centre costs</p> |
| | | <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Satisfaction Survey</p> <p>Costs Allocated: Centre costs</p> |

...OC2, OC3, OC4 etc

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

| | | |
|--|--|---|
| | | <p>Approach for Collection: STATS 19 (Road Accident Statistics)</p> <p>Costs Allocated: Free dataset from online but would require 1 day of GIS analysis from internal resource</p> |
|--|--|---|

COMPLETE AND REPEAT FOR ALL IMPACTS

| ID | Output Description | |
|-----|---|--|
| IM1 | <p>SKILLS</p> <p>Increased number of people going into higher paid jobs.</p> | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> |
| | | <p>Value: Improved performance</p> <p>Source of Value: trend studies</p> <p>Future Monitoring Approach: Trend studies</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: Freely available published studies</p> |
| | | <p>Details: Proposed Method of Collecting Baseline Information</p> |

| | | |
|--|--|---|
| | | <p>Approach for Collection: published statistics</p> <p>Costs Allocated: Freely available published studies</p> |
|--|--|---|

| ID | Output Description | Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring |
|-----|---|--|
| IM2 | <p>LAND, PROPERTY AND FLOOD PROTECTION:</p> <ul style="list-style-type: none"> Increased attractiveness to developers and businesses | <p>Value: High quality Building</p> <p>Source of Value: Marketing promotions</p> <p>Future Monitoring Approach: User Surveys</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: In-house economic development surveys</p> |
| | | Details: Proposed Method of Collecting Baseline Information |

| | | |
|-----------|--|--|
| | | <p>Approach for Collection: User Surveys</p> <p>Costs Allocated: In-house economic development surveys</p> |
| ID | Output Description | |
| IM3 | <p>BUSINESS SUPPORT, INNOVATION AND BROADBAND;</p> <ul style="list-style-type: none"> • Increased effectiveness to developers • Increased attractiveness of area to developers | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> |
| | | <p>Value:</p> <p>Source of Value:</p> <p>Future Monitoring Approach:</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring:</p> |
| | | <p>Details: Proposed Method of Collecting Baseline Information</p> |
| | | <p>Approach for Collection:</p> <p>Costs Allocated:</p> |

| ID | Output Description | |
|-----|---|---|
| IM4 | <ul style="list-style-type: none"> • Improvements in education | <p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Upward trend in formal qualifications</p> <p>Source of Value: Economic development newsletter</p> <p>Future Monitoring Approach: Local qualifications and labour market participation statistics (Office of National Statistics)</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: Free Online dataset</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Local qualifications and labour market participation statistics (Office of National Statistics)</p> <p>Costs Allocated: Free Online dataset</p> |

...IM2, IM3, IM4 etc

BASELINE REPORT

PURPOSE

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

AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

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



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

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

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

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

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

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

H120 ENTERPRISE CENTRE FOR THE HORIZON BUSINESS AND INNOVATION PARK

This Baseline Report provides the details of the inputs, outputs, outcomes and impacts of the [insert scheme name *here*] from the period [date] to [date], before the scheme is constructed/delivered.

The investment objectives for this scheme are as follows:

- Objective 1: To deliver at least 1000m² office and co-working space within the district by 2022 that is available on flexible terms to promote new business growth;
- Objective 2: To provide the physical infrastructure and wrap around support services that will enable new business start-ups in Braintree District to maintain an above average survival rate;
- Objective 3: To provide business incubation facilities that encourage the creation of new jobs within the district of Braintree;
- Objective 4: To develop state of the art, affordable, innovative space that will attract businesses into Braintree and reduce commuter outflow;
- Objective 5: To create a physical environment that promotes health and wellbeing;
- Objective 6: To develop a commercially viable centre that is self-sustaining for the long term without public subsidy;
- Objective 7: Provide a vibrant innovation ecosystem that brings together business, industry bodies, higher education and other partners to cultivate innovation.

The geography of the scheme is shown in the map below
[insert map(s) of final scheme here]

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 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 | [20/21] | | | | [21/22] | | | | [22/23] | | | | |
|---|---|-----------------------|-------------------------------------|-----------------------|--|---------|-----|-----|-----|---------|-----|-----|-----|---------|-----|----|----|--|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| Note: all quarterly figures are £m | | | | | | | | | | | | | | | | | | |
| IN1 | Grant Spend £7m | Planned / Forecast | SELEP Monitoring Requirements | Quarterly | Planned/ Forecasted Spend Profile | | 0.5 | 0.4 | 0.3 | 0.3 | 1.0 | 1.5 | 3.0 | | | | | |
| IN2 | Matched Contributions Spend £9m* | Planned / Forecast | BDC Monitoring Requirements | Monthly | Planned/ Forecasted Spend Profile | | 0.9 | 0.2 | 0.2 | 0.6 | 0.5 | 1.2 | 1.9 | 2.7 | 0.5 | | | |

| | | | | | | | | | | | | | | | | | | |
|-----|----------------------------|--------------------|--|---------------------------------------|---------|-----------------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|--|
| IN3 | Leveraged Funding £16m* | Planned / Forecast | | BDC and SELEP Monitoring Requirements | Monthly | Planned/ Forecasted Spend Profile | | 1.4 | 0.6 | 0.5 | 0.9 | 1.5 | 2.7 | 4.9 | 2.7 | 0.5 | | |
|-----|----------------------------|--------------------|--|---------------------------------------|---------|-----------------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|--|

****Note: there remains £0.3m of expenditure expected to be incurred in the next financial year.***

INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

| Milestone | Planned Date of Delivery |
|--|--|
| Start of project (start spending LGF or match funding) | 1 August 2020 |
| Public Consultation | |
| Detailed Design | November 2020 |
| Full Planning Permission Granted | December 2020 Through adopted Local Development Order |
| Site Mobilisation Works Commence | February 2021 |
| Completion of Section 1 of 2 | Main construction PC 31/03/22 |
| Project Completion / Site Opening | Fit-out complete & opening end May 2022 |

INPUT 5: RISK MITIGATION

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

| Main Risk | Risk Register Ref | Counter Measures |
|--|-------------------|--|
| Business and Political Risks | | |
| 10. Cost escalation brought about by prevailing market conditions. | 6.5 | Reduce project scope. Explore value engineering. |
| 11. Design development speed in order to enable procurement and hit the SELEP funding targets is a risk. | 1.1 | Multi-disciplinary project team approach. |
| 12. Britain exits the European Union without a deal making the sourcing of building materials from Europe difficult. | 8.1 | Avoid Europe based supply chains as far as possible. |
| Service Risks | | |
| 4. Unauthorised changes to scope leading to cost escalation. | 6.1 | Put in place a strict change management regime and ensure that implementation is robust. |
| 11. Delivering a signature gateway building of the best quality with | 6.4 | Regular design milestone cost checks and balance between product and cost. |



| Main Risk | Risk Register Ref | Counter Measures |
|---|-------------------|--|
| associated landscaping and access ways that falls within budget. | | |
| 12. The whole site, including plot A, required investigation in depth to establish 'fitness for purpose'. | 5.6 | All technical information is available and, as a result, the plot and the overall site is exceptionally low-risk compared to similar sites in the area. |
| 13. Unable to meet projections for utilisation of meeting space. This is considered low risk with current meeting venues experiencing a resurgence of demand with the desire for firms to host face to face meetings in a socially distanced environment. | 5.11 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |
| External Environmental Risks | | |
| 4. Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme. | 8.5 | Closely follow government advice. Ask for alternative programme from contractors at tender stage. |
| 5. Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand. | 5.9 | This risk will be managed closely. The Horizon 120 centre offers a far more prominent and accessible position than current venues, which will also support demand. |

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 opening for One Year 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 | | Baseline | | | | | |
| | | Planned/ Anticipated | | | | | |
| Details: Method of Collecting Baseline Information | | | | | | | |
| | | | | | | | |
| ID | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
| OP2 | | Baseline | | | | | |
| | | Planned/ Anticipated | | | | | |
| Details: Method of Collecting Baseline Information | | | | | | | |
| | | | | | | | |

...OP3, OP4 etc

OUTCOMES

- 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.

| EXAMPLE | | | | | | | |
|---|------------------------------------|------------------------------|---|--|---|------------------------------------|---------------|
| ID | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
| OC1 | Jobs connected to the intervention | Baseline | 10 jobs from one business | Short questionnaire email | n/a | Email questionnaire before opening | 2020 |
| | | Planned / Anticipated | 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) | Construction jobs from contractors data. FTEs from surveying new businesses along the route of the tram with a short email questionnaire after scheme opening. | Once after opening and once for five years after opening report | Full Business Case, p22 | After opening |
| Details: Method of Collecting Baseline Information | | | | | | | |
| 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. Through an email questionnaire before opening, we found that it employs 10 FTE. The cost of finding out this information was 1 day of internal resource. | | | | | | | |

COMPLETE AND REPEAT FOR ALL OUTCOMES

| | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
|---|--------------------|-------------------------|-------|---------------------|-----------------------|--------|------|
| OC1 | | Baseline | | | | | |
| | | Planned/ Anticipated | | | | | |
| Details: Method of Collecting Baseline Information | | | | | | | |
| | | | | | | | |
| | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
| OC2 | | Baseline | | | | | |
| | | Planned/ Anticipated | | | | | |

Details: Method of Collecting Baseline Information

...OC3, OC4 etc

IMPACTS

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

| EXAMPLE | | | | | | | |
|---------|----------------------|-----------------|------------------------------------|-------------------------------------|-----------------------|----------|------|
| ID | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
| IM1 | Improved road safety | Baseline | 14 slight 7 serious 2 killed | STATS 19 (Road Accident Statistics) | n/a | STATS 19 | 2020 |

| | | | | | | | |
|--|--|---------------------------------|--------------------------------------|-------------------------------------|----------|-------------------------|---------|
| | | Planned/ Anticipated | General downwards trend in accidents | STATS 19 (Road Accident Statistics) | Annually | Full Business Case, p42 | By 2026 |
|--|--|---------------------------------|--------------------------------------|-------------------------------------|----------|-------------------------|---------|

Details: Method of Collecting Baseline Information

Map STATS19 data and analyse results for key roads and junctions affected by reductions in traffic as a result of the scheme.
This required 1 day of GIS time. STATS19 data was free to use.

COMPLETE AND REPEAT FOR ALL IMPACTS

| | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
|---|--------------------|-------------------------|-------|---------------------|-----------------------|--------|------|
| IM1 | | Baseline | | | | | |
| | | Planned/ Anticipated | | | | | |
| Details: Method of Collecting Baseline Information | | | | | | | |
| | | | | | | | |

| | Output Description | | Value | Monitoring approach | Frequency of Tracking | Source | Date |
|-----|--------------------|----------|-------|---------------------|-----------------------|--------|------|
| IM2 | | Baseline | | | | | |

| | | | | | | | |
|---|--|---------------------------------|--|--|--|--|--|
| | | Planned/ Anticipated | | | | | |
| Details: Method of Collecting Baseline Information | | | | | | | |
| | | | | | | | |

...IM3, IM4 etc

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.*

None of the information given in this report falls under the above categories.

APPENDIX H – STAKEHOLDER ENGAGEMENT MATRIX

PROJECT NAME: WITHAM ENTERPRISE CENTRE

| | | | | | |
|--------------------------|-------------|--|--|---|---|
| POWER / INFLUENCE | HIGH | <p>KEEP SATISFIED, INFORMED AND CONSULTED (Champions) Need occasional but appropriate information. If their interest grows they could become key stakeholders.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • TARGETED ALERTS • BLOGS • LINKS TO ARTICLES | <p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Cabinet Members • Council Members | <p>MANAGE CLOSELY AND MOST THOROUGHLY</p> <p>Key Stakeholders. If they feel positive about the project, they will be powerful supporters. If they feel negative, they could do a lot of damage. Manage them closely, keeping them fully informed and engaged and win them round if you need to.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • FACE TO FACE • BRIEFING | <p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Project Sponsor - Corporate Director (Dominic Collins) • Head of Strategic Investment (Aidan Kelly) • Leader of the Council (Graham Butland) • Chief Executive • District Growth Officer Group (DGOG) • Ward Councillors (Graham Butland, Frankie Ricci, Tom Cunningham) • Finance • Procurement • Planning <p>EXTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • External consultants (PM/ QS, Architect, MEP, Structural and Other Consultants) • Principal Contractor |
| | LOW | <p>MONITOR AND INFORM (MINIMUM EFFORT) (Detractors)</p> <p>May become more interested or powerful in time, so don't ignore them. Instead monitor their positions and be prepared to address any concerns they have promptly, particularly if they move to another quadrant of the grid.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • SOCIAL MEDIA • WEBSITE • EMAIL • PRESS | <p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Other Council Officers | <p>KEEP INFORMED, ANTICIPATE AND MEET NEEDS (Supporters)</p> <p>Will expect frequent communication. Choose a cost-effective way to keep them informed, so that they feel positive towards your project and, if they gain more power, will contribute to its success.</p> <p>COMMUNICATION CHANNELS:</p> <ul style="list-style-type: none"> • DISCUSSION CHANNELS • ON-LINE SURVEYS | <p>INTERNAL STAKEHOLDERS</p> <ul style="list-style-type: none"> • Council Officers Resident in the Area |
| | | LOW | | HIGH | |
| | | INTEREST | | | |

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