



EXECUTIVE

4 MARCH 2022

SUPPLEMENTARY AGENDA

PART I

3. TOWNS FUND BUSINESS CASE - SCIENCE, INNOVATION AND TECHNOLOGY CENTRE (SITEC)

To consider and approve the Towns Fund Business Case for the Science, Innovation and Technology Centre (SITEC) project.

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4. TOWNS FUND BUSINESS CASE - CYCLING & PEDESTRIAN CONNECTIVITY (INCLUDING ARTS & HERITAGE TRAIL)

To consider and approve the Towns Fund Business Case for the Cycling & Pedestrian Connectivity (including Arts & Heritage Trail) project.

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Part I



Meeting Executive
Portfolio Area Regeneration
Date 4th March 2022



TOWNS FUND BUSINESS CASES – STEVENAGE INNOVATION & TECHNOLOGY CENTRE (SITEC)

KEY DECISION

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Lead Officer – Chris Barnes Ext.2292

1 PURPOSE

- 1.1 Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. Full business cases must be developed and approved by 24th March 2022 for each of the projects that comprise the Stevenage Towns Fund programme. The Council, as Accountable Body, must provide final sign-off for each of the business cases, in accordance with the Towns Fund Stage 2 Guidance. Full Council has delegated approval of each of the business cases to the Council's Executive committee.
- 1.2 This report relates to the Stevenage Innovation & Technology Centre (SITEC) project, which involves the delivery of a brand-new, purpose-built learning facility in the centre of Stevenage. The centre will predominantly provide Level 3, 4 and 5 courses in science, technology, engineering and health, and a range of apprenticeship opportunities in these sectors. Importantly, the centre will deliver an interface between Stevenage's

residents and the high-tech, high-value national and international businesses located in the town. The SITEC development will capitalise on the opportunities that the Town Deal presents and will directly address several of the key strategic challenges facing the town, identified in the Stevenage Town Investment Plan narrative.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the feedback from the Stevenage Development Board.
- 2.2 Approve the SITEC Business Case and delegate authority to Strategic Director (TP) to submit the project summary to the Department for Levelling Up, Communities and Housing Towns Fund team on behalf of the Council (acting as Accountable Body).
- 2.3 Note the project is at an earlier stage compared to others in the programme and will require an updated business plan and full business case to be approved prior to drawdown of funding.

3 BACKGROUND

- 3.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns. Background relating to this process, the development of the Stevenage Town Investment Plan (STIP), and the approval process for the business cases is contained within Appendix A. The breakdown of funding is identified below:

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000
Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

- 3.2 All business cases relating to the Stevenage Town Investment Plan are required to be approved by the Accountable body before 24th March 2022. To recap, business cases must include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money, including showing how different types of projects will be compared and assessed.
- A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
- Clearly defined inputs, activities, outputs and anticipated outcomes.
- Appropriate consideration of deliverability and risk along with appropriate mitigating action.
- A robust value for money assessments, in order to follow best practice even though there is no minimum value for money threshold set for Towns Fund projects.
- Addressing, in a proportionate manner, the five cases set out in the HM Treasury Green Book.

SITEC summary (Towns Fund contribution -£5,000,000)

- 3.3 Full information on the project can be found in Appendices B & C. The need to raise skills levels in Stevenage was a key element of the Stevenage Town Investment Plan, which identified that the town's population had higher than average level 1 and 2 qualifications, and significantly lower than average level 4 & 5 qualifications. This has meant people were leaving education at the earliest opportunity to access paid work, but not going on to develop qualifications and skills needed to progress to jobs with a higher salary. This is indicated by the significant disparity between the average salary of somebody working in Stevenage compared to somebody living in Stevenage. A number of residents are commuting out of the town to access lower paid employment when compared to roles available within the town - with skills & qualifications presenting one of the barriers to accessing such (higher paid) roles. There is also a perception amongst some residents that the "STEM" employers in the town are not accessible to them. The primary purpose of this project is to change this view, providing access to high-quality facilities which bridge the gap to higher education and remove some of the barriers to traditional higher educational attendance, resulting in a better skilled workforce that provides local employer's with the required local labour supply.
- 3.4 As the project is at an early stage, there are still multiple options in relation to where and how the facility will be delivered, and a Strategic Outline Case (high-level business case) has therefore been prepared. It is envisaged that The project will deliver a brand-new, purpose-built learning facility in the centre of Stevenage, to address the skills deficits that underpin the gap in employment and earnings between Stevenage's residents and the high-tech businesses developing in the town, key stakeholders, in partnership with key businesses and industries in Stevenage. Further work will be required at the next stage to select a preferred option and site.

- 3.5 There is a proven and growing demand for skilled technical workers for jobs within the engineering, technology science and health industries. The SITEC will bridge the skills gap, train the workforce of the future and stimulate job creation by providing specialisms in the following sectors – all of which are critical to the Stevenage area and the wider Hertfordshire and UK economy: Engineering, Life sciences, Biotechnology, Telehealth and Telecare, Digital and Computing Innovation and Advanced Construction Skills.
- 3.6 The establishment of a new state-of-the-art Science, Innovation and Technology Centre in the town will provide the space and facilities to develop a highly skilled workforce in direct collaboration with the businesses in the town, and offer opportunities to raise skill levels of Stevenage’s residents. A new purpose-built facility, located centrally within Stevenage, linking with other satellite facilities, is proposed in close proximity to both the rail station and re-located bus station. Each curriculum specialism will offer technical skills development via advanced and higher-level courses and higher apprenticeships from Level 3 to Level 5, delivered in state-of-the-art facilities and in partnership with leading industry specialists. Included in this portfolio will be the offer of 3 T Levels in the Health and Science Engineering, Manufacturing, Processing and Controls and Computing pathways from 2023 onwards.
- 3.7 The Stevenage Innovation and Technology Centre will become a highly visible point of interface between residents, skills providers and our business community. It will act as a bridge to ensure the future growth of the cluster and sustainable outcomes. This will include local employment, a supply chain of labour, and the opportunity to showcase the town’s industries to inspire our young people. By engaging businesses directly in the skills agenda, we will create a responsive environment that ensures the skills supplied are up-to-date and continuously aligned with present employer demand in a fast-moving environment.
- 3.8 The Stevenage Technology and Innovation Centre could incorporate a range of learning and training environments as well as opportunities for conferences and wider engagement. The building will be a clear statement of the interface between our businesses, education providers and resident population and may incorporate the following:
- Clean Lab space.
 - Flexible teaching facilities and spaces.
 - Virtual reality facilities and technology.
 - Engineering space including practical training space for key trades.
 - Café and Student refectory, including kitchens.
 - Conference space(s), events space and meeting rooms.
 - Practical training space for advanced construction skills.
 - Employer Spaces.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 This report recommends approval of this Stevenage Towns Fund business case, which sets out a case for:

- SITEC (£5,000,000)

4.2 Both the summary version and full version of the business case have been included as appendices to this report. The business case provides detailed assessment of the strategic, economic, financial, commercial and management elements of the business case, with detailed consideration of the benefits, risks, outputs and outcomes of the project.

4.3 The business case under consideration has been reviewed by the officer group and Assurance Panel, which includes the Chair of the Stevenage Development Board.

4.4 To date, the Assurance Panel, which is made up of representatives from the Board and supported by Stevenage Borough Council Officers, have provided support for the business case. Key comments from the assurance panel are summarised below:

- Supportive of a Strategic Outline Case, which sets out the different options still under consideration, with a process for working through those options over the next 6-9 months
- On-going board support will be crucial for the success of the project – a number of stakeholders will need to be involved to make this a success
- Need to utilise the next period of time to continue to explore other funding options for the match funding
- Whilst it is accepted that there is still much to develop as the project is at outline stage, it has the potential to address one of our biggest challenges from the investment plan, and is one of the most effective projects for addressing our skills challenge.

4.5 The business case will be presented to the Stevenage Development Board on 24th February 2022, incorporating feedback from the Assurance Panel. As this occurs after the publication date of this report, verbal feedback will be provided at the Executive meeting.

4.6 When the Heads of Terms were agreed with Government in 2021, this project did not include any project-specific conditions.

4.7 The alternative options available to the Council are:

- Not to approve the business case, or
- Defer approval of the business case until any issues are resolved or further information is provided.

4.8 Based on the information presented, Officers are satisfied that the business case can be suitably controlled through conditions relating to the drawdown of funding, and no further amendments are required. It is acknowledged that the business case is a living document, which will be updated as developments progress. The other options available would have a significant

detrimental impact on the success of the Towns Fund and Transforming Your Town programme, with no tangible benefits.

- 4.9 One of the key recommendations from the Assurance Panel, is to establish how the governance of the project will be driven forward. The Development Board stakeholders will continue this discussion initially, with one option being to form a joint vehicle or Board to oversee the delivery of the Full Business Case. Whilst the approach of considering a Strategic Outline Case does carry some increased delivery risk, the project is a key element of the Stevenage Town Investment Plan and subsequent award of funding (and was at an earlier conceptual stage when the bid was developed); it is therefore considered appropriate to allow additional time for further work to be carried out with multiple delivery options still under consideration.
- 4.10 If the business case is approved, Officers will continue to work through options over the next 6-9 months and provide an updated business plan and business case. This will be reviewed by the Development Board and subject to its endorsement, progress Executive for approval as the Accountable Body.

5 IMPLICATIONS

Financial Implications

- 5.1 The original submission to government requested £5m of grant funding. Following the award of funding in principle (offer letter), £37.5m on funding was awarded to Stevenage and remained unchanged.

As discussed previously this project is at an earlier stage than other Towns Fund projects. As Accountable Body, the Council will require a detailed full business case and sustainable operating model to be submitted and approved, prior to funding being released. A small amount of funding may be utilised to develop the full business case. It is envisioned that up to £100,000 may be required for full business case development (2% of the funding allocation), but this will only be released if the risk of this reverting to revenue can be sufficiently mitigated.

- 5.2 The Council has not planned to contribute match funding to this project, and so no approval for this is requested. The residual financial risk is spending 2% of the funding allocation at risk to develop the full business case. This is partly mitigated by the fact that North Hertfordshire College plan to deliver a small-scale SITEC offer in their current campus utilising funding from Hertfordshire Local Enterprise Partnership, and the Council can demonstrate that the full business case is being developed as part of a smaller capital scheme, proportionate to the funding being spent. This means that the risk of clawback is low, although spend performance against the spend profiles will be reviewed annually. If cross-partner governance is established to deliver the project, the Council will be encouraging lead stakeholders/partners to develop, support and share the risk.
- 5.3 In considering the overall financial risks of match-funding cumulatively to those already approved. Across tranche 1, 2, and 3, the Council is exposed to circa. £1.25m of capital that could revert to revenue if a capital scheme is

not delivered across the Gunnels Wood Road and Station Gateway projects, and circa. £3m of direct match-funding to deliver the Station Gateway project. In relation to the capital/revenue risk, Officers are developing a strategy to mitigate this risk as far as possible. Across Tranche 3, approximately £35m has been identified for investment in the leisure and heritage centre projects. This is being addressed through the capital strategy, with work underway to develop a detailed funding strategy.

Legal Implications

- 5.4 In relation to the SITEC business case, the approval process previously set out at Executive and Council (“Transforming our Town Centre progress update and Towns Fund decision making”) has been followed, and the documents have been prepared in accordance with the Towns Fund Stage 2 Guidance referenced in the decision-making report. There will be further decision-making gateways required, including separate consideration of the planning application, and consideration of the funding plan for the match funding required.
- 5.5 Discussions with Government representatives have confirmed that for projects at an early stage, with a likely delivery timetable towards the end of the Towns Fund 5-year spend window, it may be appropriate to consider a Strategic Outline Business Case at this stage, with a Full Business Case to follow.

Risk Implications

- 5.6 Full details of risks relating to each of the business cases can be found within the full business case.
- 5.7 The Towns Fund programme provides a significant opportunity to draw in substantial levels of funding to support the regeneration of the town. Across a range of projects, there are elements of risk, as some projects will require match funding (as set out in the business case), or require capital investment and to proceed into delivery to avoid project costs generating revenue impacts. A number of strategic risks have already been identified for this project. The key risks include:

Risks	Likelihood	Mitigation
Site identification acquisition	Medium	Site acquisition outstanding.
Funding	High	Towns Fund Confirmed subject to FBC approval. Confirmation of match funding is required.
Subsidy Control	Low	Subsidy control advice to be secured from Stevenage Legal Team or external specialist legal advisor. Public sector organisations only – No direct benefit to private sector organisations so subsidy

		control risk is considered low.
Partnership arrangements	Medium	Project level partnership arrangements defined but not as yet operational.
Detailed Design	Medium	Initial feasibility design work complete. Appointment of architects and detailed design to be undertaken. Procurement and project delivery approach to be confirmed.
Lack of resources to manage the project	Low	<ul style="list-style-type: none"> • Prepare project delivery plan, map resources required and cover through procured consultant teams • Robust governance structure
Failure to secure planning consent	Low	<ul style="list-style-type: none"> • Prepare comprehensive scheme proposals reflective of policy considerations • High quality design proposals and thorough stakeholder engagement • Pre app discussions
Inflationary risk due to delayed project start	Medium	The project is at an early strategic stage and will take some time to further develop. This delay will introduce additional inflationary costs that will impact the resources available.
Tender return prices higher than expected due to construction prices inflation.	Medium	See above
Consultation (internal and external) leads to changes to the scheme design.	Medium	Detailed design work still to be undertaken. Project budget is fixed at £10m and scheme design must stick to this.
Cost overruns	Medium	Arrangement for the management of cost overruns to be confirmed.

5.8 The key risks and mitigation at a programme level can be summarised as follows:

Key Risks	Mitigation
Business cases and summary sheets are not signed-off / submitted in time and funding is lost	Programme and resources have been established with a dedicated programme manager and oversight from Assistant Director (Regeneration) and Strategic

	Director (TP) to ensure products are commissioned and programme is on track
Business cases are rejected by Accountable Body/Development Board	Early engagement with both organisations to ensure they are involved and have oversight of business case development, to ensure they are supportive of the direction of travel
Sign-off process and/or decision routes are challenged	Developed sign-off process and governance as set out in this paper in accordance with guidance and best practice
The cumulative risk of Towns Fund projects has a material impact on the Council's Medium-Term Financial Strategy	Each project will highlight the potential areas of risk (in this case, related to the approach to avoid any risks of capital claw back), and previous Towns Fund project. At this point in time the previous Towns Fund project (Gyratory) also highlighted risks of capital clawback, which also has mitigations in place
Money spent at risk not recovered and resulting in a General Fund pressure if projects don't proceed	Careful diligence of spending in early stages of the projects; not progressing to business case stage unless we are confident the project is deliverable; review of risk in entirety across the programme
Funding not sufficiently secured by accountable body, including match-funding	Towns Fund spend profile to be reflected in the Council's capital strategy, with individual projects returning to Council for future sign-off when at a suitably advanced stage to give Members the full information necessary for final budgetary sign-off
Third-parties do not deliver to timeframe or budget, and/or don't follow relevant procurement guidelines	All projects being delivered by a third-party to have a funding agreement in place with the Accountable Body
Business cases called-in and potentially challenged by BEIS/DLUHC	Utilising business case template provided through the Town's Fund resource; representative from BEIS to attend Development Board meetings and have sight of business cases at an early stage.

Policy Implications

- 5.9 The development will contribute to the delivery of regeneration within the town centre and will help to deliver key objectives of the Council's adopted Local Plan. Whilst the Council is not directly responsible for the delivery of

education or skills, providing opportunities for local residents to access skills and qualifications is aligned with the Council's strategies.

Planning Implications

- 5.10 Identified need, planning permission will be required at a later stage.

Environmental Implications

- 5.11 A core value of embedded within the framework for appraising these projects is focussed on ensuring due consideration to Environment, and where possible support the reduction of impact of Regeneration on the Environment.
- 5.12 There is a significant focus on utilising brownfield sites and spaces to their maximum potential through the Stevenage Town Investment Plan, and a clear drive to focus on sustainable travel options, through both public and active transport initiatives.
- 5.13 Better land use planning is a key concept for mitigating emissions and allowing people to make the behavioural changes required to reduce their carbon footprints in the long run. New buildings will improve the environment, not detract from it.

Climate Change Implications

- 5.14 The project presents an opportunity to make a positive contribution to the Town's climate emergency and net zero ambitions, but utilising space in a multi-purpose building which is designed to limit the use of new resources through both the construction and operation phases. Stevenage has a recognised legacy as a green and diverse environment, and the new asset has an opportunity to promote this through its displays.

Equalities and Diversity Implications

- 5.15 No specific equalities and diversity implications for this tranche of business cases.

APPENDICES

- A Background to the Town Investment Plan development and business case requirements
- B SITEC business case summary
- C SITEC full business case

1 APPENDIX A - BACKGROUND TO TOWNS FUND

- 1.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 1.2 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 1.3 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 1.4 After extensive work and wide engagement by the Board, including working groups on Skills and Enterprise, Connectivity, Heritage and Culture, and Regeneration, the Stevenage Town Investment Plan (STIP) was submitted in October 2020. This built on extensive engagement with local stakeholders, residents and businesses to help shape a plan to reinvigorate Stevenage to meet the aspirations of its people.
- 1.5 This plan set out proposals to create an exemplar 21st century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town. The Towns Fund programme had set out an expectation that bids would be for up to £25m, largely capital funding, but with the potential for towns to bid for up to £50m if they could demonstrate exceptional circumstances and subject to a deeper review process to be conducted by Government officials. Stevenage Development Board set out a bid with 'exceptional circumstances, articulating a proposal for £50m funding to help address challenges and opportunities facing the town.
- 1.6 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m. In making this award, the Minister for Regional Growth and Local Government, indicated that this higher funding offer 'is in recognition of the case that Stevenage made for the national significance of the proposals to develop its life sciences sector' and that this presents 'an exciting opportunity to come together to drive long-term economic and productivity growth in Stevenage, particularly as we meet the challenges presented by Covid-19'.
- 1.7 The Ministry of Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC)) set out proposed Heads of Terms for the £37.5m award for the Town

Investment Plan). As set out by the Towns Fund programme, the Council and Chair of Stevenage Development Board proposed a funding profile. On 15 July 2021, DLUHC provided Grant Confirmation, allocating funding over a five year period – subject to approval of business cases by the Accountable Body and DLUHC conditions. This was allocated as follows:

- 1.8 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.
- 1.9 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to DLUHC by 24 March 2022.
- 1.10 It is recognised that the funding and range of projects included within Stevenage's Town's Fund programme means that it is one of the largest programmes within the nationwide Towns Fund programme, the Council needs a clear and achievable plan for producing and signing-off the business cases. The Council does have significant experience in developing complex business cases for approval and government review, such as through the Local Enterprise Partnership Growth Deal Funding, in addition to the strategic outline case submitted to government in the form of the Stevenage Town Investment Plan. Preparation work has been undertaken for many of the projects, to enable development of the business cases in a timely way. In October 2021, at a meeting of the full Council, powers were delegated to the Council's Executive Committee to consider each of the business cases for approval.

Business case requirements

- 1.11 The requirements for business case development and assurance are set out by DLUHC as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town's Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 1.12 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
 - Developing and submitting the Town Deal Summary Document
 - Business Case development for all approved projects
 - A full list of projects
 - Detail of the processes used for business case assurance and approval followed for each project
 - Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between DLUHC and local partners

- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
 - A Monitoring and Evaluation Plan
 - Confirmation of funding arrangements and financial profiles for each project
 - Undertaking Public Sector Equalities Duty analysis
 - Approval from the Town Deal Board and Lead Council
- 1.13 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project.
- 1.14 Each business case is expected to meet agreed criteria. DLUHC expect business cases to include:
- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
 - An assessment of value for money, including showing how different types of projects will be compared and assessed.
 - A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
 - Clearly defined inputs, activities, outputs and anticipated outcomes.
 - Appropriate consideration of deliverability and risk along with appropriate mitigating action.
 - Whilst there is no minimum value for money threshold set for Towns Fund projects, in order to follow best practice, all business cases must contain robust value for money assessments.
 - Business cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book.
- 1.15 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to DLUHC.

Developing and reviewing business cases

- 1.16 Stevenage Development Board will continue to have a vital role through the development of business cases, with partners engaged in working groups to support the development and finalisation of business cases. The Board includes a wide range of key stakeholders, who will need to endorse the businesses cases and play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport, and Town Centre Regeneration. This will ensure the experience and expertise across a range of sectors will be harnessed to support the development of robust and deliverable business cases, for projects that will have a significant positive impact for the town.

1.17 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section 151 Officer, Monitoring Officer, Hertfordshire LEP and, Hertfordshire County Council Officers) has been established to ensure business cases meet requirements before being recommended to the Development Board for approval. The following approval route will now be followed for the submission of business cases to DLUHC:

- Business case developed by Officers and Stevenage Development Board partners
- Review of business cases by a 'Assurance Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee as the 'Accountable Body'
- Summary of the business case to be submitted to DLUHC to access funding.

Executive Summary: SITEC Centre

*Prepared for the Stevenage Development Board
Full Business Cases are available on request*



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Executive Summary from Business Case Assurance Panel

Project Title
Stevenage Innovation & Technology Centre (SITEC)
Assurance Panel Feedback
<p>Assurance Panel discussion was held on the 10th February 2022 and a summary of comments is provided below.</p> <p>Overall the panel discussion was very positive and supportive of the direction of travel for the business case, although work was ongoing on the document at the time.</p> <p>The Panel unanimously supported taking forward the business case, with the comments below to be incorporated:</p> <ul style="list-style-type: none">- Supportive of a Strategic Outline Case, which sets out the different options still under consideration, with a process for working through those options over the next 6-9 months- On-going board support will be crucial for the success of the project – a number of stakeholders will need to be involved to make this a success- Need to utilise the next period of time to continue to explore other funding options for the match funding- Whilst it is accepted that there is still much to develop as the project is at outline stage, it has the potential to address one of our biggest challenges from the investment plan, and is one of the most effective projects for addressing our skills challenge.
Recommendations for Stevenage Development Board
<p>To acknowledge and endorse the progression of this business case to Accountable Body processes.</p> <p>To endorse recommendations set out in the business case to:</p> <ul style="list-style-type: none">- Finalise governance for moving the project forward in the next 3 months- Progress to detailed business case with preferred solution within the next 9-12 months, with an updated business case to be presented to the Board

Overview

Project Title
Stevenage Innovation & Technology Centre (SITEC)
Project Location
TBC
Partner/Co-Funding Organisations
Stakeholder group to include North Hertfordshire College, The University of Hertfordshire, Hertfordshire Local Enterprise Partnership, Hertfordshire County Council, Stevenage Borough Council, and business representatives
Total Project Costs (£)
£10,000,000
Total Town's Fund Allocation (£)
£5,000,000
Other Public Sector Investment (£)
£3,000,000 (indicative)
Total Third Sector Investment (£)
N/A
Total Private Sector Investment (£)
£2,000,000 (indicative)

Project Description

The Stevenage Innovation and Technology Centre (SITEC) project will deliver a brand-new, purpose-built learning facility in the centre of Stevenage. The centre will provide Level 3, 4 and 5 courses in science, technology, engineering and health, and a range of apprenticeship opportunities in these sectors. Crucially, the centre will deliver an interface between Stevenage's residents and the high-tech, high-value national and international businesses located in the town. The SITEC development will capitalise on the opportunities that the Town Deal presents and will directly address several the key strategic challenges facing the town.

To address the skills deficits that underpin the gap in employment and earnings between Stevenage's residents and the high-tech businesses developing in the town, key stakeholders, in partnership with key businesses and industries in Stevenage, are proposing the development of a new £10m SITEC, located in the heart of the town centre.

There is a proven and growing demand for skilled technical workers for jobs within the engineering, technology science and health industries. The SITEC will bridge the skills gap, train the workforce of the future and stimulate job creation by providing specialisms in the following sectors – all of which are critical to the Stevenage area and the wider Hertfordshire and UK economy: Engineering, Life sciences, Biotechnology, Telehealth and Telecare, Digital and Computing Innovation and Advanced Construction Skills

Key Purposes of the Project

The need to level-up skills levels in Stevenage was a key element of the Stevenage Town Investment Plan, which identified that the town's population had higher than average level 1 and 2 qualifications, and significantly lower than average level 4 & 5 qualifications. This led to a situation where people were leaving education at the earliest opportunity to access paid work, but not going on to develop qualifications and skills needed to progress to jobs with a higher salary. This is indicated by the significant disparity between the average salary of somebody working in Stevenage compared to somebody living in Stevenage. A number of residents are commuting out of the town to access lower paid employment when compared to roles available within the town - with skills & qualifications presenting one of the barriers to accessing such (higher paid) roles. There is also a perception amongst some residents that the "STEM" employers in the town are not accessible to them. The primary purpose of this project is to change this, providing access to high-quality facilities which bridge the gap to higher education and remove some of the barriers to traditional higher educational attendance, resulting in a better skilled workforce that provides local employer's with the required local labour supply.

The establishment of a new state-of-the-art Science, Innovation and Technology Centre in the town will provide the space and facilities to develop a highly skilled workforce in direct collaboration with the businesses in the town, and offer opportunities to raise skill levels of Stevenage's residents. A new purpose-built facility, located centrally within Stevenage, linking with other satellite facilities, is proposed in close proximity to both the rail station and re-

located bus station. Each curriculum specialism will offer technical skills development via advanced and higher-level courses and higher apprenticeships from Level 3 to Level 5, delivered in state-of-the-art facilities and in partnership with leading industry specialists. Included in this portfolio will be the offer of 3 T Levels in the Health and Science Engineering, Manufacturing, Processing and Controls and Computing pathways from 2023 onwards.

The Stevenage Innovation and Technology Centre will become a highly visible point of interface between residents, skills providers and our business community. It will act as a bridge to ensure the future growth of the cluster and sustainable outcomes. This will include local employment, a supply chain of labour, and the opportunity to showcase the town's industries to inspire our young people. By engaging businesses directly in the skills agenda, we will create a responsive environment that ensures the skills supplied are up-to-date and continuously aligned with present employer demand in a fast-moving environment.

Configuration of the Project

The Stevenage Technology and Innovation Centre will incorporate a range of learning and training environments as well as opportunities for conferences and wider engagement. The building will be a clear statement of the interface between our businesses, education providers and resident population and will incorporate the following:

- Clean Lab space.
- Flexible teaching facilities and spaces.
- Virtual reality facilities and technology.
- Engineering space including practical training space for key trades.
- Café and Student refectory, including kitchens.
- Conference space(s), events space and meeting rooms.
- Practical training space for advanced construction skills.
- Employer Spaces.

The proposed facility has the potential to consolidate some of the College's current related learning facilities into a single building from a number of leased facilities. There will also be the potential to broaden the offer of the existing STEM centre in Stevenage. The total number of learners and staff on site will inevitably fluctuate significantly through the course of each day, week and year due to enrolments, timetabling and other factors. On this basis the building will be designed with a maximum assumed occupancy of approximately 450 - 500 students and up to 30 staff.

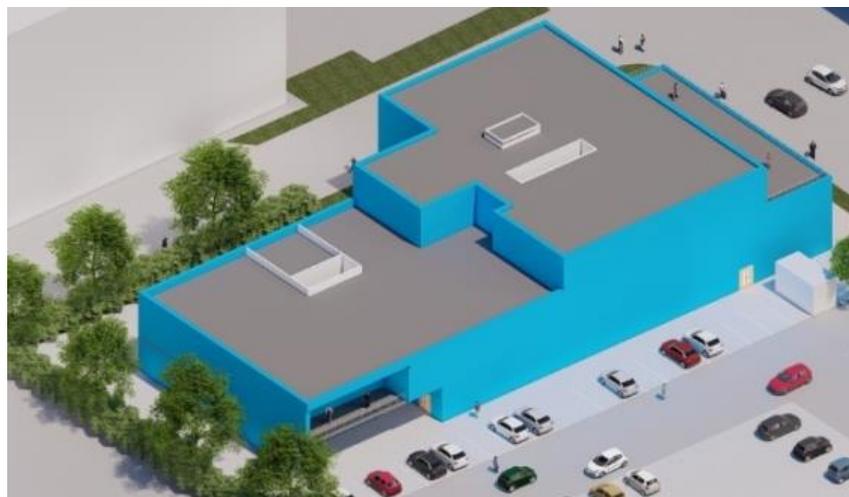
Options Under Consideration

At this stage of the development of the SITEC project, two options for its location and construction are being considered:

Option 1:

A New Build on a central town centre site within the Stevenage Central Framework Zone.

Pros	Cons
<p>Maximises regenerative impact of new building on town centre.</p> <p>A brand-new, purpose-built town centre asset.</p> <p>Creation of a highly visible shop frontage for the College in Stevenage town centre.</p> <p>Higher land value uplift impact.</p>	<p>Higher construction costs.</p> <p>Increased operational costs as a standalone site.</p> <p>Unsecured match funding and development site.</p>



Option 2:

Extension of the existing current College campus buildings with addition of a new SITEC building adjacent and linked to the existing Da Vinci building.

Pros	Cons
<p>Efficiencies generated from operating across a single site, including the benefit of sharing the College's existing campus infrastructure and operational staff efficiencies.</p> <p>Potential for lower construction and operating costs.</p>	<p>Although the College site is located within the Stevenage TIP boundary, it is less central.</p> <p>Lower impact on town centre regeneration.</p> <p>Less direct footfall and town centre spend.</p> <p>Lower land value uplift impact.</p>



Strategic Case

Indicate how this project meets the Town Investment Plan Vision (<i>tick</i>)		
	Reflecting and Re-Interpreting our New Town Heritage for future generations	
	Embracing Sustainable Travel to maximise the benefits of our strategic location and link our communities with jobs and leisure	✓
	Transforming our Town Centre as a key place of opportunity and integration for business, residents and visitors	✓
	Upskilling and providing opportunities for all our people to benefit from innovation & growth	✓
	Supercharging the growth of National and International Business Base	✓
Indicate which <i>challenge(s)</i> this project intends to meet (<i>tick</i>)		
	Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth	✓
	Challenge 2: Bridging the Skills Gap and Raising Aspirations	✓
	Challenge 3: Town Centre Transformation	✓
	Challenge 4: A Resident Population Being Left Behind	✓
	Challenge 5: Lack of Suitable Modern Space for Growth	✓
Indicate which <i>opportunity(ies)</i> this project supports (<i>tick</i>)		
	Opportunity 1: National and International Gateway for UK PLC	✓
	Opportunity 2: Innovation Hub, High Growth Potential and STEM City	✓
	Opportunity 3: The Untapped Potential of Stevenage People	✓
	Opportunity 4: Building Wealth and Reclaiming Expenditure	✓
	Opportunity 5: Reviving Stevenage’s Sustainable Travel Network	✓

Policy Alignment	
National Policy	Local Policy
<ul style="list-style-type: none"> • UK Levelling Up Strategy • National Industrial Strategy • Global Britain • Life Sciences Vision 	<ul style="list-style-type: none"> • Hertfordshire Local Industrial Strategy • Hertfordshire Skills and Employment Strategy • Hertfordshire Strategic Economic Plan • Unlocking Hertfordshire Recovery Plan • Stevenage Central Framework • Stevenage Local Plan • Stevenage Community Strategy
Expected Outputs/Outcomes	
<p>Once operating at its full capacity in 2028/29 SITEC will deliver:</p> <ul style="list-style-type: none"> • 468 students per annum enrolled on science, technology, engineering and health courses: <ul style="list-style-type: none"> ○ Level 3 (A Level equivalent) – 308 students ○ Level 4 (Degree equivalent) – 84 students ○ Level 5 (Post Graduate equivalent) – 76 students • 77 students per annum participating in science, technology, engineering and apprenticeships (<i>included within the total of 468 students above</i>) • 100 students per year participating in work placements in science, technology, engineering and health sectors, in collaboration with leading national and international firms based in Stevenage. • Up to 30 new jobs at the centre, a large proportion of which will be high-value teaching positions, with further resulting job creation as a result of the development 	
Non-Monetised Benefits	
<p>Alongside monetised impacts, the SITEC project has the potential to deliver a range of wider ‘non-monetised’ impacts. Whilst these less tangible impacts have been excluded from any monetised appraisal results, they nevertheless indicate important additional likely beneficial outcomes from SITEC.</p> <p>The range of wider economic and social impacts include:</p> <ul style="list-style-type: none"> ➤ Delivering a signature asset in the centre of Stevenage to encourage better integration and innovation between Stevenage businesses and skills providers, including more direct access to employment opportunities and the high-value jobs being created within Stevenage’s high-value engineering and science-based industries. ➤ Increasing young people’s aspirations, achievement and pathways to high-value employment. ➤ Inducing Wider Productivity Improvements – brought about through effective agglomeration, knowledge-transfer and dynamic clustering which will enable improved business-to-business networks and commerce. A recent example being Autolus’s £65m global headquarters (gene and cell therapies) located in the heart of Stevenage town centre. 	

- **Improved Image Value** – demonstrated in the contribution that SITEC will make Stevenage’s identity, prestige, vision and reputation, and potential as a catalyst investment within Stevenage Town Centre.
- **Complementing Regeneration and Place-Shaping** – improving the viability of wider planned public and private-led schemes across the town centre, including other forthcoming STIP and other regeneration schemes.
- **Improved Town Centre Connectivity and Safety** through the delivery of a new modern asset that will better connect the town centre and Stevenage’s high-value businesses currently located on the edge of the town centre.
- **Delivering Social Value** – SITEC can reinforce civic pride and encourage social inclusion and interaction, supporting improved health and wellbeing outcomes.
- **Promoting Competitiveness** – by increasing the proportion of Stevenage residents with higher-order skills, enabling better access to high-tech and science-based jobs within Stevenage’s high value engineering and science industries, this should generally improve Stevenage’s appeal for inward investment in these industries.
- **Increase the scope and range of courses provided by North Hertfordshire College**, strengthening the opportunities for collaboration between the College, Stevenage’s businesses and Hertfordshire’s (and potentially wider) higher education providers.

Economic Case

Economic Benefits

See outputs/outcomes above.

The tables below set out the possible scale of impacts of SITEC given current knowledge of the project. As noted above at FBC stage additional benefits can also be quantified to give a more complete assessment of the overall benefits of the project. At this point the benefits of option 2 and 3 are estimated to be the same, however the location of centre will affect the levels of spillover LVU and amenity impact attributable to the scheme.

National-Scale Impacts

Indicative Assessment of Net Benefits, NPV – National Level	
Direct LVU	£6,814,121 (To be reassessed at FBC stage)
Spillover LVU (Commercial)	To be determined at FBC Stage
Spillover LVU (Residential)	To be determined at FBC Stage
Amenity Impact	To be determined at FBC Stage
Labour Supply Impact - Skills-related	£11,039,912
Move to More Productive Jobs - Skills-related	£5,968,472
Distributional Impact	£2,969,631

Total net benefits (NPV) quantified	£26,792,135
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Local-Level Impacts

Indicative Assessment of Local Benefits	
Gross Construction FTEs	5
Net Construction FTEs	2
Gross Operational FTEs	50
Net Operational FTEs	46
Total Gross FTEs	55
Total Net FTEs	48
Cumulative GVA	£24,225,570
GVA at NPV	£19,083,190

Financial Case

Funding Profile

Funding Profile	Total
Town's Fund	£5,000,000
Other Public Sector	£3,000,000
Private Sector	£2,000,000
Total	£10,000,000

Funding Schedule

Source	22/23	23/24	24/25	Total
Town's Fund	£1,500,000	£1,500,000	£2,000,000	£5,000,000
Other Public Sector	£1,500,000	£1,500,000	£0	£3,000,000
Private Sector	£500,000	£500,000	£1,000,000	£2,000,000
Total	£3,500,000	£3,500,000	£3,000,000	£10,000,000

Commercial Case

Delivery Model

A range of procurement options exist for the development of SITEC and these will be thoroughly reviewed during business case development.

Potential options for procurement include:

- Grant funding to a lead stakeholder, enabling them to directly procure the construction of the SITEC centre.
- A separate legal entity that includes key public and private sector partners is established to act as the contracting party for the development.
- One or more of the parties enters a partnership with a developer to construct and / or operate the new facility.

A decision will also need to be taken whether to contract the development as a single design & build contract or as separate contracts for design and construction phases. A combined contract offers benefits in terms of contractor knowledge and continuity; however, separating the design and construction elements may allow design work to begin sooner.

The commercial/procurement options available for SITEC will be assessed to determine the most cost effective and tax efficient procurement approach. The final procurement approach will be agreed and signed off by the Town Deal Board at the OBC stage. Procurement will begin during the development of the FBC for the project and the construction contract(s) will be signed as soon as possible after FBC approval.

Alongside procurement for the construction and fit-out of SITEC, decisions will need to be made on the ownership and occupation of the land and buildings post construction.

Risks

Risks	Likelihood	Mitigation
Site identification acquisition	Medium	Site acquisition outstanding.
Funding	High	Towns Fund Confirmed subject to FBC approval. Confirmation of match funding is required.
Subsidy Control	Low	Subsidy control advice to be secured from Stevenage Legal Team or external specialist legal advisor. Public sector organisations only – No direct benefit to private sector organisations so subsidy control risk is considered low.
Partnership arrangements	Medium	Project level partnership arrangements defined but not as yet operational.
Detailed Design	Medium	Initial feasibility design work complete. Appointment of architects and detailed design

		to be undertaken. Procurement and project delivery approach to be confirmed.
Lack of resources to manage the project	Low	<ul style="list-style-type: none"> • Prepare project delivery plan, map resources required and cover through procured consultant teams • Robust governance structure
Failure to secure planning consent	Low	<ul style="list-style-type: none"> • Prepare comprehensive scheme proposals reflective of policy considerations • High quality design proposals and thorough stakeholder engagement • Pre app discussions
Inflationary risk due to delayed project start	Medium	The project is at an early strategic stage and will take some time to further develop. This delay will introduce additional inflationary costs that will impact the resources available.
Tender return prices higher than expected due to construction prices inflation.	Medium	See above
Consultation (internal and external) leads to changes to the scheme design.	Medium	Detailed design work still to be undertaken. Project budget is fixed at £10m and scheme design must stick to this.
Cost overruns	Medium	Arrangement for the management of cost overruns to be confirmed.

Management Case

Next steps and Project Organisation

SITEC will be delivered by public partnership. However, there will be strong support from the private sector as it is deemed that this facility will help them meet their workforce and training needs by creating a pipeline of students beginning a pathway to careers in local businesses. How the delivery of SITEC will be managed is dependent on decisions still to be made by key stakeholders concerning project delivery. The options to be considered include:

- A key stakeholder taking the lead for delivery of the project, and managing the construction of the project, with an operator to be selected/procured
- A consortia of key stakeholders working together as a joint entity to oversee the delivery of the project, with an operator to be selected/procured
- An operator taking direct control of the delivery of the project, with construction and operation under process

In any scenario, the detailed implementation of the project will be set out in a comprehensive delivery plan. This will schedule all activities from project inception, through design, costing, approvals, construction activity through to completion and handover. It will build in necessary ongoing stakeholder liaison processes. Governance structures already in place ensure there is responsibility for overall control of the scope and progress the project and for putting in

place the necessary assurances.

Integrated Approvals and Assurance Plan			
Project Delivery Team	Stevenage Development Board		Independent Auditing
Actions	Approvals	Oversight Actions	Investigations and Assurances
Prepare brief for design team	Approval of design brief.		
Tender and select design team	Approval of selected design team	Review of design team budget and work programme	
Appoint team, undertake site surveys and specialist reports. Prepare outline design to RIBA stage 2 and consult stakeholders.	Approval of outline design proposals		
Design up to RIBA stage 3 detailed planning application including supporting documentation and formal consultation	Approval of detailed design proposals	Review and commentary on risk profile and combined project risks, mitigation proposals and actions	Submission of comments on project design proposals
Planning application period			
RIBA Stage 4 Technical design, discharge of planning conditions and construction information	Approval of technical design proposals	Review and commentary on risk profile	
Contractor shortlist and tender period	Approval of tender brief		
Review tenders and appoint contractor	Approval of contractor appointment		
Pre-construction works			
RIBA Stage 5. Demolition. Construct SITEC	Approval of construction programme		
Commission monthly project reports: progress, achievements, risk mitigation actions and expenditure	Approve stage gate construction completions	Review monthly project reports Stage gate assessments Decisions and interventions in the event of serious delays or emerging major	Interim project audit

		uncertainties Commission interim project audit report Directions in event of financial and other irregularities	
Operator fit out and staff training	Approve staff training plan Approve fit out		
SITEC Open: September 2024			
Completion of external works	Sign off of project completion	Sign off independent auditing	Final Project Audits

Stage 2 – Business Case

(Strategic Outline stage)

Stevenage Innovation & Technology Centre (SITEC)

February 2022

Business Case template (optional) to be used by Towns as guidance for structuring their business cases

Version 3: 21st April 2021

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Introduction

1. INTRODUCTION

1.1 Purpose of this Business Case (Strategic Outline Stage)

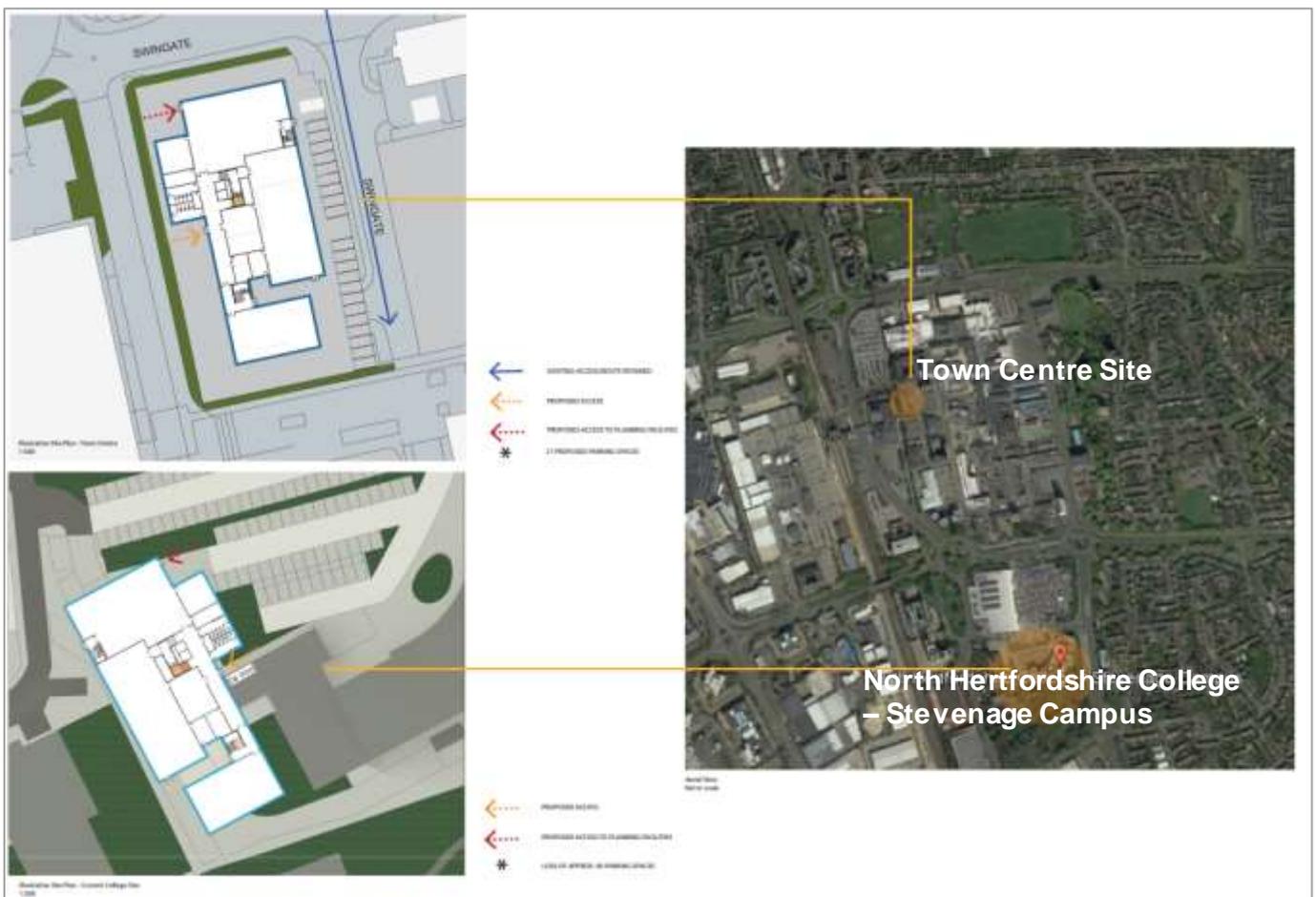
The development of the Stevenage Innovation & Technology Centre (SITEC) is a significant component of the Stevenage Town Deal programme. Whilst much work has been done to develop the project, work remains for the partners to develop the project to the Full Business Case (FBC) stage.

Therefore, this business case has been prepared at Strategic Outline Stage. It presents a snapshot (at Q3 2021/22) of the work undertaken to date and sets out the further development work that will be undertaken through 2022 to develop the project to the Full Business Case stage.

SITEC is an important strategic partnership project that is still in development and needs further work over the course of 2022 to develop the project more fully and to agree the preferred site location within Stevenage town centre.

Our intention is to develop the project to FBC by the end of the 2022 calendar year, ensuring delivery before the end of the Town's Fund programme.

Figure 1: Plan showing the two potential central Stevenage locations for SITEC



1.2 Background to Towns Fund and Stage 2 process

In November 2019, Stevenage was included in the 100 places eligible to develop and submit a Town Investment Plan. This presented an opportunity for Stevenage to bid for up to £25 million of capital funding to support and address key challenges facing the town. Towns were also invited to bid for over £25m if exceptional circumstances could be demonstrated.

Working closely with key public, private and third sector partners the Stevenage Development Board was established, and a Stevenage Town Investment Plan created and submitted to MHCLG (now renamed DLUHC) in October 2020. In March 2021, the partnership was notified of its award of £37.5m of funding.

The investment plan was predicated on maximising the success of businesses in Stevenage's science and engineering sectors, regenerating the town centre, and delivering opportunities for local people including enhanced skills and training. Ten projects were submitted as part of the ask to central government, ranging across Transport and Active Travel infrastructure, Skills and Enterprise, Arts, Heritage and Cultural and Town Centre Regeneration.

A key objective of Stevenage's Town Deal is to level up opportunities and raise the aspiration of Stevenage residents by raising their skill levers so that they can access higher paid, skilled jobs in the innovative industries developing and growing in Stevenage.

To achieve this objective, the Town Deal plan proposed the development of the Stevenage Innovation and Technology Centre, a new, purpose-built, state of the art facility providing advanced and higher-level courses and higher apprenticeships from Level 3 to Level 5, supported by lower-level pipeline courses, delivered in partnership with leading industry specialists for partner businesses in Stevenage.

SITEC will act as a highly visible point of interface between residents, skills providers and the Stevenage business community, providing excellent skills training for local people and the supply of skilled labour that innovative businesses demand.

Building on the Town Investment Plan, this document sets the strategic, economic and financial case for the SITEC project, the commercial arrangements for procuring its delivery and the processes and arrangements for the governance and management of the project.

1.2 Project Concept & Description

1.2.1 Summary of SITEC concept

To address the skills deficits that underpin the gap in employment and earnings between Stevenage's residents and the high-tech businesses developing in the town, North Hertfordshire College, in partnership with key businesses and industries in Stevenage, are proposing the development of a new £10m Stevenage Innovation and Technology Centre (SITEC), located in the heart of the town centre or co-located on the existing North Hertfordshire College site in Monkswood Way.

There is a proven and growing demand for skilled technical workers for jobs within the engineering, technology science and health industries. The Stevenage Innovation and Technology Centre (SITEC) will bridge the skills gap, train the workforce of the future and stimulate job creation by potentially providing specialisms in the following sectors – all of which are critical to the Stevenage area and the wider Hertfordshire and UK economy: Engineering, Life sciences, Biotechnology, Telehealth and Telecare, Digital and Computing Innovation and



1.3 Business Case Structure and Content

This Outline Business case for the project, covers the context, challenges to be address objectives and approach to delivery, are set out below under the following headings.

- Strategic Case
- Economic Case
- Financial Case
- Commercial Case
- Management Case

STRATEGIC CASE

2. STRATEGIC CASE

2.1 Introduction to the Strategic Case

The SITEC project will deliver a brand-new, purpose-built learning facility in the centre of Stevenage. The centre will provide Level 3, 4 and 5 courses in sectors potentially including science, technology, engineering and health, and a range of apprenticeship opportunities in these sectors, supported by lower-level pipeline courses. Crucially, the centre will deliver an interface between Stevenage's residents and the high-tech, high-value national and international businesses located in the town. The SITEC development will capitalise on the opportunities that the Town Deal presents and will directly address several the key strategic challenges facing the town.

2.2 Local Context

Stevenage is a large town in Hertfordshire with a population of over 88,100. It is located 29 miles North of London, just off the A1(M). It is one of four main urban centres in Hertfordshire, along with Hatfield, Hemel Hempstead and Welwyn Garden City. Road and rail links to the capital are excellent.

In 1946, the New Towns Act designated Stevenage as the UK's first New Town. Innovative when first developed, Stevenage's infrastructure and town centre have aged badly and are in need of renewal. There are strong ambitions to transform and regenerate Stevenage and its town centre and the Town Deal provides the vehicle to make these ambitions a reality.

Stevenage's urban dynamics and economy has evolved over time, and it is now a popular commuter town. Its population grew from an original 60,000 to 80,000 in around 2001. Its current population stands at 88,100.

In recent decades Stevenage has developed into a town with a high-tech base for global businesses in the biotech, IT and advanced engineering sectors. Stevenage is home to 3,700 businesses and is sited at the heart of the rapidly growing UK Innovation Corridor (UKIC) that connects London to Cambridge. The Innovation Corridor is a dynamic ecosystem of international businesses, maverick academics, ambitious start-ups, City finance and law firms, all cross-pollinating to accelerate their success. It is a symbiotic network of supply chains that reaches out beyond the region, throughout the UK and around the globe, making The Innovation Corridor a highly advanced sci-tech superhighway.

UKIC is Britain's Fastest Growing Region with industries focussed on commercial innovation, advanced technology, and bioscience. Stevenage specifically is home to global household names including Glaxo Smith-Kline, Airbus, MBDA, Dupont and Fujitsu. These firms are primarily located in the Gunnel's Wood Employment Area of the town.

Stevenage has a very strong life sciences base with a 7% global market share in cell / gene therapy – and simply retaining this position will add approximately 5,000 jobs as the cell / gene therapy industry grows. The town is also the leading location for the UK space industry and home to the 2018 ExoMars Rover and the 2017 Solar Orbiter Satellite research and development programmes, building a quarter of the world's satellites.

2.3 The Case for Change

2.2.1 Challenges

Stevenage faces a number of significant issues that the Stevenage Town Investment Plan (STIP) and the SITEC project seeks to address, including:

- Educational attainment in Stevenage is below that in the wider region.
- Too few students progress on to Higher Education and too few attend the best universities.
- Too few of Stevenage's residents are employed in higher level occupations in the town's high-tech industries.

- Too many of the best jobs are taken by people who commute into Stevenage from the surrounding region.
- Average earnings for residents of Stevenage are well below those in Hertfordshire and nationally.
- There is a growing feeling that the benefits of Stevenage's high-tech industries are not trickling down to local people and that residents are being left behind.

A major goal of the Stevenage Town Investment Plan (TIP) is to ensure that the benefits of industrial development and growth within the town's major industries directly benefits the residents of the town.

Employment and Earnings

Levels of unemployment within Stevenage are slightly above the regional (Hertfordshire) and England averages, and the number of economically active working age residents in the town is broadly in line with the national average. However, at £577.70 median full-time weekly earnings for Stevenage residents fall well below the averages for Hertfordshire (£705.20) and England (£613.10). People who live in Stevenage earn around 22% less on average than people who live in the rest of Hertfordshire.

More significantly there is a very large gap between the median full-time weekly earnings of Stevenage residents (£577.70) and the median full-time earnings of people who work in Stevenage (£697.70).

People who commute to work in Stevenage from outside the town earn around 20% on average more than those who live in the town.

Indicator	Stevenage	Hertfordshire	National
Economically Active (Oct 2020 – Sept 2021)	78.2%	82.1%	78.5%
Unemployed (Oct 2020 – Sept 2021)	4.1%	4.1%	4.8%
Gross Weekly Earnings – Residents	£577.70	£705.20	£613.10
Gross Weekly Earnings – Workplace	£697.70	£664.60	£612.80

The above statistics cast a light upon a feeling held by many Stevenage residents that they are being left behind by the high-tech industries developing in the locality. This anecdotal viewpoint is borne out by data on employment occupations for residents of Stevenage. The percentage of Stevenage residents employed in higher order occupations such as management, professional and technical roles is well below the Hertfordshire and national averages. At the same time, the percentage of Stevenage residents employed in lower order occupations is well above the Hertfordshire and national averages.

Too few Stevenage residents are accessing skilled, professional and technical roles.

Employment Group (Standard Occupational Classification)	Stevenage	Hertfordshire	National
Soc 2010 Major Group 1-3 <ul style="list-style-type: none"> • Managers, Directors & Senior Officials • Professional & technical occupations. 	46.7%	55.4%	49.7%
Soc 2010 Major Group 4-5 <ul style="list-style-type: none"> • Administrative and Secretarial • Skilled Trades 	16.9%	19.6%	19.1%
Soc 2010 Major Group 6-7 <ul style="list-style-type: none"> • Caring, Leisure and other service. • Sales and customer service. 	13.4%	13%	16.2%
Soc 2010 Major Group 8-9 <ul style="list-style-type: none"> • Process, Plant and Machine Operatives • Elementary occupations. 	23%	11.9%	15%

Stevenage is a well-established commuter town, conveniently located close to the capital with excellent road and rail links. There is a high level of commuting both into Stevenage and out into surrounding towns. Over half of working age residents (36,000 – 51%) commute out of Stevenage to their place of work. The town also attracts a greater number of inflow commuters (38,000) which is again high.

This infers a highly mobile resident workforce that is well integrated with surrounding economic centres, but that there is a poor mismatch between the jobs available in the borough and resident demands. 54% of Stevenage jobs are taken by in-commuters, and the majority of the high value employment opportunities are taken by people from outside the town.

Educational Attainment and Skills

The mismatch between jobs available in Stevenage's high value industries is likely the product of relatively low resident workforce skills and attainment. Overall educational attainment in Stevenage is well below that of the rest of Hertfordshire. In 2019, indices of Education, Skills and Training deprivation showed that Stevenage was the most educationally deprived area within Hertfordshire.

Local Authority District (2019)	Education, Skills and Training – IMD Average score (higher score = higher deprivation)
Stevenage	25.396
Broxbourne	25.104
Dacorum	16.579
Welwyn Hatfield	16.161
Hertfordshire	14.103
Hertsmere	13.770
North Hertfordshire	12.868
Watford	12.578
Three Rivers	12.196
East Hertfordshire	8.693
St Albans	4.864

Source: MHCLG Indices of Deprivation Tables.

Overall qualification levels within the adult population in Stevenage have remained stubbornly below average for many years. Despite some recent progress, the percentage achieving Level 3 (A Level) and Level 4 (Degree Level) qualifications have remained below the national averages and the averages for Hertfordshire.

Date	Level 3+			Level 4+		
	Stevenage (%)	Hertfordshire (%)	Great Britain (%)	Stevenage (%)	Hertfordshire (%)	Great Britain (%)
2011	50.4	55.3	50.8	36.1	38.3	32.8
2012	52.4	59	53.1	37.8	40.2	34.2
2013	53.2	59.9	53.9	34.3	41.5	35.1
2014	59.3	62.2	55	32	43.6	36
2015	43.2	61.1	55.8	22.8	42.4	37.1
2016	52.6	58.8	56.9	35.5	42.5	38.2
2017	54.9	59.3	57.1	33.3	42.7	38.5
2018	53.4	59	57.8	32.7	42.4	39.3
2019	61.2	60.6	58.5	41.2	44.2	40.3
2020	64.6	62.3	61.3	51	47.2	43.1

As a consequence of this lower rate of attainment of Level 3 and Level 4 the percentage of students progressing on to Higher Education is much lower in Stevenage than in the rest of Hertfordshire and nationally.

The percentage of students progressing on to degree level apprenticeships is in line with the national average, but at 53%, the number progressing to university degree level courses is well below the national average of 61.9%. Significantly, the percentage of Stevenage students attending good universities (Top third and Russell Group) is also below the national average. Only 2 of Stevenage's students progressed to degrees at Oxbridge.

Progression	Stevenage (%)	National (%)
Progression From Level 3 to Level 4 Qualifications (All Routes)	58%	66.2%
Progression to Level 4 Apprenticeship	1.8%	1.7%
Progression to University Degree	53%	61.9%
• At top third best performing universities	11%	17.5%
• At Russel Group Universities	8.7%	15.7%
• At Oxbridge	0.2%	0.8%

Source: Government Statistical Release - Progression to higher education or training 2019/20. Latest data is from 2017/18.

With the opportunities opening up around the Stevenage Bioscience Cluster, the ability to address directly the skills needs of our Innovation Cluster and to raise the aspirations of our population is a vital component of our Vision for a sustainable 21st Century New Town future for Stevenage.

2.5 The Proposed Investment

2.5.1 Description of the Project

To address the skills deficits that underpin the gap in employment and earnings between Stevenage's residents and the high-tech businesses developing in the town, North Hertfordshire College, in partnership with key businesses and industries in Stevenage, are proposing the development of a new £10m Stevenage Innovation and Technology Centre (SITEC), located in the town centre on a site to be determined.

There is a proven and growing demand for skilled technical workers for jobs within the engineering, technology science and health industries. The Stevenage Innovation and Technology Centre (SITEC) will bridge the skills gap, train the workforce of the future and stimulate job creation by potentially providing specialisms in the following sectors – all of which are critical to the Stevenage area and the wider Hertfordshire and UK economy: Engineering, Life sciences, Biotechnology, Telehealth and Telecare, Digital and Computing Innovation and Advanced Construction Skills.



The establishment of a new state-of-the-art Science, Innovation and Technology Centre in the town will provide the space and facilities to develop a highly skilled workforce in direct collaboration with the businesses in the town, and offer opportunities to raise skill levels of Stevenage's residents. A new purpose-built facility, located centrally within Stevenage with good connectivity to the existing North Hertfordshire College Campus, linking with other satellite facilities, is proposed in close proximity to both the rail station and re-located bus station. Each curriculum specialism will offer technical skills development via advanced and higher-level courses and higher apprenticeships from Level 3 to Level 5, delivered in state-of-the-art facilities and in partnership with leading industry specialists. Included in this portfolio will be the offer of 3 T Levels in the Health and Science Engineering, Manufacturing, Processing and Controls and Computing pathways from 2023 onwards. It will also incorporate L1/L2 pipeline courses.

The Stevenage Innovation and Technology Centre will become a highly visible point of interface between residents, skills providers and our business community. It will act as a bridge to ensure the future growth of the cluster and sustainable outcomes. This will include local employment, a supply chain of labour, and the opportunity to showcase the town's industries to inspire our young people. By engaging businesses directly in the skills agenda, we will create a responsive environment that ensures the skills supplied are up-to-date and continuously aligned with present employer demand in a fast-moving environment.

North Hertfordshire College is a high performing further education and higher education College operating in Stevenage, Hitchin, and Letchworth Garden City. Established in 1991. It has been graded 'Good with Outstanding features' by Ofsted. The College continues to develop and grow its curriculum with a particular focus on meeting the changing needs of local employers. It has a long history of working collaboratively with Stevenage's major businesses. In January 2017, the College and Airbus opened a STEM education centre, the Airbus Foundation Discovery Space, backed and funded by the Airbus Foundation and Hertfordshire LEP. The Stevenage Works initiative is another successful collaboration, featuring North Hertfordshire College, Stevenage Borough Council, Job Centre Plus and the Construction Industry Training Board, delivering training and skills linked to the construction of regeneration projects in the town.

The Stevenage Technology and Innovation Centre will incorporate a range of learning and training environments as well as opportunities for conferences and wider engagement. The building will be a

clear statement of the interface between our businesses, education providers and resident population and will incorporate the following:

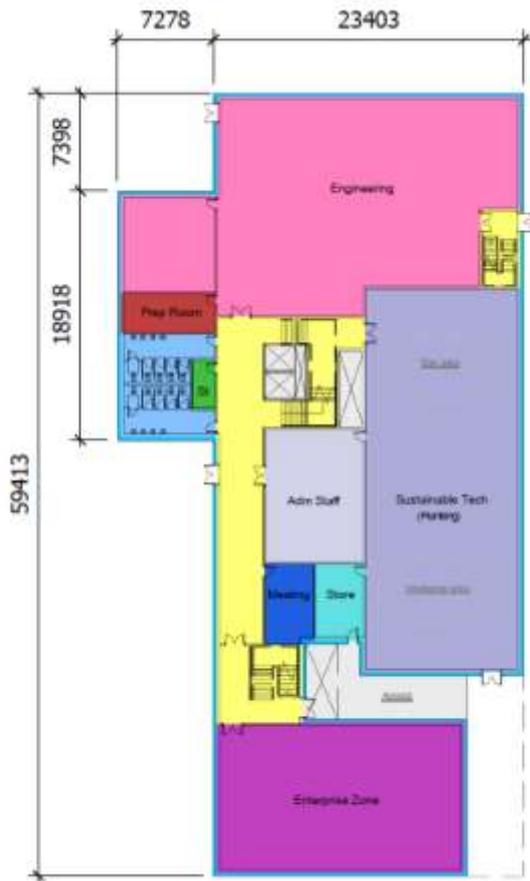
- Clean Lab space.
- Flexible teaching facilities and spaces.
- Virtual reality facilities and technology.
- Engineering and Building technologies space including practical training space for key trades.
- Café and Student refectory, including kitchens.
- Conference space(s), events space and meeting rooms.
- Practical training space for advanced construction skills.
- Employer Spaces.

The proposed facility will also consolidate some of the College's current related learning facilities into a single building from a number of leased facilities. There will also be the potential to broaden the offer of the existing STEM centre in Stevenage. The total number of learners and staff on site will inevitably fluctuate significantly through the course of each day, week and year due to enrolments, timetabling and other factors. On this basis the building will be designed with a maximum assumed occupancy of approximately 450 - 500 students and up to 30 direct employees, in addition to indirect jobs in supply chains and forward-organisations.

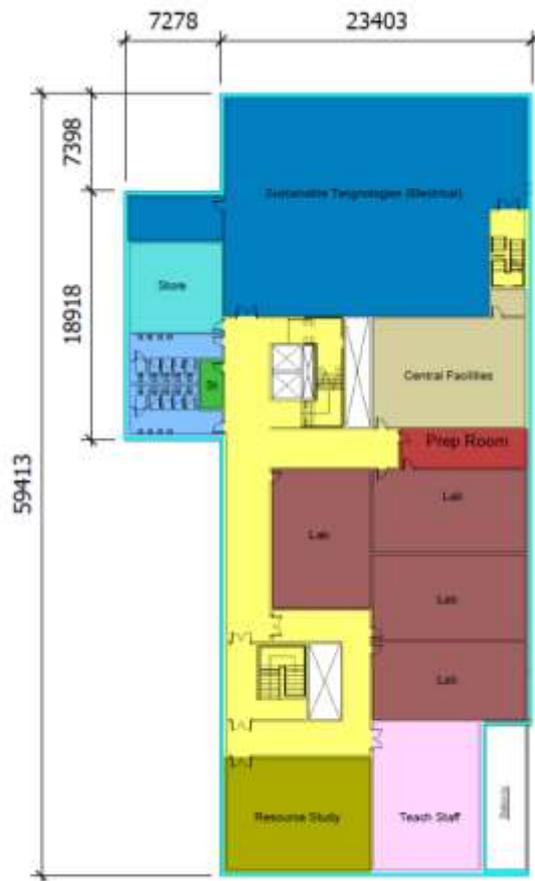
Located in the heart of Stevenage. it will provide a signature asset to develop skills and employment pathways to meet increasing demand from the growth of high-technology innovation businesses.

There is a proven and growing demand for skilled technical workers for jobs within the engineering, technology and science industries. The Stevenage Technology & Innovation Centre will bridge the skills gap, train the workforce of the future and stimulate job creation by potentially providing specialisms in the following sectors – all of which are critical to the Stevenage area and the wider Hertfordshire and UK economy: Engineering, Life science, Biotechnology, Telehealth and Telecare, and Digital and Computing Innovation and Advanced Construction Skills.

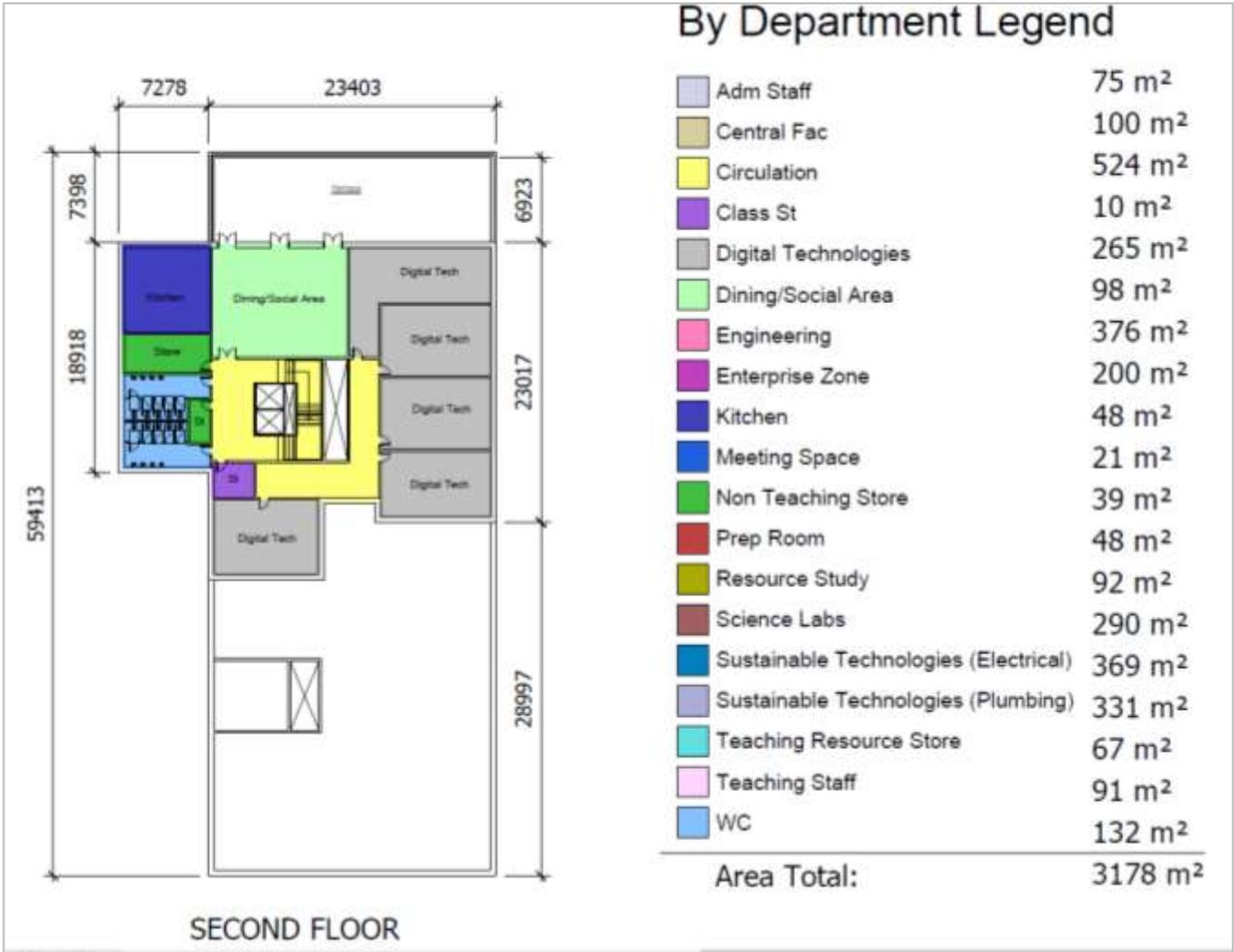
Stevenage SITEC Preliminary Floor Plans



GROUND FLOOR



FIRST FLOOR



2.2.3 Stevenage Town Deal Challenges and Opportunities

SITEC has been prioritised for Town Deal investment due to its potential to overcome the identified challenges and opportunities identified in the Town Investment Plan:

Challenges:

➤ *Challenge 1: Ageing Infrastructure*

To capture the benefits of growth in the area, it is recognised that the town needs to investment in infrastructure and facilities, to meet future requirements.

➤ *Challenge 2: Bridging the Skills Gap and Raising Aspirations*

Stevenage residents have historically lagged behind surrounding areas in terms of skills outcomes and consequently employment outcomes. Therefore, residents need to be supported and equipped to benefit from the good employment opportunities in local businesses.

➤ *Challenge 3: Town Centre Transformation*

The Town Centre currently faces number of challenges including a lack of diversity and over-reliance on retail; dated floorspace; and limited residential or employee footfall.

➤ *Challenge 4: A Resident Population Being Left Behind*

There are areas in the town which rank amongst the most deprived in the country, and Stevenage ranks as the most deprived local authority in Hertfordshire. Data shows that despite Stevenage's high value job opportunities and growing sector specialisms, many of the benefits are being captured by in-commuters and not local residents.

➤ *Challenge 5: Lack of Suitable Modern Space for Growth*

There is significant demand for modern space in the sectors where Stevenage is very strong - life sciences, agri-tech, advanced engineering, and manufacturing. However, recently employment (especially industrial) space has been lost to residential development, constraining employment growth.

Opportunities:

➤ *Opportunity 1: National & International Gateway for UK PLC*

Stevenage's strategically advantageous location means there is the opportunity to benefit from proximity international and nationally important businesses and transport infrastructure.

➤ *Opportunity 2 - Innovation Hub, High Growth Potential and STEM Town*

Stevenage is at the heart of the UK Innovation Corridor and home to a range of acclaimed national and international firms with huge growth potential. It is recognised as the UK's only High Potential Opportunity location for Cell and Gene therapy, which is complemented by strengths in high-tech sectors including IT, defence, electronics and aerospace.

➤ *Opportunity 3 – The Untapped potential of Stevenage's people*

Stevenage has a relatively large working population, which the local economy is not currently fully utilising. Stevenage has a heritage of attracting residents to new opportunities, which can be rediscovered given the dynamic growth in the area.

➤ *Opportunity 4: Building Wealth and Reclaiming Expenditure*

There is a local appetite for a regenerate town centre. Stevenage town centre has a relatively affluent core catchment; however, it does not capture enough of its spend. Consequently, improvements to the function of the town centre present big potential benefits if they can attract this unclaimed expenditure.

➤ *Opportunity 5: Reviving Stevenage's Sustainable Travel Network*

Stevenage's original travel infrastructure offers the opportunity to move the town way from car dependence, by reviving the great but underutilised pedestrian and cycling network.

2.2.4 How SITEC responds to Town Deal Challenges and Opportunities

SITEC – Responding to Town Deal Challenges and Opportunities		
Responding to Town Challenges...		
Challenges	Scale of Challenge	Project Contribution
Ageing infrastructure	<p>Stevenage's town infrastructure is recognised as 46% over-capacity, with 88,000 people using infrastructure designed for 60,000.</p> <p>All growth scenarios for the town show a deficit in infrastructure funding. The Stevenage Infrastructure Delivery Plan identifies the need for infrastructure investment of c. £140m to support the Stevenage Local Plan growth ambitions. Education and transport schemes account for 80% of this.</p>	<p>SITEC presents a £10m investment in modern education infrastructure in Stevenage, tailored to the needs of the town's businesses and residents.</p> <p>It will provide increased capacity for skills provision reducing reliance on existing education infrastructure and enable further investment in older facilities.</p>
Bridging the skills gap & raising aspirations	<p>Stevenage has one of the lowest levels of A level grades and Apprenticeship achievement in Hertfordshire, this contributes to:</p> <ul style="list-style-type: none"> • lower levels of higher order skills and occupations among Stevenage's resident working-age population; and • significantly higher proportions of lower-level skills and lower order occupations locally. 	<p>The new state-of-the-art education and training facility offering advanced and higher-level courses plus apprenticeships in high-demand, high value subjects/areas for 400-500 students per year. This will include 100 students per year participating in work placements in science, technology, engineering and health sectors, although the exact list of specialisms will be determined at the next stage.</p> <p>Through collaboration with North Hertfordshire College, local businesses and the provision of a tailored curriculum, SITEC will break down barriers and make employment opportunities assessable for all, ensuring that residents see the high-tech jobs within Stevenage as attainable.</p>
Town Centre transformation	<p>This challenge is multifaceted, with the town centre lagging behind in various areas – including various non-retail facilities such as hospitality, outdoor areas, housing and workspaces.</p> <p>To transform the town centre the Council adopted the Stevenage Central Framework in 2015, a £1bn programme with ambition to deliver over 3,600 new homes and 600,000sqft of commercial space.</p>	<p>SITEC itself will deliver a brand-new facility with attractive design, centrally located, will add prestige value to Stevenage.</p> <p>The placemaking impacts of the project can benefit the rest of the centre by diversifying the mix of uses way from reliance on traditional retail, and increasing the daytime population and spend in other businesses. This will increase the benefits of other Central Framework investments and the appetite for private sector investment.</p>

A resident population being left behind	<p>Stevenage is the most deprived of Hertfordshire's ten local authorities. At a more local level, there are acute pockets of deprivation present within the town, with 9% of people living in some of the most deprived LSOAs in England.</p> <p>Earnings data really highlights the challenge facing Stevenage's residents – the disparity between jobs available and the jobs taken by residents. Resident earnings are £6,400 lower (£29,100 per resident vs £35,500 per workplace job) – this differs markedly from the county average, where the opposite applies.</p>	<p>SITEC has been specifically designed to allow Stevenage's high growth and high wage businesses to recruit a higher proportion of employees from Stevenage, and not have to look elsewhere for labour.</p> <p>The curriculum will be designed to create an indigenous labour supply which has the skills to fulfill the growing demand for well-paid roles. By allowing residents to capture the benefits of growth in the local economy SITEC can help close the gap between resident and workforce incomes, whilst helping to retain talented young people within Stevenage, who currently will move elsewhere to access higher-level education opportunities.</p>
Lack of suitable modern space for growth	<p>Over the last 10 years, Stevenage has lost 67,000sqm of commercial floorspace and nearly 80% of this industrial.</p> <p>This lack of supply threatens Stevenage's potential to maintain its competitive edge, and particularly its ability to meet the demand that is coming from the life sciences sector – the Bioscience Catalyst alone is projecting the need for space for more than 2,000 jobs over the next 10 years.</p>	<p>SITIC will introduce 3,000m2 of high-value floorspace including teaching, laboratory, office, and conference areas tailored to meet the specific needs of engineering, Life Science, Biotechnology, Telehealth and Telecare, and Digital and Computing Innovation sectors.</p>
Responding to Town Opportunities...		
Opportunities	Scale of Opportunities	Project Contribution
National and international Gateway for UK PLC	Stevenage can be a critical asset to UK PLC. Located 45 minutes from 3 airports, 19 minutes by train to the capital. This connectivity and the existing international business community can help drive hundreds of millions of investments.	SITEC will help foster connections with high-value businesses, and contribute to the education and research infrastructure needed to attract and retain world class businesses in the digital age, and ensure local people have the skills they require.
Innovation hub, high growth potential and STEM city	<p>Stevenage sits at the heart of UK Innovation Corridor. The Stevenage Bioscience Catalyst (based on GSK campus) home to over 40 growing tech companies, has raised over £1.6bn of investment since 2012.</p> <p>Hertfordshire as a county is a magnet for science and technology professionals, hosting around 40,000 jobs, with employment in the sector is 50% higher than the national average.</p>	SITIC will deliver a range of relevant courses and apprenticeships to these innovative sectors. It will include space for collaboration between students and businesses, leading to further innovation and growth. Engaging businesses directly in the skills agenda will ensure that the skills that are provided are up-to-date and continuously aligned with the current needs in a fast-moving environment.

Untapped potential of Stevenage People	<p>Currently 54% of Stevenage jobs are taken by in-commuters, and the majority of the high value employment opportunities are taken by people from outside the area.</p> <p>There is the opportunity to reverse this trend by upskilling resident population, by increasing the proportion of students progressing from Level 3 to Level 4 Qualifications (58%) to nearer the national average (66%).</p>	<p>State-of-the-art education and business facilities will inculcate greater skills, innovation and enterprise in Stevenage learners, whilst increasing the overall quantum of higher-level skills provision within the town.</p> <p>This has potential to improve the average salary that Stevenage residents; and raise the aspirations and horizons of people living within the Town.</p>
Building wealth and reclaiming expenditure	<p>The town centre has the potential to be a UK top 100 town, and is subject to a vision to bring it back once was - a destination town centre with a combined retail, office, leisure and residential offer that will meet the needs not only of our residents but attract visitors and encourage our great industries and businesses to use it.</p>	<p>SITEC will be a landmark development, which will improve the mix of uses within the town centre. Approximately 500 students and teachers will bring new expenditure to local businesses and increase the vibrancy of the town centre, supporting the development of a more rounded and sustainable high street offer.</p>
Reviving Stevenage's Sustainable Travel Network	<p>Stevenage benefits from sustainable travel infrastructure as part of its original planning. 46-kilometres of cycle network enables travel throughout town. Its pedestrianised shopping centre was the UK's first. Ambitions for 'clean growth' and carbon zero commitments by 2030, create the opportunity for Stevenage to be a blueprint for sustainable urban travel connecting our businesses, residents and visitors</p>	<p>By creating a new town centre facility in a new location or by expanding the College campus, SITEC can be made easily accessible by active travel or by public transport. This can increase demand for and use of planned sustainable transport interventions and enlighten residents to the convenience and benefits of car-free transport.</p>

2.3 Strategic Alignment

The SITEC development is well aligned with national, regional and local (Stevenage) strategic priorities. In particular SITEC aligns with the Levelling Up National Mission of Raising skills, productivity and pay. The tables below highlight the significant contribution that SITEC will make to the delivery of strategic objectives at national, regional and local levels.

National Strategy / Policy Alignment

UK Levelling Up Strategy	
Objective	SITEC Alignment
Raising skills, productivity and pay across all regions.	Brings qualifications, apprenticeships and high value job placements.
Improve economic dynamism and innovation across all regions.	Provides cutting-edge interface between students and leading local businesses.
Raise economic growth across all regions.	Students, jobs, and flagship building with conference and dining facilities will boost spending in the town centre.
Create good jobs.	Provides cutting-edge interface between students and leading local businesses, aimed at increasing the number of local residents employed in high value roles.
Enhance educational attainment.	Cutting-edge educational facility focussed on enhancing educational achievement in Stevenage.
Renovate social and cultural fabric / restore local community spirit and pride.	Flagship building raises profile and esteem of Stevenage town centre, enhancing perceptions of Stevenage by residents, visitors and businesses.
National Industrial Strategy	
Objective	SITEC Alignment
The world's most innovative economy.	Provides vocational qualifications in cutting-edge subjects, as well as interface between students and leading firms.
Good jobs and greater earning power for all. Focus on technical jobs and STEM skills.	Brings qualifications, apprenticeships and high value job placements in STEM and technical areas.
Prosperous communities.	Flagship building will raise pride and profile. New students and jobs will boost local firms.
AI and Data Economy focus.	Courses in related digital disciplines offered.
Global Britain	
Objective	SITEC Alignment

Science and tech superpower by 2030.	Brings qualifications, apprenticeships and high value job placements in STEM and technical areas.
Life Sciences Vision	
Objective	SITEC Alignment
Outstanding business environment for life science companies.	Provides a pipeline of qualified and experienced talent for local life sciences businesses.
Make UK the best place in the world to trial and test products at scale.	Lab facilities onsite and STEM courses/ apprenticeships.

Regional Strategy / Policy Alignment

Hertfordshire Local Industrial Strategy	
Objective	SITEC Alignment
Improve productivity.	Qualifications and apprenticeships will raise productivity.
Spur inclusive growth.	Raising skills of local workers will lead to higher salaries and better local economic growth, enabling Stevenage residents to benefit from employment in the international businesses located in the town.
Reinvent town centres.	Flagship building will raise pride and appearance of Stevenage town centre, increasing footfall and spend.
Invest in digital and data analytics skills.	Offers relevant courses and facilities.
Enhance the role of the further education College within New Towns.	Expands the North Hertfordshire College offer. Brings qualifications, apprenticeships and high value job placements in STEM and technical areas.
Hertfordshire Skills and Employment Strategy	
Objective	SITEC Alignment
Develop partnership activity between employers and education to help young people successfully transition from education to the labour market.	Employer and education partnerships will be crucial to the success of SITEC. The facility will provide an interface between students and employers.
Increase the number of young people who undertake an apprenticeship pathway.	SITEC will provide 77 apprenticeships per year.
Enable employers to engage with their future talent – both young people and older workers.	SITEC will provide interface between students and employers and will facilitate 100 work placements per year.

Supporting employers to be at the heart of planning and delivery of skills and education programmes.	Local businesses will play a key role in the governance and operation of SITEC and curriculum design.
Develop our STEM workforce.	The SITEC curriculum is designed to meet the needs to local STEM businesses.
Supporting the growth of our Opportunity Areas such as Stevenage.	400 students and 100 direct and indirect high value jobs will bring demand to local area. A flagship building will raise profile of area.
Hertfordshire Strategic Economic Plan	
Objective	SITEC Alignment
Maintaining global excellence in science and technology.	Relevant courses, apprenticeships, work placements and facilities.
Re-invigorating our places.	400 students and 100 direct and indirect high value jobs will bring demand to local area. Flagship building will raise profile of area. Conference and dining facilities will attract business activity.
Ensure skills provision is linked to key sector opportunities.	Brings qualifications, apprenticeships and high value job placements in STEM and technical areas.
Unlocking Hertfordshire Recovery Plan	
Objective	SITEC Alignment
Enterprise and innovation to boost economic recovery.	Interface between students and firms encourages collaboration and innovation.
Skills and creativity to boost economic recovery.	Brings qualifications, apprenticeships and high value job placements in STEM and technical areas.

Local Strategy / Policy Alignment

Stevenage Central Framework	
Objective	SITEC Alignment
High design standards will be applied throughout. New buildings will be complimentary to, and respectful of, the best of the centre's New Town heritage.	Flagship building will complement aesthetic of town centre.
Stevenage Borough Local Plan	
Objective	SITEC Alignment

Maximise opportunities for economic growth within the town by supporting businesses.	Interface between students and firms encourages collaboration and innovation. 400 students and 100 direct and indirect high value jobs will bring demand to local area. Flagship building will raise profile of area.
Explore opportunities to increase footfall in the town centre.	Flagship building with conference and dining facilities will attract footfall. 400 students and up to 30 staff will increase footfall and spend in town centre businesses.
Tackle any negative misconceptions of Stevenage.	Flagship building will improve image of town centre and increase perceptions of residents, business and visitors.
Maintain the high-quality spaces we have and promote their use for a variety of activities.	Flagship building with variety of uses, including education, training, virtual reality suite, conferencing and dining.
Stevenage Community Strategy	
Objective	SITEC Alignment
Improve the local economy.	400 students and 100 direct and indirect high value jobs will bring demand to local area. Flagship building will raise profile of area. Conference and dining facilities will attract business activity.
Increase skills and employability.	Brings qualifications, apprenticeships and high value job placements in STEM and technical areas. Also provides interface between firms and students to encourage seamless transition into workplace.
Ensure clean and green spaces.	Flagship building is open and 'green'.

2.4 Vision and Objectives

2.4.1 Vision

North Hertfordshire College, in partnership with key businesses and industries in Stevenage, is proposing the development of a new Stevenage Technology & Innovation Centre, located in the heart of the town centre. This will give the College a direct town centre presence whilst integrating with the College's existing campus just to the south. A brand-new, purpose-built centre will offer a range of courses targeted to the needs of Stevenage's high-tech business community. It will provide an interface between local businesses and young people, facilitating transition from education to work and increasing the number of Stevenage residents working within the international businesses based in the town. The new building will make a significant contribution to the regeneration of the town centre, and the location of almost 500 students in the town centre will increase footfall and support town centre trade.

2.4.2 Objectives

Once completed in March 2025, the outputs the SITEC will deliver include:

- A brand-new, purpose-built innovation asset acting as an interface between the Stevenage's Technology Cluster and its education providers, to inspire the town's young people and encourage seamless progression from education to jobs in Stevenage's high value international businesses.
- Creation of a highly visible shop frontage for the College in Stevenage town centre or co-located on existing NHC facilities, adding to the Town Centre Transformation.
- An eye-catching modern building, raising the profile and appearance of the area and residents' pride in the town.
- 3000m² of high-value floorspace including teaching, laboratory, office, and collaboration/amenity areas.
- Tailored, designed teaching spaces targeted at key sectors (engineering, life sciences, health, biotech, digital) delivering space for 400 more student places in specialist courses and 100 more apprenticeships per annum.
- Creation of a USP asset for Stevenage.
- Modern office, conference and dining spaces for commercial use.
- Areas for collaboration between students and employers, facilitating a seamless transition from education to high-value careers in Stevenage's businesses.
- Signature SITEC project showcasing the partnership between Stevenage's public and private sectors; securing commitment and investment from Stevenage's international business community & reflecting DIT's classification of Stevenage as a High Potential Opportunity Zone.

2.4.3 Expected Outcomes

The Outcomes at this stage are indicative and modelled for Strategic Outline Case consideration; numbers will be refined as the full business case is developed. Once operating at its full capacity in 2028/29 SITEC could deliver:

- 468 students per annum enrolled on science, technology, engineering and health courses.
 - Level 3 (A Level equivalent): 308 students.
 - Level 4 (Degree equivalent): 84 students.
 - Level 5 (Post Graduate Equivalent): 76 students.
- 77 students per annum participating in science, technology, engineering and apprenticeships. Included within the total number of 468 students above.

- 100 students per year participating in work placements in science, technology, engineering and health sectors, in collaboration with leading national and international firms based in Stevenage.
- 50-100 direct and indirect new jobs, including staff at the centre.

The establishment of the new SITEC facility will also deliver:

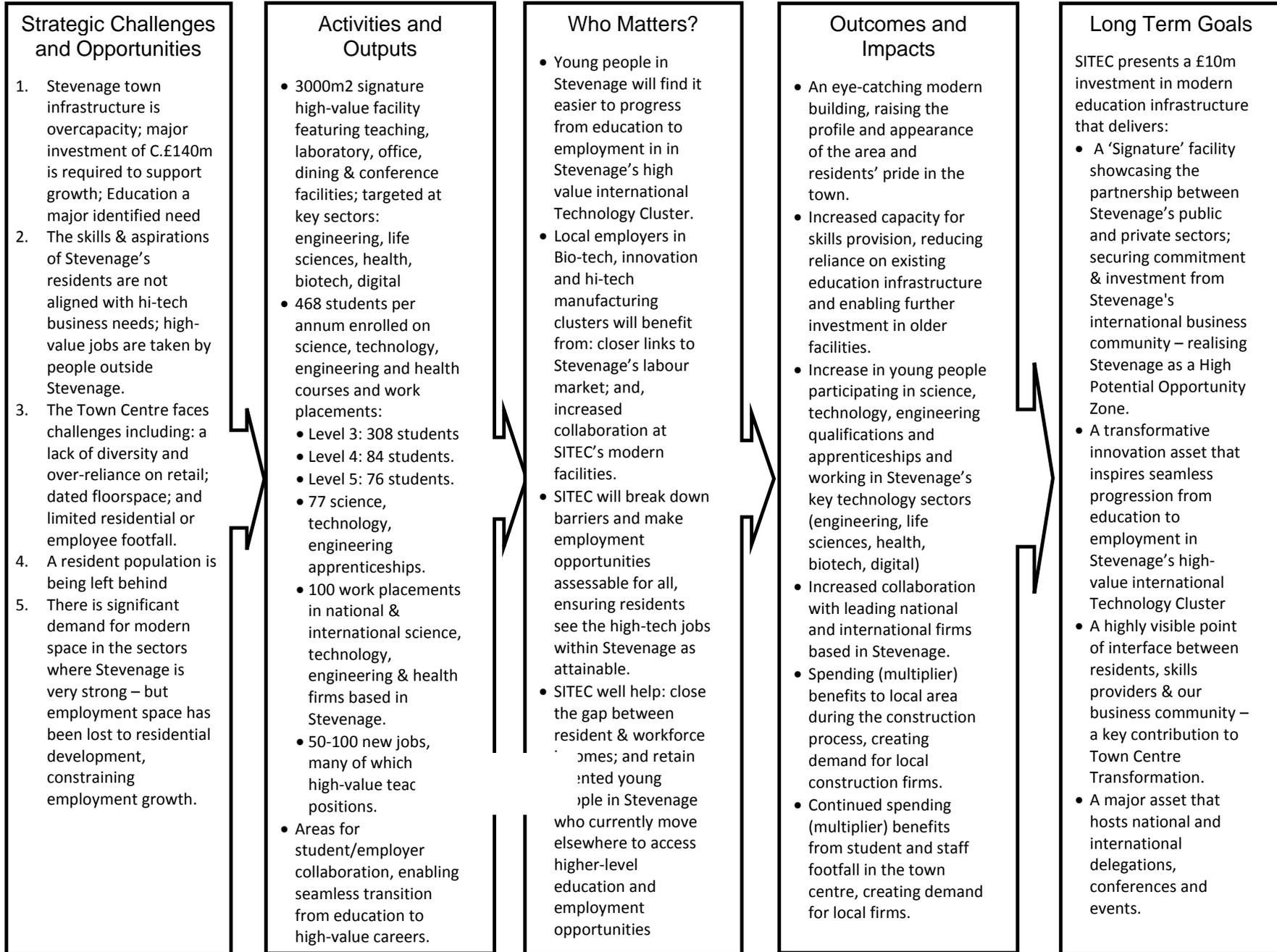
- Spending (multiplier) benefits to local area during the construction process, creating demand for local construction firms.
- Continued spending (multiplier) benefits from student and staff footfall in the town centre, creating demand for local firms.

2.4.3 Measures of Success

Successes to be measured and the method of measurement for each element of the project are summarised below:

Success Measure	Target	Timescale
Delivery of brand new, purpose built SITEC building in Stevenage town centre.	1 new facility op. 3,000m ² of floor space delivered.	2025
Total number of students on science, technology, engineering courses.	468 students	2028/29
No. of students on L3 science, technology, engineering and health courses.	308 students	2028/29
No. of students on L4 science, technology, engineering and health courses.	84 students	2028/29
No. of students on L5 science, technology, engineering and health courses.	76 students	2028/29
No. of students on apprenticeship programmes in science, technology, engineering and health courses.	77 students	2028/29
No. of students participating in work placements with Stevenage businesses.	100 per year	2028/29
Number of Stevenage businesses supporting SITEC through work placements or other activity.	50	2028/29

2.5 Project Theory of Change



2.6 Stakeholders

2.6.1 Key stakeholders and their role or interest in the project are listed below.

Stakeholders	Comment
Stevenage Borough Council	SITEC provides a key asset in town centre transformation and underpins the future growth of high technology sectors in Stevenage in a way that secures greater employment and income benefits for local residents.
North Hertfordshire College	SITEC enables the College to benefit from a contemporary skills facility in the heart of Stevenage town centre that expands the curriculum into technology focused courses and enables the College to forge progression partnerships and collaboration that meet the needs of local employers.
Major employers / Innovation business community	Major Stevenage employers will benefit from access to skilled labour and increased collaboration with further and higher education. Sectors include: Engineering, Life sciences, Biotechnology, Telehealth and Telecare, Digital and Computing Innovation and Advanced Construction Skills. Catapult and innovation centres; technology networks will also benefit from a visible, modern, signature facility in the centre of Stevenage.
Young People	Young people in Stevenage will have a better choice of courses and progression routes linked to employment opportunities in Stevenage's technology sectors. This will help raise aspiration attainment and income levels of young people in Stevenage.

2.6.2 Stakeholders Engagement

Residents' perception of their town is one of the driving forces for regeneration in Stevenage. The 2017 residents' survey highlighted that 72% of residents placed 'A regenerated Town centre and Leisure park' as the top priority, which was further evidenced by 54% residents dissatisfied by the current town centre offer. These figures highlight how residents recognise the poor and ageing infrastructure, the need for rejuvenation and investment, and the desire for their historic status and pride to be restored to their town. Engagement has focussed on ensuring that residents and other key stakeholders have a space to receive regular updates on projects as well as having the ability to have a dialogue regarding the future of their town. Engagement has utilised multiple formats; from school visits, business network It is from this foundation work that we have managed to build and collate a broader picture, beyond just the MyTown feedback, and use this to form our values, themes, propositions and priority projects, including SITEC.

From the 967 recorded responses from a wide range of digital engagement (utilising social media other related platforms) the key themes emerging from residents, business and community groups include: creating a vibrant town centre offer that is a destination for all and creating aspiring communities and opportunities that create a lasting legacy. SITEC will help respond to both these themes. The Council's dedicated Visitor Centre in Town Square was initially open to the public to review proposals. Since Covid restrictions were introduced a 'virtual visitor centre' has enabled continuity of engagement to reach residents of all ages and abilities.

Engagement with businesses has taken place through a number of project based consultations. Over the last three years, this has included the Local Plan, SG1, and more recently, the Bus Interchange. Roadshow events have also been held showcasing SITEC alongside other projects. We will continue this engagement with residents and stakeholders throughout development and delivery of SITEC with a continued emphasis on digital platforms, moving back to including physical consultation methods as

Covid-19 restrictions ease in the future. We envisage this work will include public webinars; updated content for our social media platforms and virtual visitor centre and holding zoom forums.

A key commitment of the engagement plan is to include the views of harder to reach parts of the community. The Council has a “Youth Council” that operates in parallel to the main Council, including a Youth Mayor, and we will ensure that SITEC proposals are shared with the Youth Council as they develop.

2.7 Options Under Consideration

At this stage of the development of the SITEC project, two options for its location and construction are being considered.

Option 1:

A New Build on a central town centre site within the Stevenage Central Framework Zone.

Pros

- Maximises regenerative impact of new building on town centre.
- A brand-new, purpose-built town centre asset.
- Creation of a highly visible shop frontage for the College in Stevenage town centre.
- Higher land value uplift impact.

Cons

- Higher construction costs.
- Significantly Increased operational costs as a standalone site.
- Limitations on curriculum portfolio due to building footprint.
- Unsecured match funding and development site



Option 2:

Extension of the existing current College campus buildings with addition of a new SITEC building adjacent and linked to the existing Da Vinci building.

Pros

- Significant efficiencies generated from operating across a single site, including the benefit of sharing the College's existing campus infrastructure and operational staff efficiencies.
- Potential for lower construction and operating costs

Cons

- Although the College site is located within the Stevenage TIP boundary, it is not located within the Stevenage Central Framework Zone, which is a focus for the Stevenage TIP investment.
- Lower impact on town centre regeneration.
- Less direct town centre footfall.
- Lower land value uplift impact.



As part of the continued development of the SITEC business case, through the OBC and FBC stages, the potential options for the development of the facility will be fully explored and assessed, so that the most beneficial and cost-effective option can be taken forward.

The criteria used to score and assess the options will be:

- The degree to which the option meets the Stevenage Town Improvement Plan ambitions.
- Site characterises and constraints.
- Contribution to the regeneration of the Stevenage Central zone.
- Scheme viability / efficiency.

ECONOMIC CASE

3. ECONOMIC CASE

3.1 Introduction

This economic case defines: the benefits from the identified scheme and how they will be realised; the geographical scale of the benefits using place-based analysis; and, how the how benefits estimated link to the theory of change and strategic case. Indicative quantified benefits have been calculated based on current information, and an assessment made of non-quantifiable benefits. The economic case indicates which benefits have been monetised and how these will be generated year-by-year. Factors such as additionality, deadweight and displacement of benefits and double counting have been considered as have distributional impacts.

3.2 Approach to the Economic Case

3.2.1 Options to be Considered at FBC Stage

As set out in the Strategic Case, the preferred option for the scheme is still to be evaluated. A budget envelope of £10m was agreed within the Town Deal submission, and this is defining the scale of the centre that can be designed and delivered. Discussions with North Hertfordshire College have confirmed that they believe that they can run an appropriate curriculum within a 3,000m² building, although their preference would have been for a 4,000m² building co-located on the College current estate. Given this, it has therefore not been considered appropriate at OBC stage to test options for larger or smaller centres. Therefore, the three options that have been considered for economic appraisal at this stage are:

1. No Town Deal Investment in SITEC
2. Town Deal investment in SITEC - new build in central Town Centre Location as part of the Station Gateway Development.
3. Town Deal investment in SITEC - extension of existing College buildings.

The costs of options 2 and 3 are both currently estimated to be £10m.

3.2.2 Methodology: Options Assessment

A series of criteria will be used to select the preferred option from the two site locations, and a scoring assessment will be worked up at FBC stage. Four key criteria have been identified:

1. Contribution to STIP ambitions;
2. Site characteristics;
3. Contribution to Stevenage Central Regeneration Plan; and,
4. Viability and efficiency of operating the SITEC.

Within these four headline criteria, sub-criteria will be used to capture the extent to which the sites meet the requirements for the project. A scoring assessment will be undertaken to assist the identification of the preferred site option.

3.2.2 Methodology: Benefits Assessment

There are a range of national and local level benefits (land value uplift, labour supply impact, skills benefits and jobs and gross value added (GVA)) that the project will deliver, including 'direct' impacts observable at the project site and 'spillover' impacts achieved on wider town performance.

An overview of these national scale and local-level impacts associated with the development of SITEC in both locations is provided below.

National-Scale Impacts

Direct Land Value Uplift (LVU) Impact

The Existing Use Value for the site of SITEC in both town centre and College campus site (both currently in car park use) will need to be assessed. At this stage it has been assumed that investment in the centre would directly increase the value of both sites. On completion, it is estimated that the new SITEC building itself would be valued at £10m, based on an appropriate Direct Replacement Cost (DRC) / Contractor's method of valuation for an asset that is designed for the delivery of upskilling.

Based on this valuation, an indicative estimate for the net direct LVU impact of £6.91m (Net Present Value) has been assessed for SITEC, (excluding existing use value). This includes allowance for discounting and a prudent displacement adjustment (-25%). Displacement has been assumed to be relatively low given the additionality that the SITEC will bring to advanced skills provision within Stevenage, given the clear need to increase skills levels within the town.

Spillover Commercial LVU Impact – To be quantified at FBC stage

The project will ultimately form an integral part of a package of Towns Fund investment projects, accompanied by significant private investment, designed to attract new footfall and drive spending in the town core, with 'spillover' effects on values among existing town centre commercial assets expected. At FBC stage, properties within an appropriate walking distance of the town centre will be mapped and locally sourced property yield and occupancy rate adjustments then made to known rateable values to derive estimates of current town centre commercial values.

Reasonable adjustments will then be made to current yields to reflect a view on the effects of expected increased economic activity and placemaking benefits following the delivery of the STIP programme with yield adjustments made. Based on vacancy rate evidence, an increase in occupancy rates within the town centre may also be assumed, and a proportion of this attributed to the impact of the development of the SITEC. Judgements will need to be made as to whether development at the Station Gateway Site will lead to higher levels of attribution than at the College Campus Site.

Spillover Residential LVU Impact – To be quantified at FBC stage

Improved local economic performance, alongside a much strengthened and more resilient Stevenage town centre will ultimately improve the offer and reputation of Stevenage as a place to live and the Towns Fund projects, including SITEC, will all have a role in improving house price performance locally. Improved wage rates among SITEC learners and their retention within Stevenage given access to high value jobs within the key businesses that drive Stevenage's high-tech and science-based economy may also contribute to this.

The extent of 'spillover' housing market impacts can be considered at two-levels – a short walk from the town centre and at town and hinterland level. The number and type of dwellings in defined impact areas will be mapped by respective housing type with current residential house prices applied.

As with commercial spillover, at FBC stage, an appropriate attribution of SITEC's contribution to the STIP programme impact on the local housing market will be taken, and a displacement deduction made.

Labour Supply Impact – Skills Linked

Upskilling at SITEC will over 10-years increase the employability of around 250 individuals per year (from 60 in the first year of operation, to 290 after five years), thus encouraging improved labour supply

and better access for Stevenage resident to employment growth locally. Without the SITEC development, it is considered likely that around 10% of the students who will now benefit from SITEC's improved skills provision would not otherwise have been engaged in the labour force.

This provides a mechanism for estimating a reduced welfare cost to the UK Government and is now a generally accepted benefit stream that can be monetised based around welfare savings. To estimate this a benchmark ONS GDP per entry-level FTE job for Stevenage district has been applied to determine the overall GDP generated by the 10% of learners who will now be encouraged into employment over SITEC's first 10 years. Prudent adjustments for deadweight (25%) and displacement (25%) have then been made to estimate 'net' GDP returns. These adjustments reflect a mix of learners who would otherwise study elsewhere and some displacement of job opportunities within the labour market.

In line with accepted WebTAG methodology, 40% of GDP can be claimed in welfare-related impacts. Over ten years this is estimated to have an impact of £11,039,912 (NPV).

Move to More Productive Jobs Impact

The remaining 90% of SITEC qualifiers are likely to experience an uplift in wages due to upskilling. The marginal wage returns achieved through a shift in qualification by level and type can be monetised based on Hull College Group research. Therefore, for these learners, the appropriate benchmarks for the wage benefits of their additional qualifications have been applied over a ten-year period to estimate the gross wage uplift due to SITEC within the Stevenage economy.

Again, deadweight (25%) and displacement (25%) adjustments have been made and in line with WebTAG, 30% of the improved wage rates have been claimed as exchequer benefits (tax take). The net present value of these benefits is estimated to be £5,968,472.

Amenity Impact – To be quantified at FBC stage

The project may radically improve the look and feel of a prominent site, and alongside the delivery of the SITEC building, assuming ancillary greenspace and supporting public realm will also be provided. These benefits can be estimated when more detailed plans for the scheme are confirmed.

MHCLG Appraisal Guide benchmarks for amenity impacts per ha of urban public realm can be applied annually over the appraisal period any proposed public open space. Current low-quality public space may carry some low amenity value therefore deduction will be made to reflect some lost amenity value.

Distributional Impacts

Distributional impacts are being allowed within the business cases prepared for Town Deal investments and are in line with HM Treasury Green Book Guidance. This reflects the additional value that investment in different geographies of the UK can have on local economies, reflecting regional inequalities and hence the Government's policy drive for Levelling-Up. As a proxy to monetise this, the acted method is to use differentials in disposable household incomes. Median average Gross Disposable Household Incomes in the district of Stevenage are around £1,900 lower than the England average (ONS, GHDI per head, 2019 data), a deficit of 9% on national levels.

This not only demonstrates the need for 'levelling up' locally, but it also suggests that redistributive effects will be present on completion of SITEC, coupled with the delivery of the full STIP and Stevenage Central Regeneration Programme.

At a project level, weighting for distributional impacts have been applied to all national-scale welfare benefits (labour supply and move to more productive jobs impacts) assessed based on a multiplier of 1.12 (derived from the 9% deficit in incomes). Note, this also includes an adjustment to the power of 1.3, as per the HMT Green Book suggested elasticity of marginal utility of income.

Local-Level Impacts

Gross and Net Employment Impacts

The project will directly support local construction activities directly. The assessment of gross construction job years will be based on an ONS turnover per construction job estimate for the East of England and net estimates derived through adjustments to reflect local level leakage, displacement and induced employment effects. Note, direct investment to deliver the project is expected to support construction job years 'directly' and 'indirectly' in the supply chain, so only an induced multiplier will be applied.

When delivered, operational staffing of SITEC alongside will also bring new longer-term FTE job opportunities within the local labour market, with gross FTE job estimates provided by North Hertfordshire College. Again, prudent adjustments for leakage, displacement and indirect and induced effects will enable net operational FTE jobs within the Stevenage districts labour market to be assessed.

In helping to drive new spending in Stevenage, the project also has potential for support further FTE jobs across the town centre, although for prudence, no attempt has been made to monetise wider expected spend-related FTEs supported through the project.

Cumulative Net GVA Impacts

Modelling of cumulative net GVA returns within the local economy from construction activities and longer-term SITEC operational FTE jobs have been completed to estimate the expected impacts to Stevenage district's economy, assuming a 10-year persistence period.

Relevant ONS GVA per FTE benchmarks for Stevenage by sector have been used to monetise local level GVA returns, reported in cumulative and NPV terms.

3.3 Economic Benefits

3.3.1 High-level Assessment

The tables below set out the possible scale of impacts of SITEC given current knowledge of the project. As noted above at FBC stage additional benefits can also be quantified to give a more complete assessment of the overall benefits of the project. At this point the benefits of option 2 and 3 are estimated to be the same, however the location of centre will affect the levels of spillover LVU and amenity impact attributable to the scheme.

National-Scale Impacts

Indicative Assessment of Net Benefits, NPV – National Level	
Direct LVU	£6,814,121 (To be reassessed at FBC stage)
Spillover LVU (Commercial)	To be determined at FBC Stage
Spillover LVU (Residential)	To be determined at FBC Stage
Amenity Impact	To be determined at FBC Stage
Labour Supply Impact - Skills-related	£11,039,912
Move to More Productive Jobs - Skills-related	£5,968,472
Distributional Impact	£2,969,631
Total net benefits (NPV) quantified	£26,792,135

Local-Level Impacts

Indicative Assessment of Local Benefits	
Gross Construction FTEs	5
Net Construction FTEs	2
Gross Operational FTEs	50
Net Operational FTEs	46
Total Gross FTEs	55
Total Net FTEs	48
Cumulative GVA	£24,225,570
GVA at NPV	£19,083,190

3.4 Economic Costs

The overall financial cost of the facility is aimed at £10,000,000, of which £8,000,000 will be from the public purse.

To derive the economic costs, a likely profile of delivery costs has been discounted at 3.5% per year using the HM Treasury Discount Rate. Finally, an allowance for Optimism Bias has been included and applied to public costs.

The upper-end allowance for OB included for non-standard buildings in the HMT Green Book Supplementary Guidance is 51%, in practice much of the OB can be mitigated away based on a range of factors including local political will, the existing control of the site and some certainties over site conditions. For this initial assessment, OB on public sector costs has been maintained at 51%, reflecting the uncertainties surrounding the project.

On this basis, the present value real term public sector economic cost for both options are estimated at £11,086,139 (with OB inclusions), note total gross public sector investment is £8m given £2m private sector contribution. This will need to be confirmed at FBC stage.

3.5 Value for Money Assessment

An initial assessment of the Value for Money (VfM) presented by the project has been completed at national level to illustrate the scale of the Benefit Cost Ratio (BCR) that can be achieved.

Currently the project appears to deliver good Value for Money (VfM) with a **headline indicative BCR of 2.25 : 1 nationally**.

This is positive given that additional benefit streams will be included at FBC stage, including spillover land value uplift and amenity value, and that optimism bias should be better mitigated with a more fully developed cost estimate.

Alongside the central BCR estimate, a number of sensitivities should also be included at FBC stage within the economic modelling to assess the impact of potential risks to the project's return on investment. The main risks to the delivery of SITEC include: (a) lower than expected end values achieved, and lower job, labour supply and LVU outcomes; (b) the potential for delays associated with the delivery of the project (delivery risk etc.); and (c) higher levels of national scale and local level displacement.

Based on these main risks, three potential scenarios could be considered for modelling at FBC stage:

- Sensitivity 1: -25% LVU, LSI, Distributional and Longer-term FTE job outcomes

- Sensitivity 2: Two-year delivery delay
- Sensitivity 3: +10% displacement of jobs and LVU

3.6 Non-Monetised Benefits

Alongside monetised impacts, the SITEC project has the potential to deliver a range of wider ‘non-monetised’ impacts. Whilst these less tangible impacts have been excluded from any monetised appraisal results, they nevertheless indicate important additional likely beneficial outcomes from SITEC.

The range of wider economic and social impacts include:

- **Delivering a signature asset in the centre of Stevenage to encourage better integration and innovation between Stevenage businesses and skills providers**, including more direct access to employment opportunities and the high-value jobs being created within Stevenage’s high-value engineering and science-based industries.
- **Increasing young people’s aspirations, achievement and pathways to high-value employment.**
- **Inducing Wider Productivity Improvements** – brought about through effective agglomeration, knowledge-transfer and dynamic clustering which will enable improved business-to-business networks and commerce. A recent example being Autolus’s £65m global headquarters (gene and cell therapies) located in the heart of Stevenage town centre.
- **Improved Image Value** – demonstrated in the contribution that SITEC will make Stevenage’s identity, prestige, vision and reputation, and potential as a catalyst investment within Stevenage.
- **Complementing Regeneration and Place-Shaping** – improving the viability of wider planned public and private-led schemes across the town centre, including other forthcoming STIP and other regeneration schemes.
- **Improved Town Centre Connectivity and Safety** through the delivery of a new modern asset that will better connect the town centre and Stevenage’s high-value businesses currently located on the edge of the town centre.
- **Delivering Social Value** – SITEC can reinforce civic pride and encourage social inclusion and interaction, supporting improved health and wellbeing outcomes.
- **Promoting Competitiveness** – by increasing the proportion of Stevenage residents with higher-order skills, enabling better access to high-tech and science-based jobs within Stevenage’s high value engineering and science industries, this should generally improve Stevenage’s appeal for inward investment in these industries.
- **Increase the scope and range of courses provided by North Hertfordshire College**, strengthening the opportunities for collaboration between the College, Stevenage’s businesses and Hertfordshire’s (and potentially wider) higher education providers.

FINANCIAL CASE

4. FINANCIAL CASE

4.1 Introduction

This section sets out the financial case for the project first describing the approach and funding options, details of the build-up of costs, proposed funding and an affordability assessment.

The construction and fit out budget for the development of SITEC is £10m.

4.2 Approach to capital cost estimate

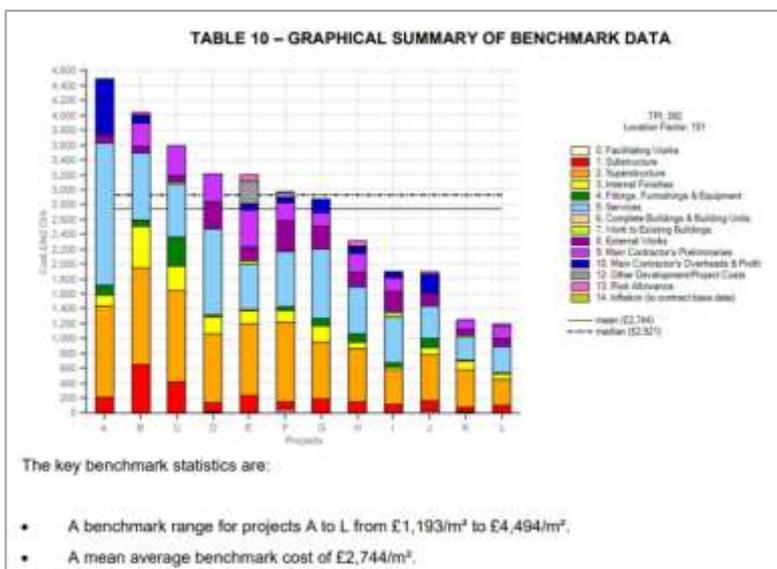
4.2.1 Indicative Costs Analysis (Capital Costs)

Stevenage Borough Council commissioned Gleeds Cost Management Ltd. to undertake initial costings from feasibility designs developed by Barton-Wilmore Architects. Costs are based on the two possible site options and the functional and spatial requirements for the operation of the centre provided by the College.

The proposed GIA of the centre is 3,072m², based on a build cost of £3,255.40/m².

Gleeds have benchmarked across twelve similar further education developments, showing costs across a very wide range from £1,193/m² to £4,494/m². Gleeds have presented the following table of their recommended cost benchmarks for the SITEC development. Their benchmarks were as follows:

	Benchmark Rate (£/m ²)
Lower Quartile	£1,728.00
Mean	£2,744.00
Upper Quartile	£3,707.50
Gleeds' own rate	£3,972.60
Highest	£4,494.00



To arrive at an appropriate build cost rate for the SITEC, a mid-point has been taken between Gleeds' own rate of £3,972.50/m² (understood to be cautious judgement given movement during 2021 of build cost prices), and the mean rate of £2,744/m².

This suggests an appropriate mid-point rate of £3,255.40/m², equating to a build cost budget of £10m on a building 3,000sqm in size.

GENECON have also recently worked on a very similar development in another local authority area in the North East of England where the scheme cost was estimated at £3,180 per m² GIA.

4.2.2 Funding Profile & Scheduling

To meet the costs of the £10m SITEC development, the following funding contributions have been identified. The £5m Town's Fund allocation is confirmed, subject to FBC approval. However, work remains to be done to secure confirmation of the funding from the Hertfordshire LEP and to identify funding from local businesses engaged in SITEC development and future operation. Discussions will continue through 2022 as part of work to develop the FBC to agree the match funding contributions alongside the Town's Fund investment.

Funding Profile	22/23	23/24	24/25	Total
Stevenage Towns Fund	£1.5m	£1.5m	£2m	£5m
Hertfordshire LEP	£1.5m	£1.5m	-	£3m
Private sector	£0.5m	£0.5m	£1m	£2m
Total	£3.5m	£3.5m	£3m	£10m

Assumes Opening for September 2024

4.2.3 Indicative Operating Costs & Income Analysis

Working with local businesses, North Hertfordshire College has developed an indicative curriculum that could be offered through SITEC and has projected student numbers on each course. The student numbers, shown below, have been used as a basis for the outline figures. Note that additional match funding would be required to provide the Health courses, and the final mix (to be developed as part of the full business case) will be refined based on the confirmation of a site and building size.

Sector	Course	Delivery	Year 1	Year 2	Year 3	Year 4	Year 5
Health & Healthcare Science	Level 3 T Level in Health Year 1	Classroom-based	32	32	34	34	36
	Level 3 T Level in Health Year 2	Classroom-based	0	28	28	30	30
	Level 4 HNC/Higher National Qualification in Health	Classroom-based	12	14	16	16	16
	Level 5 HND/Higher National Qualification in Health	Classroom-based	0	10	12	14	14
	Level 3 Senior Healthcare Support Worker Year 1	Apprenticeship	8	8	10	10	12
	Level 3 Senior Healthcare Support Worker Year 2	Apprenticeship	0	6	6	8	8
	Level 5 Healthcare Assistant Practitioner Year 1	Apprenticeship	8	8	10	10	12
	Level 5 Healthcare Assistant Practitioner Year 2	Apprenticeship	0	6	6	8	8
	Level 3 Diploma in Healthcare Support	Classroom-based	12	14	16	16	16
	Sub-total		72	126	138	146	152
Science	Level 3 T Level in Science (Laboratory)	Classroom-based	18	22	26	30	32
	Level 3 T Level in Science (Laboratory)	Classroom-based	0	14	18	22	26
	Foundation Degree in Applied Science Year 1	Classroom-based	0	12	14	16	18
	Foundation Degree in Applied Science Year 2	Classroom-based	0	0	10	12	14
	Level 5 Technician Scientist Year 1	Apprenticeship	0	5	5	5	5
	Level 5 Technician Scientist Year 2	Apprenticeship	0	0	5	5	5
	Level 5 Technician Scientist Year 3	Apprenticeship	0	0	0	5	5
	Sub-total		18	53	78	95	105
Digital	Level 3 T Level in Digital Year 1	Classroom-based	45	50	55	60	65
	Level 3 T Level in Digital Year 2	Classroom-based	0	40	45	50	55
	Level 5 Diploma in Web Development	Classroom-based	10	10	12	12	15
	Level 4 Data Analyst Year 1	Apprenticeship	5	7	9	11	13
	Level 4 Data Analyst Year 2	Apprenticeship	0	4	6	7	9
	Sub-total		60	111	127	140	157
Sustainable Design, Planning & Build	Level 3 T Level Design, Survey & Planning Year 1	Mixed	12	12	14	14	16
	Level 3 T Level Design, Survey & Planning Year 1	Mixed	0	10	10	12	12
	Level 4 HNC/Higher Technical Construction Year 1	Mixed	10	12	12	14	14
	Level 5 HND/Higher Technical Construction Year 2	Mixed	0	8	10	10	12
	Sub-total		22	42	46	50	54
SITEC Total			172	332	389	431	468

Revenue Model – Operating Income and Costs

Based on its current staffing and other operational costs, the College has estimated the future income and running costs of SITEC from the student numbers and proposed curriculum offer. This analysis demonstrates that running the centre could be viable, but further work will be required at the full business case stage; additional costs (e.g. rent) would pose a challenge to running the centre in a sustainable manner, and a sensitivity analysis on potential income will need to be carried out.

COMMERCIAL CASE

5. COMMERCIAL CASE

5.1 Introduction

This section describes the potential commercial options and supporting rationale for delivery of the project model, taking account of the existing commercial strategy of Stevenage Borough Council. Based on this analysis a review of the procurement route options is presented and a preferred procurement strategy is outlined. The proposed procurement process, including key milestones, and processes for assurance and approvals are then set out.

5.2 Procurement Strategy

5.2.1 Procurement options

A range of procurement options exist for the development of SITEC and these will be thoroughly reviewed during business case development.

Potential options for procurement include:

- Grant funding to a lead stakeholder, enabling them to directly procure the construction of the SITEC centre.
- A separate legal entity that includes key public and private sector partners is established to act as the contracting party for the development.
- One or more of the parties enters a partnership with a developer to construct and / or operate the new facility.

A decision will also need to be taken whether to contract the development as a single design & build contract or as separate contracts for design and construction phases. A combined contract offers benefits in terms of contractor knowledge and continuity; however, separating the design and construction elements may allow design work to begin sooner.

The commercial/procurement options available for SITEC will be assessed to determine the most cost effective and tax efficient procurement approach. The final procurement approach will be agreed and signed off by the Town Deal Board at the OBC stage. Procurement will begin during the development of the FBC for the project and the construction contract(s) will be signed as soon as possible after FBC approval.

Contracting arrangements will minimise the risk of cost-overruns, e.g., through the use of a fixed price contract, retentions and agreed change-management procedures. However, in determining the most efficient procurement process, agreement will need to be reached regarding how any cost over-runs for the project will be managed and which organisation(s) will share responsibility for these.

Alongside procurement for the construction and fit-out of SITEC, decisions will need to be made on the ownership and occupation of the land and buildings post construction.

A. Land / Site Ownership and Occupation Options

- Land is sold or transferred to a lead body.
- Land remains current ownership and is leased on a long-term lease to a lead body at an affordable rent, which may be a peppercorn.

B. Building Ownership and Occupation Options

- Once constructed, the building is owned by a lead body.
- Once constructed, the building remains current land ownership and is leased on a long-term lease to a lead body. Whether or not the building is to be leased at a peppercorn rent or otherwise will need to be decided between the partners and agreed at FBC stage.

5.2.2 Procurement Process, Milestones, Assurance and Approvals

Initial procurement support will be provided by Stevenage Borough Council's Procurement, Legal and Finance teams. SBC will ensure that all procurement related to the SITEC project follows public procurement procedures and complies with public procurement law (s35 Local Government Act 1972 plus current OJEU regulations).

As part of the procurement process, appropriate due diligence will be undertaken on the main contractor for the scheme.

It will be the responsibility of the main contractor to appoint sub-contractors. Contractual arrangements will ensure that the risks associated with sub-contractor appointment are the responsibility of the main contractor. The main contractor will be contractually required to undertake appropriate due diligence on sub-contractors to ensure they:

- Have good financial standing.
- Have good reputational standing.
- Adopt safe working practices.
- Are properly insured.
- Have the capacity and experience to deliver high quality work.

As part of the Council's Social Value Procurement Policy, the main contractor will be required to maximise the use of the local supply chain and local contractors from Stevenage and the wider region.

Procurement for the SITEC development will be undertaken in line with Stevenage Borough Council's Corporate Procurement Strategy, which is based on the following foundations:

Community Wealth Building

This focuses on keeping money reinvested in Stevenage to promote opportunities for SME's, Employee-Owned Businesses, Social Enterprises and other Community based or Owned Businesses within the Borough which will support the aim of locally recirculating wealth in the area.

Sustainability

Tackling climate change and improving sustainability must be a key foundation for all procurement activity. By harnessing the Council's purchasing power, procurement can help combat climate change and reduce carbon emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity.

Social Value and Ethical Procurement

Social Value involves looking beyond prices of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social Value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'

Commercial and Insourcing

The Council will continue with its commitment to use in-house services to deliver council operations, and insourcing will be the council's default position, other than when there is sufficient evidence that this is not an option. All services provided to, or on behalf of the council by external suppliers or third parties will be reviewed to establish if an opportunity exists to enhance service delivery or achieve better value by delivering services directly.

Pro-active Procurement

The Council's Corporate Procurement team provide support that delivers better procurements to develop knowledge and intelligence, supporting the delivery of the Council's ambitions. The procurement process spans from the pre-market engagement, preparation, the tender and award and through to the final stage of contract management. The Council expects to form a pro-active approach at all stages in the procurement cycle taking

Stevenage Borough Council's Contract Procedure Rules require that the weighting or social value in the procurement must be a minimum of at least 10% of the overall score. Bidders for the SITEC contract(s) will be expected to set out their approach to social value and their contribution to the following key themes:

Stevenage Borough Council Social Value Themes
• Promote Local Skills and Employment
• Supporting Growth of Responsible Regional Business
• Healthier, Safer and more Resilient Communities
• Decarbonising and safeguarding our world
• Promoting Social Innovation

The Council uses a social value system, the Social Value Portal, to ensure social value is captured at procurement stage and then delivered through contract management. Bidders will be required to enter quantifiable social value targets onto a Social Value Portal. This portal will be used to monitor the contractor's delivery of social value outcomes throughout the period of the contract.

MANAGEMENT CASE

6. MANAGEMENT CASE

6.1 Introduction

This section sets out the proposed arrangements for Project Organisation and Governance, which are based upon the approach and experience of SBC in delivering similar projects. The approaches to oversight and approvals and to assurance and the assurance plan are described.

The scope of the project and its key elements are described along with the approach to specifying and managing requirements, the interfaces with third parties and related management approach and the approach to solution development, confirmation management and acceptance.

The structure of the project programme and principal stages and workstreams and related timescales are set out, making reference to interdependencies with rest of TIP projects.

The key milestones and key decision points, assurance, consents, approvals are summarised. Constraints and assumptions are then summarised and the most likely forecast completion date stated.

This section also elucidates on the approaches to risk and opportunities management, project management, stakeholder engagement and benefits, monitoring and evaluation.

6.1.1 Track Record of Delivering Similar Projects

Stevenage Borough Council has a strong track record of delivering projects and is working collaboratively with partners to increase momentum to regenerate the town centre. In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the six Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre.

6.2 Project Organisation and Governance

6.2.1 Governance Structure, Roles and Responsibilities

There is a very well-established two-tier governance system overseeing the delivery of the programme of projects delivering regeneration in the town centre. The Town Development Board operates a Strategic Steering Group, which sets the vision and direction for the Town Investment Plan funding. The Board includes a number of local leaders from key sectors and businesses, including:

- companies such as Airbus, MBDA, Wine Society and Groundwork East;
- all tiers of local government and Hertfordshire LEP;
- community sector;
- education sector including North Hertfordshire College (FE) and the University of Hertfordshire;
- others such as the local NHS Trust.

The Town Development Board will continue to monitor the progress of the programme of Town Investment Plan projects.

Stevenage Borough Council (SBC) will be the accountable body for all Towns Fund expenditure. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value of over £60m. SBC will be supported by both the County Council and the LEP. The LEP has considerable experience of major programme management (BEIS/MHCLG Getting Building Fund, Growth Deal and Growing Places funding). The LEP approves and monitors its projects using an Assurance Framework and this will be utilised for administering Town Deal.

At FBC stage, the partners will need to agree whether SITEC's governance falls under the College's existing governance framework or whether a separate board or sub-board needs to be established between partners underpinning this project as a collaborative enterprise between the College and Stevenage's businesses, perhaps reporting up to the College's governing body.

6.3 Project Management & Assurance

SITEC will be delivered by public partnership. However, there will be strong support from the private sector as it is deemed that this facility will help them meet their workforce and training needs by creating a pipeline of students beginning a pathway to careers in local businesses. How the delivery of SITEC will be managed is dependent on decisions still to be made by key stakeholders concerning project delivery. The options to be considered include:

- A key stakeholder taking the lead for delivery of the project, and managing the construction of the project, with an operator to be selected/procured
- A consortia of key stakeholders working together as a joint entity to oversee the delivery of the project, with an operator to be selected/procured
- An operator taking direct control of the delivery of the project, with construction and operation under process

In any scenario, the detailed implementation of the project will be set out in a comprehensive delivery plan. This will schedule all activities from project inception, through design, costing, approvals, construction activity through to completion and handover. It will build in necessary ongoing stakeholder liaison processes. Governance structures already in place ensure there is responsibility for overall control of the scope and progress the project and for putting in place the necessary assurances.

The project delivery team will act as the key vehicle for liaising with the parties such as neighbouring uses, the site developer and contractor for the public realm works. As mentioned above the control mechanisms will be built into the contractual process for the developer and contractor and a regular process of monitoring will assure that contract compliance and remedial actions where this is not achieved. The delivery team will also take responsibility for regular liaison with statutory authorities for planning and other consents required throughout the development process. A further dimension is the initial consultation and ongoing liaison with neighbouring uses so that the public realm proposals and any issues that are likely to arise during the implementation phase are dealt with in a satisfactory and cooperative manner.

Approach to Assurance

All proposals and business cases will go through a transparent and robust application and scrutiny process, based on three simple principles:

- Robust interrogation to maximise value for money and ensure outputs and outcomes are deliverable and achievable.
- Streamlined and efficient process, utilising private sector partners, to ensure pace of delivery is maximised.
- Transparency and openness, with the process and framework published (without prejudice to commercial confidentiality).

Integrated Approvals and Assurance Plan (subject to review at FBC stage)			
Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
Actions	Approvals	Oversight Actions	Investigations and assurances
Prepare brief for design team	Approval of design brief.		
Tender and select design team	Approval of selected design team	Review of design team budget and work programme	
Appoint team, undertake site surveys and specialist reports. Prepare outline design to RIBA stage 2 and consult stakeholders.	Approval of outline design proposals		
Design up to RIBA stage 3 detailed planning application including supporting documentation and formal consultation	Approval of detailed design proposals	Review and commentary on risk profile and combined project risks, mitigation proposals and actions	Submission of comments on project design proposals
Planning application period			
RIBA Stage 4 Technical design, discharge of planning conditions and construction information	Approval of technical design proposals	Review and commentary on risk profile	
Contractor shortlist and tender period	Approval of tender brief		
Review tenders and appoint contractor	Approval of contractor appointment		
Pre-construction works			
RIBA Stage 5. Demolition. Construct SITEC	Approval of construction programme		
Commission monthly project reports: progress, achievements, risk mitigation actions and expenditure	Approve stage gate construction completions	Review monthly project reports Stage gate assessments Decisions and interventions in the event of serious delays or emerging major uncertainties Commission interim project audit report Directions in event of financial and other irregularities	Interim project audit
Operator fit out and staff training	Approve staff training plan Approve fit out		
SITEC Open: September 2024			
Completion of external works	Sign off of project completion	Sign off independent auditing	Final Project Audits

6.4 Project Schedule & Milestones

The delivery programme for SITIC is provided below, alongside a list of targeted milestone dates. The programme is realistic and achievable and under current expectations. SITEC construction will be completed by the end of May 2024 and the building will open for new students at the start of the 2024 academic year. 2024. Key milestones and the Project Programme are outlined below. Governance processes for the lead partner will need to be integrated at the full business case stage, the dates below are indicative only.

Project Actions	Start	Finish	Duration (Days)
SOBC Development and Approval	01/01/2022	04/03/2022	62
OBC Development and Approval	07/03/2022	03/06/2022	88
Site Assessment and Selection	07/03/2022	03/06/2022	88
Selection of procurement approach and budget review.	07/03/2022	03/06/2022	88
FBC Development and Approval	06/06/2022	02/09/2022	88
Procurement	01/08/2022	27/01/2023	179
Appoint Design Team	27/01/2023	NA	NA
RIBA Stage 3 (Spatial Co-ordination and concept designs)	30/01/2023	31/03/2023	60
Planning	30/01/2023	30/06/2023	151
RIBA Stage 4 (Technical Design)	03/04/2023	30/06/2023	88
RIBA Stage 5 (Construction)	31/07/2023	31/05/2024	305
RIBA Stage 6 and 7 (Handover and Use)	03/06/2024	31/08/2024	89
School Engagement Outreach Programme	01/10/2023	01/06/2024	244
Curriculum Planning and Sign off	01/11/2023	01/04/2024	152
Student Enrolment for 2024 intake	01/01/2024	NA	NA
Mid-Point Evaluation Report	tbc	31/12/2024	tbc
Final Evaluation Report	tbc	31/12/2026	tbc

Project Gantt Chart

Project Actions	01/01/2022	01/02/2022	01/03/2022	01/04/2022	01/05/2022	01/06/2022	01/07/2022	01/08/2022	01/09/2022	01/10/2022	01/11/2022	01/12/2022	01/01/2023	01/02/2023	01/03/2023	01/04/2023	01/05/2023	01/06/2023	01/07/2023	01/08/2023	01/09/2023	01/10/2023	01/11/2023	01/12/2023	01/01/2024	01/02/2024	01/03/2024	01/04/2024	01/05/2024	01/06/2024	01/07/2024	01/08/2024	01/09/2024	01/10/2024	01/11/2024	01/12/2024		
SOBC Development and Approval	█	█	█																																			
OBC Development and Approval			█	█	█	█																																
Site Assessment and Selection			█	█	█	█																																
Selection of procurement approach and budget review.			█	█	█	█																																
FBC Development and Approval						█	█	█	█																													
Procurement								█	█	█	█																											
Appoint Design Team											█																											
RIBA Stage 3 (Spatial Co-ordination and concept designs)												█	█	█																								
Planning													█	█	█	█	█																					
RIBA Stage 4 (Technical Design)														█	█	█	█																					
RIBA Stage 5 (Construction)																			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
RIBA Stage 6 and 7 (Handover and Use)																																						
School Engagement Outreach Programme																																						
Curriculum Planning and Sign off																																						
Student Enrolment for 2024 intake																																						
Mid-Point Evaluation Report																																						
Final Evaluation Report																																						

6.5 Dependencies, Delivery Risk & Opportunities Management

All the key risks throughout the project's duration are, and will continue to be, logged in the Project Risk Register, which operate as a 'live' document throughout the project.

It is the responsibility of all team members to adopt and input into the risk register. These risks are then prioritised and shared with the Project Delivery Group, the Task Force and Regeneration Board - A copy of the current project risk register is appended to the business case.

Description	Initial risk score	Management / mitigation
Site identification acquisition	Low	Site may be required if not owned by existing stakeholder partner
Funding	Medium	Towns Fund Confirmed subject to FBC approval. Confirmation of LEP and private sector funding is required.
Subsidy Control	Low	Subsidy control advice to be secured from Stevenage Legal Team or external specialist legal advisor. Public sector organisations only – No direct benefit to private sector organisations so subsidy control risk is considered low.
Partnership arrangements	Medium	Project level partnership arrangements defined but not as yet operational.
Detailed Design	Medium	Initial feasibility design work complete. Appointment of architects and detailed design to be undertaken. Procurement and project delivery approach to be confirmed.
Lack of resources to manage the project	Low	<ul style="list-style-type: none"> • Prepare project delivery plan, map resources required and cover through procured consultant teams • Robust governance structure
Failure to secure planning consent	Low	<ul style="list-style-type: none"> • Prepare comprehensive scheme proposals reflective of policy considerations • High quality design proposals and thorough stakeholder engagement • Pre app discussions
Inflationary risk due to delayed project start	Medium	The project is at an early strategic stage and will take some time to further develop. This delay will introduce additional inflationary costs that will impact the resources available.
Tender return prices higher than expected due to construction prices inflation.	Medium	See above

Description	Initial risk score	Management / mitigation
Consultation (internal and external) leads to changes to the scheme design.	Medium	Detailed design work still to be undertaken. Project budget is fixed at £10m and scheme design must stick to this.
Cost overruns	Medium	Arrangement for the management of cost overruns to be confirmed.

Part I



Meeting Executive
Portfolio Area Regeneration
Date 4th March 2022



TOWNS FUND BUSINESS CASES – CYCLING AND PEDESTRAIN CONNECTIVITY & ARTS AND HERITAGE TRAIL

KEY DECISION

Author – Chris Barnes Ext. 2292
Lead Officer – Chris Barnes Ext.2292

1 PURPOSE

- 1.1 Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. Full business cases must be developed and approved by 24th March 2022 for each of the projects that comprise the Stevenage Towns Fund programme. The Council, as Accountable Body, must provide final sign-off for each of the business cases, in accordance with the Towns Fund Stage 2 Guidance. Full Council has delegated approval of each of the business cases to the Council's Executive committee.
- 1.2 This report relates to the Cycling and Pedestrian Connectivity (incl. arts and heritage trail) project, which has two core elements; the first is to deliver a heritage and arts trail creating a quality visitor attraction showcasing the incredible heritage assets and public art across the town, together with the installation of new art features to complete the trail. The second element is the delivery of enhanced modern pedestrian and cycling infrastructure linking

new developments in the town centre, other growth schemes and open spaces across the Town and Borough. Together these two elements will provide an exciting cycling and cultural offer by providing an enhanced experience of place, through art, heritage, and community activity. This will achieve a multitude of aims – increasing accessibility and connectivity between places so that mobility is not a barrier to opportunity; improving levels of health and wellbeing; and improving the perception and experience of places across the town centre. In turn these improvements will contribute towards the Council’s climate change goals and ultimately. This in turn will unlock direct and indirect local economic benefits.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the feedback from the Stevenage Development Board.
- 2.2 Approve the Cycling and Pedestrian Connectivity incl. Arts and Heritage Trail Business case and delegate authority to Strategic Director (TP) to submit the project summary to the Department for Levelling Up, Communities and Housing Towns Fund team on behalf of the Council (acting as Accountable Body).
- 2.3 Note the engagement to date with cycling user groups, and the approach for further consultation and engagement for the next stage of the project development.
- 2.4 Note this business case is in outline and that a further update with detailed cost plans and finalised project scope will be reported to Executive within the next 18 months.

3 BACKGROUND

- 3.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns. Background relating to this process, the development of the Stevenage Town Investment Plan (STIP), and the approval process for the business cases is contained within Appendix A. The breakdown of funding is identified below:

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000

Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

3.2 All business cases relating to the Stevenage Town Investment Plan are required to be approved by the Accountable body before 24th March 2022, although this can be in full or as strategic outline cases. To recap, business cases must include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money, including showing how different types of projects will be compared and assessed.
- A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
- Clearly defined inputs, activities, outputs and anticipated outcomes.
- Appropriate consideration of deliverability and risk along with appropriate mitigating action.
- Robust value for money assessments, in order to follow best practice.
- The five cases set out in the HM Treasury Green Book.

Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case summary (£3,500,000)

3.3 Full information on the Cycling and Pedestrian Connectivity including Arts and Heritage Trail project can be found in Appendices B & C. This project builds on the work that current transport and regeneration schemes have been delivering with the aim of deliver the next phase of cycling and pedestrian improvements alongside these.

The project will involve the improvement of key connecting schemes across the town, to ensure increased permeability between key spaces from employment, residential and town centre spaces. There will be the creation of a new Heritage and Arts Trail that draws visitors and residents through historical, cultural and leisure assets across the town centre – utilising a combination of heritage education and interactive digital technology. Additionally the Trail will provide a healthy active attraction for the town. This intervention epitomises Stevenage’s strategic aspiration to regain its status as a place for leisure, culture and heritage as well as innovation and opportunity, highlighting the strong presence of world leading STEM industries within the town. This forms one key component of the broader cultural strategy for the town, alongside the development of a new theatre and leisure developments (Stevenage Re-Imagined (Cultural Strategy)).

The Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case will:

- Embrace and celebrate heritage
- Create a true visitor attraction, not only of the cycleways but Stevenage's cultural offer
- Encourage health and well-being by providing attractive active travel options
- Directly support modal shift to sustainable transport options, by improving links from new developments to employment spaces, residential areas and the town centre.

3.4 The Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case will include improvements to the cycle storage at the transport hub (new Multi Storey Car Park), providing secure modern cycling facilities to complement the existing storage which is at capacity at the train station. Furthermore, as listed in the Local Walking and Cycling Infrastructure Plan and the Sustainable Travel Towns action plan, there will be a number of interventions that could be implemented to improve the perception of the network, including but not limited to: lighting, CCTV, landscaping, underpass improvement, linking with leisure department initiatives and other Hertfordshire County Council improvement works.

Engagement- Cycling User Group- workshop

3.5 The proposed project has benefitted from a number of consultations over the past few years in relation to the creation of the LCWIP, Future Town Future Transport, and the Local Plan. More recently, focussed engagement has taken place with Cycling User group which a focus on town centre developments and their impact on the cycle and pedestrian links across the town centre.

3.6 Initial feedback was provided from the group to Planning and Regeneration departments regarding the improvements to the central core (town centre area) particularly highlighting accessibility and connectivity in relation to the permeability of the ring road and how this was essential for the future of cycling in the town.

Following this feedback, a summary of required interventions within the town centre core has been produced with public realm architects highlighting where future developments will deliver aspects of improvements, and where there will need to be interventions to create a cohesive journey between spaces across the town. It is intended that this cycling masterplan (which aligns with the LWCIP and Sustainable Travel Town action plan) will be embedded with the emerging Public Realm Design guide.

For future engagement, there will be a number of opportunities for residents, community groups, partners and businesses to input in to the interventions and for both the arts and cultural trail and the infrastructure improvements. It is intended that these consultations will be coupled with Sustainable Travel Town consultation and engagement plans within the next 12- 18months.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 This report recommends approval of this Stevenage Towns Fund business case, which sets out a case for:

- Cycling and Pedestrian Connectivity (incl. Arts and Heritage Trail) (£3,500,000)

4.2 Both the summary version and full version of the business case have been included as appendices to this paper. The business case provides an assessment of the strategic, economic, financial, and commercial and management elements of the business case, with detailed consideration of the benefits, risks, outputs and outcomes of the project. As this business case it as at an earlier stage, it is envisaged that detailed costs and final project scope will be submitted in the next 12- 18 months, although this should not slow down elements that can be delivered as a package of early interventions/quick wins.

4.3 The business case under consideration has been reviewed by the officer group and Assurance Panel, which includes the Chair of the Stevenage Development Board.

4.4 To date, the Assurance Panel, which is made up of representatives from the Board and supported by Stevenage Borough Council Officers, have provided support for the business case. Key comments from the assurance panel are summarised below:

- Ensure that in the messaging and consultation surrounding the project clearly compasses both walking and cycling.
- Ensure that safety infrastructure is included where possible aid in changing the poor perception of the network
- Explore the opportunity for interactive art installations trail which combine art and play, as key characteristic of Stevenage and it's history.
- Ensure that the project returns to Development board and the Accountable body post consultation and engagement with a detailed cost plan and final scope within the next 12- 18 months.
- Ensure that this project sets the new standard on what the network should be, and that this aspiration is continued in future phases of improvements.
- Future branding exercise required in conjunction with public and stakeholders to co-produce the trails branding and marketing
- Need to recognise the work carried out to date to look at other examples as precedent projects, but also recognise that there is still much more to

learn from existing facilities, especially those that have been delivered more recently.

- 4.5 The business case was presented to the Stevenage Development Board on 24th February 2022, incorporating feedback from the Assurance Panel. Verbal feedback from the Board meeting will be provided at Executive.
- 4.6 There is an exciting opportunity to capitalise on the growing national and international recognition of the importance of sustainable transport and cycling and walking in particular, with health, wellbeing, environmental and transport benefits. This also provides an opportunity to integrate heritage and culture as part of the transport network at key junctures, enhancing the recognition and celebration of existing heritage assets, as well as enabling new ones to be incorporated.
- 4.7 When the Heads of Terms were agreed with Government in 2021, this project did include a set of conditions attached to it; these stated that the business case and project must:
- Provide further detail on the impact of this of this project through the inclusion of a broader range of outcomes.
- 4.8 The business case has addressed this as far as possible at this stage, by increasing the number of outputs delivered by the investment, and capturing a broader range of non-economic benefits in the outcomes. This will be developed further by carrying out an Active Mode Appraisal Toolkit for individual interventions during the next stage of the project development.
- 4.9 The alternative options available to the Council are:
- Not to approve the business case, or
 - Defer approval of the business case until any issues are resolved or further information is provided.
- 4.10 Based on the information presented, Officers are satisfied that the business case can be suitably controlled through conditions relating to the drawdown of funding, and no further amendments are required. It is acknowledged that the business case is a living document, which will be updated as developments progress. The other options available would have a significant detrimental impact on the success of the Towns Fund and Transforming Your Town programme, with no tangible benefits.
- 4.11 The work completed so far, provides a strong foundation to move the project forward. If the business case is approved, Officers will develop a detailed delivery programme for the project, embed the governance proposals, and develop an enhanced engagement programme to ensure that the facility capitalises on opportunities for co-production, building on the interest expressed to date.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 In relation to the Cycling and Pedestrian Connectivity and Arts and Heritage Trail business case, the original submission to government sought £4.5m of grant funding. Following the award of funding in principle (offer letter), the total grant funding from government reduced for some projects compared to the original submission. This project was reduced from £4.5m to £3.5m.

Initial costing work has been carried out to estimate the delivery of packages of work from the Local Walking Cycling Infrastructure Plan (and the Strategic Travel Towns Action Plan). At this outline stage, the breakdown of funding is estimated to be as follows:

Source	22/23	23/24	24/25	25/26	Total
Town's Fund	£400,000	£1,000,000	£1,200,000	£900,000	£3,500,000
SBC	£0	£0	£0	£500,000	£500,000
Other Public Sector	£120,000	£755,000	£900,000	£1,225,000	£3,000,000
Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

HERITAGE TRAIL CYCLING AND WALKING	22/23	23/24	24/25	25/26	Total
<u>Development Costs</u>					
Design	£520,000				£520,000
Enabling Works		£1,755,000			£1,755,000
Construction			£2,100,000	£2,125,000	£4,225,000
Heritage Items and Urban Art				£500,000	£500,000
Grand Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

5.1.2 It is envisaged that as the project's scope is refined and more detail cost plans reviewed, that this business case will return to the Development Board and the Accountable body for approval and this is reflected in recommendation 2.4

- 5.1.3 The match funding as listed in the business case anticipates contributions from CIL/ S106 and grant monies, categorised in the profile above as ‘Other Public Sector’ that may arise through the volume of developments occurring in the town. However, the authority responsible for Transport will need to work closely with SBC to deliver the project and be accountable for costs as outlined in the Sustainable Travel Town action list.
- 5.1.4 The full business plan will identify if there are any on-going revenue implications which need to be funded and a plan to fund them.
- 5.1.5 In considering the overall financial risks of match-funding cumulatively to those already approved. Across tranche 1, 2, and 3, the Council is exposed to circa. £1.25m of capital that could revert to revenue if a capital scheme is not delivered across the Gunnels Wood Road and Station Gateway projects, and circa. £3m of direct match-funding to deliver the Station Gateway project; there is no additional risk as a result of this business case. Across Tranche 3, approximately £35m has been identified for investment in the leisure and heritage centre projects. This is being addressed through the capital strategy, with work underway to develop a detailed funding strategy.

Legal Implications

- 5.2 In relation to the Cycling and Pedestrian Connectivity including Arts and Heritage Trail business case, the approval process previously set out at Executive and Council (“Transforming our Town Centre progress update and Towns Fund decision making”) has been followed, and the documents have been prepared in accordance with the Towns Fund Stage 2 Guidance referenced in the decision-making report. There will be further decision-making gateways required, including separate consideration of any planning applications, and an update to the full business case when all interventions to be delivered have been identified.

Risk Implications

- 5.3 Full details of risks relating to each of the business cases can be found within the full business case.
- 5.4 The Towns Fund programme provides a significant opportunity to draw in substantial levels of funding to support the regeneration of the town. Across a range of projects, there are elements of risk, as some projects will require match funding (as set out in the business case), or require capital investment and to proceed into delivery to avoid project costs generating revenue impacts.
- 5.5 The key risks and mitigation at a programme level can be summarised as follows:

Key Risks	Mitigation
Business cases and summary sheets are not signed-off / submitted in time	Programme and resources have been established with a dedicated programme

and funding is lost	manager and oversight from Assistant Director (Regeneration) and Strategic Director (TP) to ensure products are commissioned and programme is on track
Business cases are rejected by Accountable Body/Development Board	Early engagement with both organisations to ensure they are involved and have oversight of business case development, to ensure they are supportive of the direction of travel
Sign-off process and/or decision routes are challenged	Developed sign-off process and governance as set out in this paper in accordance with guidance and best practice
The cumulative risk of Towns Fund projects has a material impact on the Council's Medium-Term Financial Strategy	Each project will highlight the potential areas of risk (in this case, related to the approach to avoid any risks of capital claw back), and previous Towns Fund project. At this point in time the previous Towns Fund project (Gyratory) also highlighted risks of capital clawback, which also has mitigations in place
Money spent at risk not recovered and resulting in a General Fund pressure if projects don't proceed	Careful diligence of spending in early stages of the projects; not progressing to business case stage unless we are confident the project is deliverable; review of risk in entirety across the programme
Funding not sufficiently secured by accountable body, including match-funding	Towns Fund spend profile to be reflected in the Council's capital strategy, with individual projects returning to Council for future sign-off when at a suitably advanced stage to give Members the full information necessary for final budgetary sign-off
Third-parties do not deliver to timeframe or budget, and/or don't follow relevant procurement guidelines	All projects being delivered by a third-party to have a funding agreement in place with the Accountable Body
Business cases called-in and potentially challenged by BEIS/DLUHC	Utilising business case template provided through the Town's Fund resource; representative from BEIS to attend Development Board meetings and have sight of business cases at an early stage.
Increased revenue costs as a result of the interventions delivered	Revenue implications to be considered and assessed individually and cumulatively as part of the full business case

Stevenage Pedestrian & Cycling Connectivity and Heritage Trail: Project Risk Register

Risk Register L: Likelihood; I: Impact; T: Total

Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/ Updated
					L	I	T			
001	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	The need to implement practices to ensure safety. Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	3	4	12 	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		

002	Construction labour shortages create delays	Conclusion of contracts with building contractors for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely contractual arrangements	4	5	20 R	In development agreement ensure there is commitment to bring in additional temporary labour to ensure projects are completed on time.		
003	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components . Cost overruns	Contractual arrangements	5	5	25 R	In development agreement incorporate commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
004	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		

005	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		
006	Failure to provide adequate cycle parking provision in the town centre and along the route of the active travel corridor.	Identified shortage of cycle parking add storage	Significant increase in walking and cycling trips within the town not realised leading to limited reductions in car usage and improved health levels	Enforcement measures to assure compliance with cycle parking standards	2	5	10 Y	Close cooperation with Planning.		
007	Failure of programmes for increasing receptiveness to consider new ways of travelling such as cycling	Active travel targets not being achieved	Inadequate levels of behaviour change necessary to change modal change in favour of active travel	Project planning to ensure that all elements for success are completed within the programme	2	5	10 Y	Establish a fully comprehensive marketing and communications programme to make people aware of the new active travel opportunities well in advance of completion of the project		

Policy Implications

- 5.6 The development will contribute to the delivery of regeneration within the town centre and will help to deliver key objectives of the Council's Sustainable Transport strategy, "Future Town, Future Transport" (adopted 2019) and will also help to deliver on the Council's commitment to reducing carbon emissions as stated in the Climate Change Strategy (adopted 2020) through low-carbon developments. The project will also fulfil many of the Cultural Strategy ambitions.

Planning Implications

- 5.7 Planning permission may be required dependant on detailed designs. Officers will work with the planning department to review this.

Environmental Implications

- 5.8 A core value of embedded within the framework for appraising these projects is focussed on ensuring due consideration to Environment, and where possible support the reduction of impact of Regeneration on the Environment.
- 5.9 There is a significant focus on utilising brownfield sites and spaces to their maximum potential through the Stevenage Town Investment Plan, and a clear drive to focus on sustainable travel options, through both public and active transport initiatives.
- 5.10 Better land use planning is a key concept for mitigating emissions and allowing people to make the behavioural changes required to reduce their carbon footprints in the long run. New buildings will improve the environment, not detract from it.

Climate Change Implications

- 5.11 The project presents an opportunity to make a positive contribution to the Town's climate emergency and net zero ambitions, but utilising space in a multi-purpose building which is designed to limit the use of new resources through both the construction and operation phases. Stevenage has a recognised legacy as a green and diverse environment, and the project has an opportunity to promote this.

Equalities and Diversity Implications

- 5.12 No specific equalities and diversity implications for this tranche of business cases.

APPENDICES

- A Background to the Town Investment Plan development and business case requirements
- B Cycling and Pedestrian Connectivity (incl. Arts and Heritage Trail) business case summary
- C Cycling and Pedestrian Connectivity Full Business Case

BACKGROUND DOCUMENTS

Stevenage Re-Imagined- A Ten Year Arts and Heritage (Cultural) Strategy

Stevenage Local Cycling and Walking Infrastructure plan

1 APPENDIX A - BACKGROUND TO TOWNS FUND

- 1.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 1.2 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 1.3 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 1.4 After extensive work and wide engagement by the Board, including working groups on Skills and Enterprise, Connectivity, Heritage and Culture, and Regeneration, the Stevenage Town Investment Plan (STIP) was submitted in October 2020. This built on extensive engagement with local stakeholders, residents and businesses to help shape a plan to reinvigorate Stevenage to meet the aspirations of its people.
- 1.5 This plan set out proposals to create an exemplar 21st century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town. The Towns Fund programme had set out an expectation that bids would be for up to £25m, largely capital funding, but with the potential for towns to bid for up to £50m if they could demonstrate exceptional circumstances and subject to a deeper review process to be conducted by Government officials. Stevenage Development Board set out a bid with 'exceptional circumstances, articulating a proposal for £50m funding to help address challenges and opportunities facing the town.
- 1.6 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m. In making this award, the Minister for Regional Growth and Local Government, indicated that this higher funding offer 'is in recognition of the case that Stevenage made for the national significance of the proposals to develop its life sciences sector' and that this presents 'an exciting opportunity to come together to drive long-term economic and productivity growth in Stevenage, particularly as we meet the challenges presented by Covid-19'.
- 1.7 The Ministry of Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC)) set out proposed Heads of Terms for the £37.5m award for the Town

Investment Plan). As set out by the Towns Fund programme, the Council and Chair of Stevenage Development Board proposed a funding profile. On 15 July 2021, DLUHC provided Grant Confirmation, allocating funding over a five year period – subject to approval of business cases by the Accountable Body and DLUHC conditions. This was allocated as follows:

- 1.8 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.
- 1.9 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to DLUHC by 24 March 2022.
- 1.10 It is recognised that the funding and range of projects included within Stevenage's Town's Fund programme means that it is one of the largest programmes within the nationwide Towns Fund programme, the Council needs a clear and achievable plan for producing and signing-off the business cases. The Council does have significant experience in developing complex business cases for approval and government review, such as through the Local Enterprise Partnership Growth Deal Funding, in addition to the strategic outline case submitted to government in the form of the Stevenage Town Investment Plan. Preparation work has been undertaken for many of the projects, to enable development of the business cases in a timely way. In October 2021, at a meeting of the full Council, powers were delegated to the Council's Executive Committee to consider each of the business cases for approval.

Business case requirements

- 1.11 The requirements for business case development and assurance are set out by DLUHC as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town's Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 1.12 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
 - Developing and submitting the Town Deal Summary Document
 - Business Case development for all approved projects
 - A full list of projects
 - Detail of the processes used for business case assurance and approval followed for each project
 - Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between DLUHC and local partners

- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
 - A Monitoring and Evaluation Plan
 - Confirmation of funding arrangements and financial profiles for each project
 - Undertaking Public Sector Equalities Duty analysis
 - Approval from the Town Deal Board and Lead Council
- 1.13 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project.
- 1.14 Each business case is expected to meet agreed criteria. DLUHC expect business cases to include:
- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
 - An assessment of value for money, including showing how different types of projects will be compared and assessed.
 - A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
 - Clearly defined inputs, activities, outputs and anticipated outcomes.
 - Appropriate consideration of deliverability and risk along with appropriate mitigating action.
 - Whilst there is no minimum value for money threshold set for Towns Fund projects, in order to follow best practice, all business cases must contain robust value for money assessments.
 - Business cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book.
- 1.15 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to DLUHC.

Developing and reviewing business cases

- 1.16 Stevenage Development Board will continue to have a vital role through the development of business cases, with partners engaged in working groups to support the development and finalisation of business cases. The Board includes a wide range of key stakeholders, who will need to endorse the businesses cases and play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport, and Town Centre Regeneration. This will ensure the experience and expertise across a range of sectors will be harnessed to support the development of robust and deliverable business cases, for projects that will have a significant positive impact for the town.

1.17 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section 151 Officer, Monitoring Officer, Hertfordshire LEP and, Hertfordshire County Council Officers) has been established to ensure business cases meet requirements before being recommended to the Development Board for approval. The following approval route will now be followed for the submission of business cases to DLUHC:

- Business case developed by Officers and Stevenage Development Board partners
- Review of business cases by a 'Assurance Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee as the 'Accountable Body'
- Summary of the business case to be submitted to DLUHC to access funding.

Executive Summary: Cycling & Pedestrian Connectivity (incl. Arts & Heritage)

*Prepared for the Stevenage Development Board
Full Business Cases are available on request*



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Executive Summary from Business Case Assurance Panel

Project Title
Cycling & Pedestrian Connectivity (Incl. Arts & Heritage Trail)
Assurance Panel Feedback
<p>Assurance Panel discussion was held on the 10th February 2022 and a summary of comments is provided below.</p> <p>Overall the panel discussion was very positive and supportive of the business case.</p> <p>The Panel unanimously supported the business case, with the following minor amendments to be incorporated:</p> <ul style="list-style-type: none">- Ensure that the existing cycleway is acknowledged as an asset, and agree an early audit to identify challenges and issues, to inform interventions- Ensure that following engagement, interventions are prioritised in accordance with Regeneration and AMAT benefits- Ensure that alongside delivery of quick wins, detailed proposals come back before the Board prior to spending on those elements being defrayed. This should not slow down the delivery of elements that are ready to go, to ensure a positive spend profile is maintained- Ensure lighting, security and signage are picked up as potential network-wide areas to invest in- Interactive installations that combine art and play have the potential to be very effective- Be clear on what this funding can achieve; up to 5km of outputs, not enough funding to transform the whole network – targeted interventions that will get more people using active modes of travel and enjoying our heritage assets
Recommendations for Stevenage Development Board
<p>To acknowledge and endorse the progression of this business case to Accountable Body processes.</p> <p>To endorse the condition for SBC and HCC to work together on producing prioritised options appraisal with detailed cost plan of schemes within the next 12 months and brought back to board.</p>

Overview

Project Title
Cycling & Pedestrian Connectivity (Incl. Arts & Heritage)
Project Location
Stevenage Town Centre and surrounding linkages
Partner/Co-Funding Organisations
HCC
Total Project Costs (£)
£7,000,000
Total Town's Fund Allocation (£)
£3,500,000
Other Public Sector Investment (£)
£3,500,000 (SBC £500,000 Other £3,000,000)
Total Third Sector Investment (£)
N/A
Total Private Sector Investment (£)
N/A

Project Description

Cycling and pedestrian infrastructure is one of the most notable features of Stevenage's New Town architecture. The infrastructure was based on Dutch infrastructure and was incredible innovative and bold move to create connected completely segregated from the carriageways so town and cyclists can cross at major junctions and other convenient points through underpasses. The routes total 45km making Stevenage one of the best towns in the UK for travelling for bicycle and pedestrians.

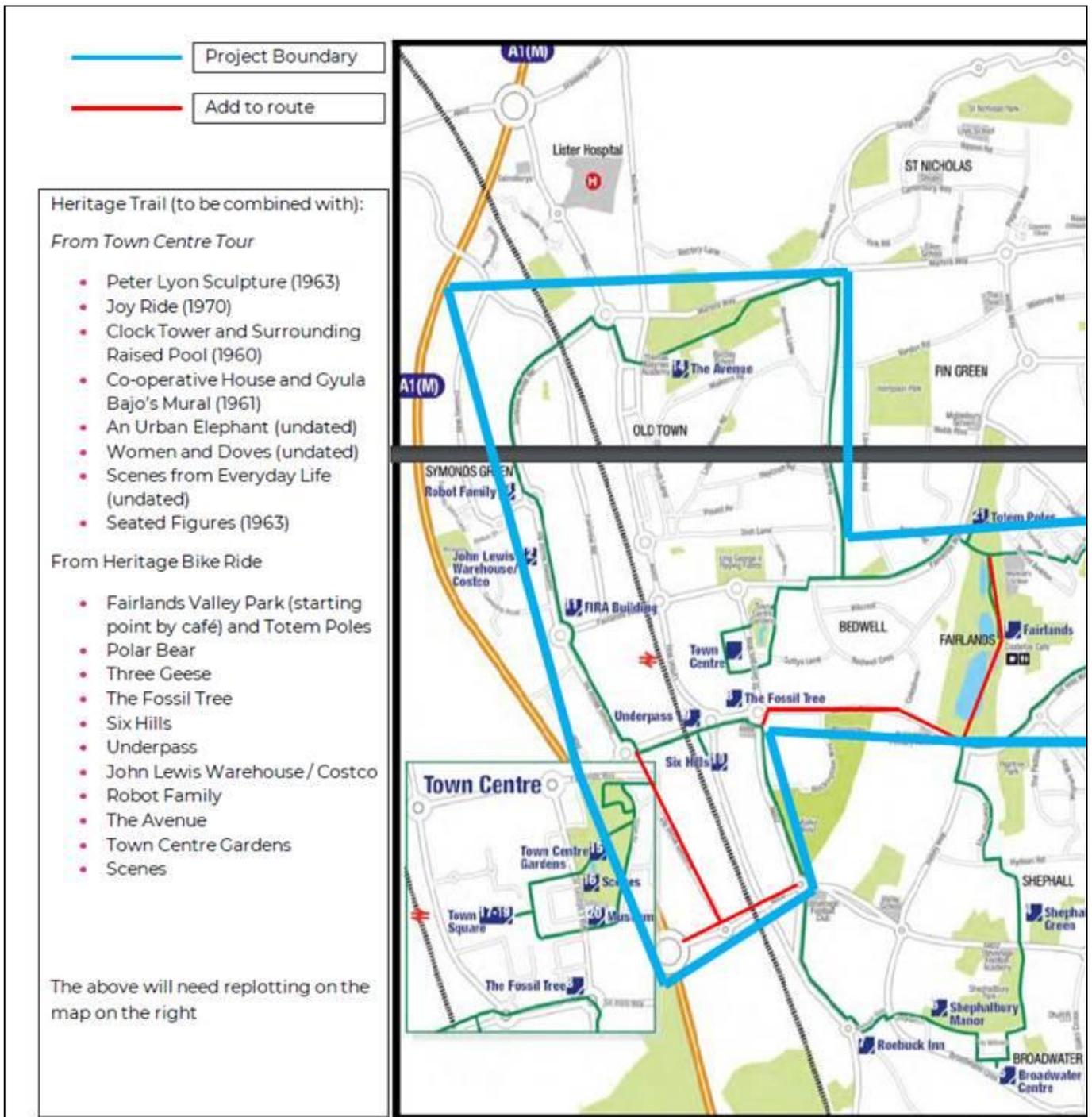
However, over the years parts of the network have become fragmented and disconnected with redevelopment and lack of investment and now this asset is viewed as underutilised. With this expansive network and significant improvement required, a phased strategy of improvements is required. Phase 1 covers the majority of the town centre and is being delivery largely through the town centre redevelopment works. This project focusses on funding the design and delivery of Phase 2 and 3, as well as identifying opportunities within the Stevenage Town Investment Plan to tackle areas where cycling and pedestrian connectivity are compromised.

The proposal

This business case sets out the proposal for the Cycling & Pedestrian Connectivity and Heritage Trail. The proposal has two core elements; the first is to deliver a heritage and arts trail that creates a quality visitor attraction showcasing the incredible heritage assets and public art across the town, coupled with the installation of new art features to complete the trail. The second element is the delivery of enhanced pedestrian and cycling infrastructure that will link between new developments in the town centre and other growth schemes across with the network, whilst providing a cultural offer as well as an exciting cycling experience through enhancing place pride and identity through art, heritage, community activity and incorporating refreshed activation of key routes. This will achieve a multitude of aims – increasing accessibility and connectivity between places so that mobility is not a barrier to accessing opportunity, increasing levels of health and wellbeing through increased cycling and walking, improving the perception and experience of places across the town centre, and contributing towards climate change. This in turn will unlock direct and indirect local economic benefits.

This project builds on the work that current transport and regeneration schemes have been delivering with the aim of deliver the next phase of cycling and pedestrian improvements alongside these.

As per the Stevenage Town Investment Plan submission, the project covers the core central areas of the cycle ways, which can be viewed in the map below.



Stevenage has the unique position of being the first town to be part of the Stevenage Sustainable Travel Town plan programme which forms part of Hertfordshire County Councils Local Transport Plan and aims to increase the number of people walking, cycling and using public transport. Further information on Sustainable Travel Towns programme can be viewed here: <https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/sustainable-travel-town-programme.aspx>

Key Purposes of the Project

The schemes being supported by the Town Fund will support the wide variety of interventions within the Town's Fund programme and wider regeneration activities taking place in the town. Specifically:

- This scheme embraces and celebrates heritage,
- Creates a true visitor attraction of cycleway and Stevenage's cultural offer
- Encourages health and well-being by providing attractive active travel options, and
- Directly supports modal shift to sustainable transport options, by improving linkages from new developments to employment spaces, residential wards and the town centre.

Below outlines how this scheme integrates with other Town's Fund and wider regeneration schemes. This highlights how integral reinvigorating our most unique New Town asset is to the whole programme.

Activity	Parallel Projects	This Project
Creation of new Bus Interchange	√	
Multi Storey Car Park & zero carbon support infrastructure	√	
Marshgate Biotech Office project	√	
Town Enterprise Centre	√	
Heritage Museum and New Leisure Space	√	
New Sports and Leisure Centre	√	
Residential and Commercial Development Plot B	√	
Residential Development Plot A	√	
Residential Development Plot K	√	
Creation of a Cycling and Pedestrian Heritage Trail		√
Improving the Walking and Cycling Connectivity Across the Town		√

There has been significant work in to understanding the physical requirements of the cycleway. Through strategies and studies, clear routes to improve or to be created have been highlighted. Key intervention could include reconnecting linkages, installing high quality cycle storage integrated within the transport hub, wayfinding, underpass improvements But this project does not hope to simply provide standard physical infrastructure, this project seeks to reinvigorate the segregated cycle and pedestrian ways as both a transportation and cultural asset to the town improving perception and ultimately usage of this unique feature.

Embedded within the improvements will be new artwork installations and innovative design in

to wayfinding, lighting and public realm, which will raise the current view of the cycleways and take pride in Stevenage's identity and character.

By creating a heritage and arts trail, which uses the segregated cycleways and pedestrian routes as the vehicle, means that visitors and residents will be connecting with the DNA of the New Town's architecture, masterplan design and history whilst being active and exploring the spaces Stevenage have to offer.

Some work has been underway by partners HCC and SBC cultural team, to begin co-designing subway art with the community and professional artists for improved subway vibrancy and vitality. This co-operative approach will be the core value embedded in to the methodology for the delivery of this scheme.

This is the next phase of improvements for the network and public realm spaces, however, completing a succinct area of the cycleway will highlight its potential and further match funding can be sought after for the remaining areas.

Configuration of the Project

Key activities will involve:

- 1) Creation of a cycling and pedestrian Heritage trail as a visitor attraction to the town.

The project will take the high-level aspirations for the development of an attractive and exciting heritage and arts trail, that will draw together the wealth of heritage and public art assets that are already in place across the town, and couple this with new art installations, either close to or on the segregated cycle and pathways across the town. This project is intended to also draw those who use the trail, through some of the key assets of the town, from Old Town, Town Centre, through to Fairlands as a way not only to celebrate the town's heritage but the town as a destination, with an abundance of leisure and green spaces to enjoy as part of this offer too. It is anticipated that there could be a few routes providing a variety of routes length for people to engage with any ability of walking or cycling.

Currently a heritage trail has been curated by the Cultural department, however this is simply in map form, and does not have any physical presence on the segregated cycle and pedestrian pathways. Furthermore, this project aspires to combine the Town Centre Heritage trail with the wider Heritage Bike Ride and allow this to be different route options. The next step would be to scope the physical presence in terms of design, wayfinding, finalising a route to ensure maximum impact and then scoping potential spaces for new art installations. The segregated cycle and pedestrian pathways are a New Town Asset that residents are immensely passionate about, and therefore it is key that user groups and the broader community are embedded within the design process of both the scheme and the art installations. Further detail on this can be seen in the Management case.

Due to the nature of the cycle and pedestrian pathways, there will be overlap between this element of the project and the improvements of the connectivity across the town. Indicative map of what this may include can be viewed below. Link to the heritage trail is here:

<https://www.stevenage.gov.uk/stevenage-museum/stevenage-heritage-bike-ride>

Below is an example from the BRCA2 cycle path, a wayfinding installation that encapsulates the scientific prestige of Cambridge.



- 2) Improving the walking and cycling connectivity across the town and providing appropriate 21st century facilities.

To support the creation of the visitor attraction trail and other developments in the towns fund programme, is the need for targeted new cycling and connectivity improvements. This element of the project, looks to include new public realm connections between core schemes within Town Fund's programme with other interchanging space and the rest the cycle network, providing new secure cycle storage at the station, piloting a hire scheme, refreshed subway design, and completing works outlined in the previous studies as integral to increase cycle and pedestrian usage.

This part of the project will draw upon the evidence from a number of strategies and studies that have been produced over the past few years in relation to the cycle ways as well as community engagement and consultation from core user groups of the network. In particular, the Sustainable Travel Town Action Plan, which highlights and prioritises some of the packages of work needed from the Local Walking and Cycling Infrastructure Plan, produced in 2017. This coupled with the emerging Town Centre Cycling Masterplan, provides the foundation for small, medium and large scale projects, which are required within the town.

Collectively this creates a significant impact on the network, and a cohesive and accessible approach to movement through the town. This project covers the second and third phase of a five-phase programme to upgrade the whole network. Further match funding from future funding bids will be able to continue this progress.



Nelson Street Cycleway (Toronto) Statement route through the city

Strategic Case

Indicate how this project meets the Town Investment Plan Vision (<i>tick</i>)		
	Reflecting and Re-Interpreting our New Town Heritage for future generations	✓
	Embracing Sustainable Travel to maximise the benefits of our strategic location and link our communities with jobs and leisure	✓
	Transforming our Town Centre as a key place of opportunity and integration for business, residents and visitors	✓
	Upskilling and providing opportunities for all our people to benefit from innovation & growth	
	Supercharging the growth of National and International Business Base	
Indicate which <i>challenge(s)</i> this project intends to meet (<i>tick</i>)		
	Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth	✓
	Challenge 2: Bridging the Skills Gap and Raising Aspirations	
	Challenge 3: Town Centre Transformation	✓
	Challenge 4: A Resident Population Being Left Behind	
	Challenge 5: Lack of Suitable Modern Space for Growth	
Indicate which <i>opportunity(ies)</i> this project supports (<i>tick</i>)		
	Opportunity 1: National and International Gateway for UK PLC	✓
	Opportunity 2: Innovation Hub, High Growth Potential and STEM City	
	Opportunity 3: The Untapped Potential of Stevenage People	
	Opportunity 4: Building Wealth and Reclaiming Expenditure	✓
	Opportunity 5: Reviving Stevenage’s Sustainable Travel Network	

Policy Alignment (List only, 2.3)	
National Policy	Local Policy
<ul style="list-style-type: none"> • The UK Government’s Build Back Better Plan for Growth • Department for Transport (DfT) Cycling and Walking Investment Strategy • Highways England Cycling Strategy 	<ul style="list-style-type: none"> • Hertfordshire Local Transport Plan (LTP3) 2011-2031 • Hertfordshire County Council Active Travel Strategy 2013 • Hertfordshire Health and Well Being Strategy • Hertfordshire LEP Strategic Economic Plan • Local Industrial Strategy Grand Challenges • Stevenage Local Plan 2019-2031 • Stevenage Central Framework • Healthy Stevenage Strategy • Stevenage Cycle Strategy • Stevenage Arts & Cultural Strategy
Expected Outputs/Outcomes (2.5.11)	
<u>Infrastructure Specific Outputs</u>	
Underpasses improved	22
Length of cycleway improved	5km
Length of pedestrian footpaths improved	5km
Cultural assets within a heritage trail integrated	10
Increase in walking trips per day	987
Increase in cycling trips per day	595
<u>Standard Economic Outputs</u>	
Jobs created	15
Additional GVA generated per annum	£1,500,006
Additional annual high level skills qualifications attained	3
Wider Outcomes and Benefits (2.5.12)	

Economic

- Improved visual quality and very high-quality public realm and cycling routes across the town will encourage more people to visit cultural and heritage assets and the town centre.
- This, plus an improved quality of life offer and prospects for wellbeing will attract a wider range of new residents to the area, providing a good choice of range workers to the advanced high value industries Stevenage is seeking to attract.
- This should and boost patronage of and investment in town centre retail and leisure businesses. The expanded demand will help assure long term commercial viability of the centre.
- The success of other project in close proximity such as the Town Enterprise Centre and the new museum and cultural centre and acceleration of the redevelopment of key housing sites in the town centre.
- Improved town centre environment. Stronger perception of Stevenage as a place to invest.

Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- More walking and cycling into the town centre and to other leisure and cultural assets leading to more active and healthier lifestyles.
- Bicycle riders are up to 5 times less exposed to air pollution than car drivers.
- Cycling is circa 7 times more space efficient than vehicular traffic. Vehicles use more space than bikes and deny it for other purposes.
- Bikes require less infrastructure and do much less damage to roads than cars.
- Vehicles spend over 80% of their time parked, so car parking also makes major demands on valuable town centre land that could be developed for other uses.
- Bike riders contribute to quieter and more attractive neighbourhoods with less traffic and improved safety.

Social

- Broadens scope for engaging more people in cultural activities through accessible active travel options.
- Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression.
- Active travel to school can increase concentration by up to four hours.
- Bikes boost independence for people who do not drive.
- Bikes promote social, economic, age and ability equity.
- Bikes enable young people to be independent and develop healthy habits.

- The critical mass of more people riding makes streets safer and more vibrant for everyone.
- Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town.

Economic Case

Economic Benefits (3.3.1)

See table of outputs/outcomes above.

Basis of Infrastructure Specific Output Projections

- Additional walking and cycling trips have been estimated for the numbers of the existing population in each age group. This has been based on assumed trip frequencies and mode share related to alternative trip purposes based on mode share data from the Stevenage Cycling Strategy and the Hertfordshire Transport Plan and Active Travel Strategies.
- Changes post intervention to modal share for each trip purpose have been applied based on the rationale indicated in order arrive at projections of additional walkers and cyclists using the upgraded infrastructure.
- The same approach has been used to project additional trips from the incoming population. It has been estimated that 1500 new households will have been creating through residential development in the town centre generating an additional population of 3,600 by 2026.
- In each case, the share of trips attributable to the upgraded part of the entire town wide active travel network has been applied, estimated as 20% and 100% of the existing and incoming population respectively.

This approach has generated the following projected increases in active travel.

Summary Active Travel Projections	Existing Population	Incoming Population	Total
Walking			
Additional Trips Per Day	215	773	987
Cycling			
Additional Trips Per Day	431	230	595

Benefits have been monetised as follows:

Increase in GVA from new jobs and Town Centre Spending

This has been derived by estimating the GVA per head for each of the new jobs to be created and by projecting additional spending in the town centre that would be generated as a result of the upgrades to the walking and cycling network, such as occasional F&B purchases, new bicycles and accessories and through cycle hire.

The projected increase in town centre spending on F&B has assumed that once in 8 trips additional walkers and cyclists, including tourists will stop for a refreshment and that on

average each of the additional cyclists will spend about 25p pence per trip on food and beverage outlets in the town centre or adjacent to the route of the upgraded active movement corridor. In addition, it is assumed that a certain proportion of the incoming population will purchase bicycles and accessories for the first time and that a number of these will be replaced every 5 years leading to more demand for bicycles from within the town centre. Further expenditure will be generated from bicycle hire.

Economic Benefits from Walking and Cycling

Analysis from the AMAT toolkit will at a later stage be used to monetise and thereby value benefits from additional active travel related to mode shift, health, journey quality, government costs and income and private sector contribution. Data on numbers of existing walking and cycling trips and related infrastructure provision before and after the after the intervention will be entered into the AMAT toolkit to arrive at the monetised benefits.

Value for Money Assessment	Present Value
	30 Years
Cost	£6,322,342
Benefits	£22,078,538
Net Present Value: Benefits Less Cost	£15,756,196
BCR Calculation	3.49

Non-quantified impacts and benefits are summarised below:

Project	Impact	Assessment of Benefits
Cycling & Pedestrian Connectivity (Incl. Arts & Heritage)	Substitution of the car	Less infrastructure and associated maintenance and cost required than cars
		Lower noise and pollution levels
	Walking and cycling reduce illness and improve health	Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress anxiety and depression and higher quality of life
	Improved safety as more people make use of active travel infrastructure	More young people can be independent and develop healthy habits
	Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town	Accelerated take up of new homes developed in the town centre stimulating ongoing housing demand and regeneration

Place Based Analysis (3.6.1)

Target Area	Central Core, Stevenage Town Centre, SG1
External Dependencies	<ul style="list-style-type: none"> • Adequate cycle parking provision along the route of the active travel corridor. • Enforcement and adherence to minimum cycle parking standards for new developments within Stevenage Borough to meet planned uplift in cycling within the town. • Success of behaviour change programmes in increasing receptiveness to consider new ways of travelling such as cycling.
Benefits to the Target Area: Quantified	<i>See table of outputs/outcomes above.</i>
Benefits to the Target Area: Qualitative	<p><u>Health</u></p> <ul style="list-style-type: none"> • Walking and cycling offer the opportunity for healthy exercise. • Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression. • Active travel to school can increase concentration by up to four hours. <p><u>Environmental</u></p> <ul style="list-style-type: none"> • Bicycle riders are up to 5 times less exposed to air pollution than car drivers. • Cycling is circa 7 times more space efficient than vehicular traffic. Vehicles use more space than bikes and deny it for other purposes. • Bikes require less infrastructure and do much less damage to roads than cars. • Vehicles spend over 80% of their time parked, so car parking also makes major demands on valuable town centre land that could be developed for other uses. • Bike riders contribute to quieter and more attractive neighbourhoods with less traffic and improved safety. <p><u>Social</u></p> <ul style="list-style-type: none"> • Bikes boost independence for people who do not drive. • Bikes promote social, economic, age and ability equity. • Bikes enable young people to be independent and develop healthy habits. • The critical mass of more people riding makes streets safer and more vibrant for everyone. • Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town.
Possible collateral effects in the	<ul style="list-style-type: none"> • Will help generate a small increase in town centre footfall and spending • Stronger attraction of well qualified home buyers to live and work in

target area or wider spatial area	<p>Stevenage.</p> <ul style="list-style-type: none"> ● Increased investor confidence. ● Acceleration of sales of new homes and transformation. ● Generation of indirect employment.
Adverse effects on protected groups	None identified.
Different impacts by income group	Higher health and social benefits will impact on all income groups. However, jobs created will be for low-income groups in activities such as retail and hospitality.
Views of local stakeholders	Desire to create aspiring communities and opportunities that create a lasting legacy.
Alignment with wider public policy in the relevant area/s and the UK as a whole/s	<p>National Policy Alignment</p> <p><i>Department for Transport (DfT) Cycling and Walking Investment Strategy</i></p> <p>The Strategy sets out the aim to double cycling activity by 2025 and each year reduce the rate of cyclists killed or seriously injured on English roads as well as reverse the decline in walking that we have seen over the last few years. For that to happen, the Strategy’s ambition is for cycling and walking to be the natural choice for shorter journeys in every urban and rural community in England.</p> <p><i>Highways England</i></p> <p>Highways England published a Cycling Strategy in January 2016 to support its aim to invest £100 million on cycling by 2021. Providing more attractive, safe, accessible and integrated cycling facilities will encourage cycling participation and remove some local motor vehicle journeys from the Strategic Road Network. In 2016 Highways England also published Cycle Traffic and the Strategic Road Network Interim Advice Note (IAN) 195/16; the IAN ensures that the needs of cyclists are accommodated in all future schemes and that infrastructure facilitates the convenient and safe movement of cyclists along or across the strategic road network.</p> <p>Sub-regional Policy Alignment</p> <p><i>Hertfordshire Local Transport Plan (LTP3) 2011 – 2031</i></p> <p>This sets out a 20 year vision and strategy for developing transport in the county, providing the framework for transport's economic and social development. For example exercise is recognised as essential for health and modes of transport such as walking and cycling offer the opportunity for healthy exercise; ‘building new roads’ has fallen to last place behind ‘providing better walking and cycling access to schools’ and ‘improving pedestrian and cycling facilities’ across the whole county. Hertfordshire requires new developments to include sustainable infrastructure including cycle and pedestrian routes, which should be funded by the developer. Cycling routes should be linked to those existing in towns to encourage</p>

cycling to work and for leisure journeys. Links to schools are particularly important.

Hertfordshire County Council Active Travel Strategy 2013

This sets out how the County Council and its partners will identify, deliver and promote interventions to increase the numbers of people walking and cycling in Hertfordshire and is a daughter document of Hertfordshire's Local Transport Plan (LTP3).

Hertfordshire LEP Strategic Economic Plan

The project addresses Priority 3 within the current Hertfordshire LEP Strategic Economic Plan: Reinvigorating our places for the 21st-century. This will be directly addressed by this project as it will help diversify and bring more demand wealth creation into the town centre.

Local Industrial Strategy Grand Challenges

This project provides the conditions for improved access to recreational activities and will be conducive to helping the increasing numbers of older people to stay active, productive and independent.

Local Policy Alignment

Stevenage Local Plan 2019-2031. This was adopted in 2019 following Examination in Public and sets the overall spatial vision for the borough and growth direction to 2031. In total 7,600 homes are planned, 3,000 of these targeted for a regenerated Town Centre. The Local Plan looks to provide at least 140,000 m² of new B-class employment floorspace and is promoting new employment opportunities as a critical component of the town centre regeneration. This project directly reflects the Local Plan's ambitions.

Stevenage Central Framework. This was prepared in 2015 to set a direction of change for the regeneration of Stevenage Town Centre. Now supported by the Local Plan, the Framework sets out a strategy for accelerated employment and housing provision on a large scale in the town centre to meet the demands of significant population growth and revitalised and enhanced and modernised amenities to service it.

The Sustainable Travel Town and the LCWIP

The Stevenage LCWIP ("The Plan") brings together existing evidence on potential improvements to the walking and cycling networks within Stevenage, and provides a consistent methodology to prioritise interventions aimed at:

- Improving the cycling network to reduce the propensity to travel by private vehicle and increase active travel, by walking and cycling
- Identifying and prioritising walking opportunities to increase the number of walking trips to local destinations
- Ensuring that new development complements and connects to

	<p>the existing and planned walking and cycling network</p> <p><i>Stevenage Cycle Strategy</i></p> <p>The Cycling Strategy lists two headline objectives:</p> <ul style="list-style-type: none"> • more people cycling more often as a convenient, quick, healthy and sustainable form of transport for short journeys • more people cycling more often as an activity that contributes positively to the primary shared local transport objectives <p>This is well aligned with the Investment Strategy and Stevenage Borough Council, through the implementation of the Cycle Strategy Action Plan, will continue to seek government funding for the investment in Cycling and keep abreast of new initiatives as they are launched.</p> <p><i>Other Local Strategies</i></p> <p>The Stevenage Cultural Strategy 2018 sets out a ten year Arts and Heritage Strategy for Stevenage. This includes planning and delivering a major public art programme and trail, enhancing the town centre and Old Town public realm, parks and open spaces, and the extensive network of cycle paths in the Borough.</p> <p>The Healthy Stevenage Strategy 2018-2022 sets out strategic priorities including; to reduce obesity rates among children and adults; increase physical activity rates among children and adults by targeting the most inactive; support adults and children to achieve good mental health and well-being; provide high quality housing and developments in line with demand and population growth considering health and well-being through design; and regenerate Stevenage Town Centre creating more employment opportunities, providing an enhanced leisure and cultural offer and public spaces that facilitate health and well-being.</p>
<p>Dependency on the successful delivery of other proposals</p>	<p>Continued house building and new offices in the town centre to assure a demand driver for additional walking and cycling trips.</p>
<p>Link of Benefits Estimated Link to Theory of Change and Strategic Case</p>	<ul style="list-style-type: none"> • The scheme will make Stevenage more attractive to well qualified workers. • More high quality and high value businesses will be attracted to Stevenage. • Recognition of Stevenage Town Centre as a high prestige business location. • Increased investor confidence. • Acceleration of transformation of other SG1 major opportunity areas and sites.

Financial Case

Funding Profile (4.2.6)

	Funding Profile	Total
	Town's Fund	£3,500,000
	SBC	£500,000
	Other Public Sector	£3,000,000
	Total	£7,000,000

Funding Schedule (4.2.7)

Source	22/23	23/24	24/25	25/26	Total
Town's Fund	£400,000	£1,000,000	£1,200,000	£900,000	£3,500,000
SBC	£0	£0	£0	£500,000	£500,000
Other Public Sector	£120,000	£755,000	£900,000	£1,225,000	£3,000,000
Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

Commercial Case

Delivery Model (5.2.4-6)

The proposed delivery model is for the Council to take the lead as the developer, working with a construction partner.

These arrangements have a number of advantages. The Council needs to be the initiator and owner of the project because of the need to:

- a) Take advantage of its position as landowner and thereby control over the assets involved.
- b) Achieve this by offering improved facilities offered to maximise patronage and make the facilities accessible to those on low incomes and in high areas of deprivation.
- c) Provide an important building block for the regeneration of the town centre.
- d) Use its expertise and funding need to be deployed to stimulate leveraged investment and transformation.

For these reasons, the Council is best placed to initiate and deliver the scheme and fund a major part of the cost.

Risks (5.2.11)

Risks	Likelihood	Mitigation
Renewed risk of Covid-19 outbreak and possible introduction of lockdown measures.	High	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.
Labour shortages in construction, freight transport and supply industries delay construction progress.	High	and with public realm contractors incorporate commitment to bring in additional temporary labour and stocks of materials to ensure projects are completed on time.
Climate changes and weather conditions retarding progress of the construction programme	Medium to High	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather.
The construction cost exceeds the limit for the project or other issues arising during the design & development phase.	Medium	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.

Management Case

Next steps and project organisation

There is a very well established two- tier governance system which is already overseeing the delivery of the programme of projects delivery regeneration in the town centre. The Town Development Board has been recently established after drawing the previous Stevenage First board to a close. This board operates a strategic steering group, which sets the vision and direction for the Town Investment Plan funding.

In term of the project delivery, there is a two tier governance structure in place at a programme level and project level within Stevenage Borough Council.

A key difference with this project, in relation to other Town's Fund projects, it that this project will be delivered in partnership between Hertfordshire County Council (predominantly as highways experts and land owner) and Stevenage Borough Council (project management). For this project a joint working group will be established relating to the project, with standard government and project management approach which is aligned with the Town's Fund processes and the two respective Council's governance structures. As with all of the projects within the programme, the escalation of risks relating to budget, timescales and tolerance levels will be shared with the Regeneration Steering Group.

Organisation	Functions	Key Roles	Capability	Competences and Resourcing
Stevenage Borough Council	Orchestration of regeneration strategy and projects Partner for the delivery of the project Co Contract Manager	Stakeholder consultation Project scoping Sourcing of funding Initiation of delivery partnerships Formalising approvals	Well-developed stakeholder engagement strategy, organisation and processes Devising high impact regeneration solutions Delivery through partnership and contract	Expert and experienced regeneration team Town Fund award and match funding for key projects Delivery partnerships
Hertfordshire County Council	Partner for the delivery of project Lead Contract Manager	Stakeholder consultation Project scoping Sourcing of funding Initiation of delivery partnerships Formalising approvals Contract manager	Well-developed stakeholder engagement strategy, organisation and processes Devising high impact regeneration solutions Delivery through partnership and contract	Delivery Partnerships Expert and experienced highways and transport teams
Stevenage Borough Council Accountable Body	To act as the Accountable Body ensuring robust processes are followed for the delivery of the project	Monitoring and Evaluation Assurance Financial security	Well-developed Council processes which will be adhered following the endorsement from the Development Board Capital Programme experience	Expert Finance Team with knowledge of capital schemes Shared learning with LEP



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Stage 2 – Cycling & Pedestrian Connectivity and Heritage Trail

Business Case template (optional) to be used by Towns as guidance for structuring their business cases

Version 5: 7th February 2022

VERSION CONTROL

Document version	Publication date	Description of changes	Modified by

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INTRODUCTION

1. INTRODUCTION

1.1 Introduction

Cycling and pedestrian infrastructure is one of the most notable features of Stevenage's New Town architecture. The infrastructure was based on Dutch infrastructure and was incredible innovative and bold move to create connected completely segregated from the carriageways so town and cyclists can cross at major junctions and other convenient points through underpasses. The routes total 45km making Stevenage one of the best towns in the UK for travelling for bicycle and pedestrians.

However, over the years parts of the network have become fragmented and disconnected with redevelopment and lack of investment and now this asset is viewed as unsafe and is underutilised. With this expansive network and significant improvement required, a phased strategy of improvements is required. Phase 1 covers the majority of the town centre and is being delivery largely through the town centre redevelopment works. This project focusses on funding the design and delivery of Phase 2 and 3 phases.

Purpose of the Business Case

- This business case sets out the proposal for the Cycling & Pedestrian Connectivity and Heritage Trail. The proposal has two core elements; the first is to deliver a heritage and arts trail that creates a quality visitor attraction showcasing the incredible heritage assets and public art across the town, coupled with the installation of new art features to complete the trail. The second element is the delivery of enhanced pedestrian and cycling infrastructure that will link between new developments in the town centre and other growth schemes across with the network, whilst providing a cultural offer as well as an exciting cycling experience through enhancing place pride and identity through art, heritage, community activity and incorporating refreshed activation of key routes. This will achieve a multitude of aims – increasing accessibility and connectivity between places so that mobility is not a barrier to accessing opportunity, increasing levels of health and wellbeing through increased cycling and walking, improving the perception and experience of places across the town centre, and contributing towards climate change. This in turn will unlock direct and indirect local economic benefits.

This project builds on the work that current transport and regeneration schemes have been delivering with the aim of deliver the next phase of cycling and pedestrian improvements alongside these.

As per the Stevenage Town Investment Plan submission, the project covers the core central areas of the cycle ways which covers predominantly the town centre, employment region and the connections between these spaces and the residential area of the town.

Stevenage has the unique position of being the first town to be part of the Stevenage Sustainable Travel Town plan programme which forms part of Hertfordshire County Councils Local Transport Plan and aims to increase the number of people walking, cycling and using public transport. Further information on Sustainable Travel Towns programme can be viewed here: <https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/sustainable-travel-town-programme.aspx>

Background to Towns Fund and Stage 2 Process

- 1.1.2 In November 2019, Stevenage was included in the 101 places eligible to develop and submit a Town Investment Plan following an application to the Town Fund. This presented an opportunity for Stevenage to bid for up to £50 million capital funding to support and address key challenges facing the town.
- 1.1.3 Working closely with key public, private and third sector partnership the Stevenage Development Board was established and a Stevenage Town Investment Plan was created and submitted to MHCLG (now renamed DLUHC) in October 2020. In March 2021, the partnership was notified of its award of £37.5m of funding.
- 1.1.4 The investment plan was predicated on maximising the success of Stevenage-based businesses in the science and engineering sectors, regenerating the town centre, and delivering opportunities for local people including enhanced skills & training. Ten projects were submitted as part of the ask to central government, ranging across Transport and Active Travel infrastructure, Skills and Enterprise, Arts, Heritage and Cultural and Town Centre Regeneration.
- 1.1.5 Building on the Town Investment Plan, this document sets the strategic, economic and financial case for the project and the commercial arrangements for procuring its delivery and the processes and arrangements for the governance and management of the project.

Scheme Promoter and Accountable Body for the Project

- 1.1.6 The scheme promoter is a partnership between Hertfordshire County Council and Stevenage Borough Council. Stevenage Borough Council will also act as the accountable body.

1.2 Summary of the Scheme

- 1.2.1 The schemes being supported by the Town Fund will support the wide variety of interventions within the Town's Fund programme and wider regeneration activities taking place in the town. Specifically:
- this scheme embraces and celebrates heritage,
 - creates a true visitor attraction of cycleway and Stevenage's cultural offer
 - encourages health and well-being by providing attractive active travel options, and
 - directly supports modal shift to sustainable transport options, by improving linkages from new developments to employment spaces, residential wards and the town centre.

Below outlines how this scheme integrates with other Town's Fund and wider regeneration schemes. This highlights how integral reinvigorating our most unique New Town asset is to the whole programme.

Activity	Parallel Projects	This Project
Creation of new Bus Interchange	√	
Multi Storey Car Park & zero carbon support infrastructure	√	
Marshgate Biotech Office project	√	

Activity	Parallel Projects	This Project
Town Enterprise Centre	√	
Heritage Museum and New Leisure Space	√	
New Sports and Leisure Centre	√	
Residential and Commercial Development Plot B	√	
Residential Development Plot A	√	
Residential Development Plot K	√	
Creation of a Cycling and Pedestrian Heritage Trail		√
Improving the Walking and Cycling Connectivity Across the Town		√

- 1.2.2 There has been significant work in to understanding the physical requirements of the cycleway. Through strategies and studies, clear routes to improve or to be created have been highlighted. Key intervention could include reconnecting linkages, installing high quality cycle storage integrated within the transport hub, wayfinding and underpass improvements. But this project does not hope to simply provide standard physical infrastructure, this project seeks to reinvigorate the segregated cycle and pedestrian ways as both a transportation and cultural asset to the town improving perception and ultimately usage of this unique feature.
- 1.2.3 Embedded within the improvements will be new artwork installations and innovative design in to wayfinding, lighting and public realm, which will raise the current view of the cycleways and take pride in Stevenage's identify and character.
- 1.2.4 By creating a heritage and arts trail, which uses the segregated cycleways and pedestrian routes as the vehicle, means that visitors and residents will be connecting with the DNA of the New Town's architecture, masterplan, design and history, whilst being active and exploring the spaces Stevenage have to offer.
- 1.2.5 Some work has been underway by partners HCC and SBC cultural team, to begin co designing subway art with the community and professional artists for improved subway vibrancy and vitality. This co-operative approach will be the core value embedded in to the methodology for the delivery of this scheme.
- 1.2.6 This is the next phase of improvements for the network and public realm spaces, however, completing a succinct area of the cycleway will highlight it's potential and further match funding can be sought after for the remaining areas.
- 1.2.7 Key activities will involve:
- 1) Creation of a cycling and pedestrian Heritage trail as a visitor attraction to the town.

The project will take the high-level aspirations for the development of an attractive and exciting heritage and arts trail, that will draw together the wealth of heritage and public art assets that are already in place across the town, and couple this with new art installations, either close to or on the segregated cycle and pathways across the town. This project is intended to also draw those who use the trail, through some of the key assets of the town, from Old Town, Town Centre, through to Fairlands as a way not only to celebrate the town's heritage but the town as a destination, with an

abundance of leisure and green spaces to enjoy as part of this offer too. It is anticipated that there could be a few routes providing a variety of routes length for people to engage with any ability of walking or cycling.

Currently a heritage trail has been curated by the Cultural department, however this is simply in map form, and does not have any physical presence on the segregated cycle and pedestrian pathways. Furthermore, this project aspires to combine the Town Centre Heritage trail with the wider Heritage Bike Ride and allow this to be different route options. The next step would be to scope the physical presence in terms of design, wayfinding, finalising a route to ensure maximum impact and then scoping potential spaces for new art installations. The segregated cycle and pedestrian pathways are a New Town Asset that residents are immensely passionate about, and therefore it is key that user groups and the broader community are embedded within the design process of both the scheme and the art installations. Further detail on this can be seen in the Management case.

Due to the nature of the cycle and pedestrian pathways, there will be overlap between this element of the project and the improvements of the connectivity across the town.

Indicative map of what this may include can be viewed below. Link to the heritage trail is here: <https://www.stevenage.gov.uk/stevenage-museum/stevenage-heritage-bike-ride>

Below is an example from the BRCA2 cycle path, a wayfinding installation that encapsulates the scientific prestige of Cambridge.



- 2) Improving the walking and cycling connectivity across the town and providing appropriate 21st century facilities.

To support the creation of the visitor attraction trail and other developments in the towns fund programme, is the need for targeted new cycling and connectivity improvements. This element of the project, looks to include new public realm connections between core schemes within Town Fund's programme with other interchanging space and the rest the cycle network, providing new secure cycle storage at the station, piloting a hire scheme, refreshed subway design, and completing works outlined in the previous studies as integral to increase cycle and pedestrian usage.

This part of the project will draw upon the evidence from a number of strategies and studies that have been produced over the past few years in relation to the cycle ways as well as community engagement and consultation from core user groups of the network. In particular, the Sustainable Travel Town Action Plan, which highlights and prioritises some of the packages of work needed from the Local Walking and Cycling Infrastructure Plan, produced in 2017. This coupled with the emerging Town Centre Cycling Masterplan, provides the foundation for small, medium and large scale projects that are required within the town.

Collectively this creates a significant impact on the network, and a cohesive and accessible approach to movement through the town. This project covers the second and third phase of a five-phase programme to upgrade the whole network. Further match funding from future funding bids will be able to continue this progress.



Nelson Street Cycleway (Toronto) Statement route through the city

1.3 Business Case Structure and Content

1.3.1 The full rationale for the project, covering the context, challenges to be address objectives and approach to delivery, are set out below under the following headings.

- Strategic Case
- Economic Case
- Financial Case
- Commercial Case
- Management Case.

STRATEGIC CASE

2. STRATEGIC CASE

2.1 Introduction to the Strategic Case

2.1.1 This strategic case defines the scope of the project. It explains how the project will bring about the increase of cycle and pedestrian way usage as a key enabler for active transport, and a rejuvenated pride in the New Town's most unique asset.

2.2 Case for Change

Current Context, Challenges and Arrangements

Regeneration Challenges and Priorities

2.2.1 Stevenage Town Centre has become severely run down due to time expired buildings and infrastructure. a decaying appearance and a public realm and hospitality offer failing to attract people. Its shopping centre is losing business and major retailers have moved out, leaving an oversupply of older retail space that is no longer fit for purpose.

2.2.2 Stevenage New Town was originally designed to serve a population of 60,000 but the population is forecast to increase to just under 93,000 by 2035 – growth of 50% of that of the original new town, yet there has been no increase in the size of the town centre and growth of surrounding districts will have a significant influence on the town centre. Meanwhile the economy of Stevenage has grown beyond the regional and national average over the past 17 years principally through expansion of knowledge-based industries and with the presence of an impressive array of world class businesses in life sciences, agritech, IT, advanced engineering and high value manufacturing.

2.2.3 Current challenges that need to be addressed can be summarised as follows.

- Town centres will have an important role to play in the post-Covid world in supporting businesses and their workforces. They are now having to assume greater importance as employment and residential locations, focal points for community, social and recreation activity and as hubs for integrated transport.
- Culture, Leisure and Heritage spaces within the town have been reduced, and although there is a greater emphasis on their ability to create a place, currently Stevenage cannot support these aspirations with the facilities and infrastructure it holds.
- Connections across town from the residential to employment and other key spaces in the town have been either broken or weakened through development over the past few years- East to West connections in particular around the town centre for cycling and pedestrians do very little to permeate the ring road and encourage active transport.
- Lack of investment in to cycling and pedestrian routes have left subways and routes perceptions to be viewed as unsafe and unattractive ways of travelling, and distinctly a lack of identity and community ownership and pride in these spaces, have been underutilised.
- High car usage in and around Stevenage causes pressure on the traffic systems. The need to move to sustainable transport options in essential for not only local but global need to change travel behaviours to support sustainable aspirations for the county and borough.

- Although infrastructure and private sector investment are integral to the future of the town centre, the beating heart of rejuvenating the town centre as place must include creating Stevenage as a cultural destination and bring vibrancy and economic growth through activity; a core aspiration of this project.

Regeneration Proposals for the scheme

2.2.4 This project will bring about the key connections of these new development spaces across the town centre and the wider town, as well as placing Stevenage on the map as a key destination for safe cycling and walking, with a unique cultural experience that celebrates the heritage of the New Town and new installations, that symbolise the pioneering spirit of the post war era matching with Stevenage’s pioneering and innovative future as a global leader in STEM industries and business.

In so doing, this project supports the success of joining new developments with residential, employment and other key leisure and cultural destinations in the town, creating a cohesive visitor attraction not just for the residents of the town, but providing a regional attractor. It will continue to boost the catalytic regeneration projects and increase the vitality and appeal of the town as a place with strong unique character.

The Sustainable Travel Town and the LCWIP

2.2.5 The Stevenage LCWIP (“The Plan”) brings together existing evidence on potential improvements to the walking and cycling networks within Stevenage, and provides a consistent methodology to prioritise interventions aimed at:

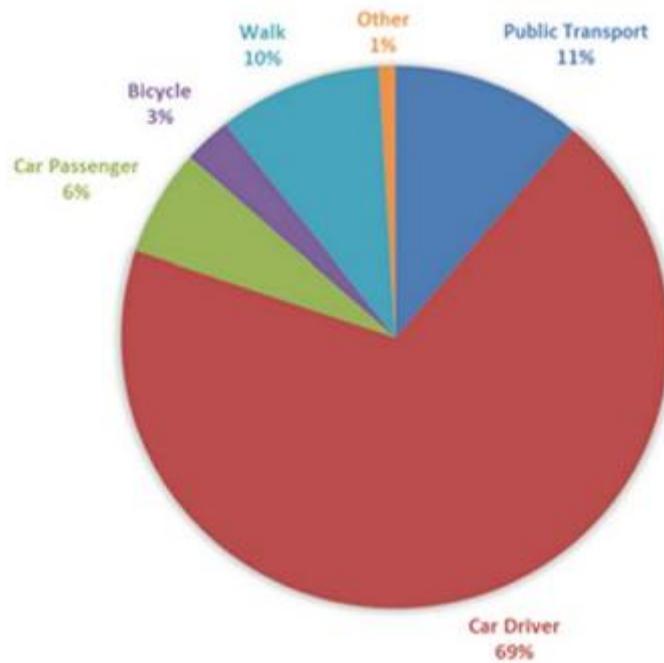
- Improving the cycling network to reduce the propensity to travel by private vehicle and increase active travel, by walking and cycling.
- Identifying and prioritising walking opportunities to increase the number of walking trips to local destinations.
- Ensuring that new development complements and connects to the existing and planned walking and cycling network.

2.2.6 The cycle network in Stevenage is established and comprehensive. It was installed as part of the development of the New Town, and offers a segregated, direct, network around the town. However, whilst the network is extensive, there are some gaps in provision. This is largely as a result of the decline in cycling, seen once cars became more popular, as emphasis shifted away from providing cycling facilities and some areas of the town were developed without adequate cycleway provision.

2.2.7 Existing travel patterns

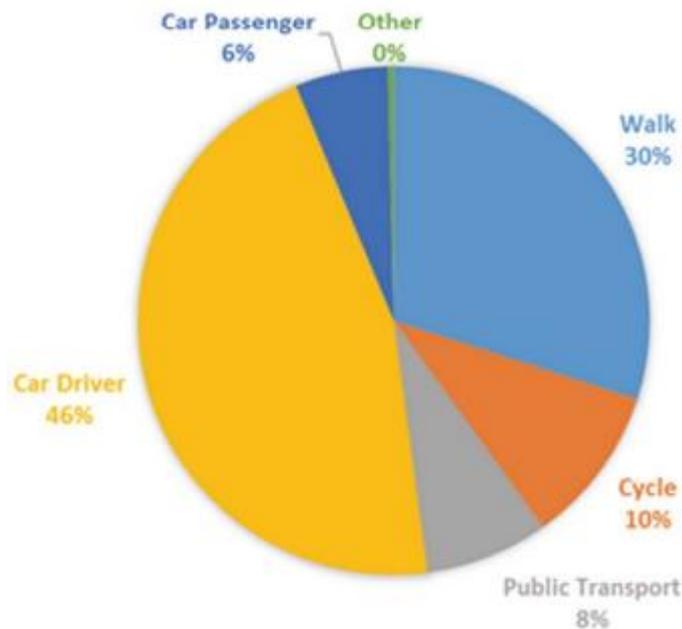
According to the latest available data, the mode split by bike (for travelling to work only) in Stevenage is around 3%, and walking is 10%.

Figure 1: Mode of Travel to Work for people working in Stevenage (2011 Census)



For journey to work trips under 3 miles in length, the cycle and walking mode share is higher, but over half of all journey to work trips are still being made by private car. With Stevenage’s extensive cycle network, it should be possible to make walking and cycling the dominant mode split for journeys of this length.

Figure 2: Mode of Travel for Journey to Work Trips under 3 miles (2011 Census)



2.2.8 The Sustainable Travel Town programme forms part of the county council's Local Transport Plan, and aims to increase the number of people walking, cycling and using public transport. The Outline Plan is the first stage in developing the programme of schemes that will be necessary to ensure success. Their purpose is to ensure that there are suitable measures that can be delivered, and that there is a high level of support from the key partners. The Outline Plan is the gateway to entering the full Sustainable Travel Towns programme. Once entry has been achieved, there will be full public engagement to refine the existing measures and to develop new ones, enabling the production of an Implementation Plan. The objectives are taken from Stevenage Borough Council's submission to the Sustainable Travel Town programme:

- Enabling the delivery of housing proposals within the Local Plan (May 2019) by providing a modal shift in vehicle-use.
- Enabling the delivery of town centre regeneration proposals within the Local Plan (May 2019) by providing a modal shift in vehicle use.
- Aiding the retention of significant national and international companies in the town by helping to maintain and improve the attraction of Stevenage as a location for businesses.
- Helping to achieve truly sustainable transport in the town and establish Stevenage as a leader in sustainable development.
- Helping to reinstate the town's original New Town design objectives and help to achieve a sense of place in Stevenage as an active community.
- Helping to reinstate the town's original New Town design objectives and help to achieve a sense of place in Stevenage as a healthy community.

A full scheme summary table can be viewed in Appendix 2.

Progress to Date in Delivering the Stevenage Central Framework

2.2.9 To transform the town, public sector intervention is needed to enable more opportunities to be brought forward for development. To this end, the Stevenage Central Framework published in 2015 identified the need for significant amounts of new employment space and residential development to make investment in upgraded retailing, food and beverage and other key town centre amenities viable and fit for the 21st century. In accordance with the Stevenage Central Framework, Marshgate and Queensway have been defined as a major opportunity area.

2.2.10 An early start has been made in delivering the objectives of the Stevenage Central Framework with a number of key building blocks already in place to accelerate transformation and new development:

- A dynamic development board, comprised of prominent business leaders, university and local authority representatives has been assembled. A proactive vision has been formulated. High powered regeneration solutions have been defined and are being initiated.
- A development agreement has been signed with Mace as a private sector development partner, enabling fast track approaches to be new development and construction.

- Construction of a new bus interchange on a new site alongside the station has been approved for funding and construction has now started. This has released a major development site which provides a major catalyst for transformation of the town centre.
- Approval for the creation of a Sustainable Transport Hub complementing the new bus station, comprising a new multi-story car park alongside the station, the provision of copious electrical charging and associated renewable energy infrastructure and a cycling hub.
- The Marshgate Biotech Office project has now been approved and has started on site.
- Advanced proposals and expected approval for a series of key catalytic projects brought about under the Town Fund including:
 - Stevenage Enterprise Centre
 - Gunnels Wood Road Infrastructure
 - Stevenage Technology and Innovation Centre
 - A National New Towns Heritage Centre and enhanced culture and leisure space
 - A new Sports & Leisure Hub
 - Improved Cycling Connectivity and Arts & Heritage Trail
- In addition to initiation by Stevenage Borough Council (SBC) of the SG1 and Queensway, a number of private sector developments have already been completed including Park Place, Vista Tower and Skyline.
- A number of redevelopment sites in the central core, northern and southern gateway major opportunity areas, pivotal to kick starting transformation, have been acquired. Preliminary enabling works are either underway or are scheduled.
- Development agreements have been signed or are at an advanced stage for new town centre housing development on Plots, A, B, K, F & G.

Evidence of Need

Challenges that Would be Addressed

2.2.11 If successfully developed, the Town Enterprise Centre will help to address the following challenge set out in the Town Investment Plan.

Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth. Investment in our town’s infrastructure has not kept pace with the growth of our population and economy. Our town’s facilities and infrastructure are all ageing at the same time; our transport infrastructure, station, shopping centre, sports centre and theatre are reaching the end of their realistic economic life. As Stevenage has continued to grow, these issues are becoming more pronounced. All growth scenarios show a deficit in infrastructure funding. The town centre is a prominent example of this, with areas of poor public realm, empty units that are not fit for purpose. Stevenage, once an exemplar of urban development, has remained largely unchanged. Without comprehensive regeneration and significant investment, the town centre will not be resilient to the future challenges that it faces and will fail to be a focal point or driver for future economic growth.

Challenge 3: Town Centre Transformation. The town centre has aged, retail is losing business due to dated floorspace, catchment leakage, high representation of lower value outlets, and an over-reliance on traditional retail, with limited diversification. Expansion of housing and employment space in the town centre are needed to create natural footfall and increase demand sustainably.

To address this, the Stevenage Central Framework adopted in 2015 sets out a £1bn programme to transform the town centre delivering over 3,600 new homes and 55,750 sqm of offices and other commercial space. To achieve this, Stevenage needs to create the conditions for investment in the town centre and whilst the early phases of our regeneration programme have begun to improve values in the town, development viability remains challenging without public sector intervention.

Future Needs

2.2.12 The purpose of the Stevenage Central Framework and subsequent Town Investment plan for Stevenage town centre is to create a town centre for the 21st century. To do this, Stevenage Borough Council is seeking to achieve lasting regeneration through the development of offices, homes and leisure amenities within the town centre which will attract a broad range of workers to live there and be encouraged to take up employment opportunities nearby.

2.2.13 To deliver on the aims of the Regeneration Framework, 3000 homes are due to be completed within the town centre. By 2030, the numbers of people living within the town centre will rise from 300 in 2015 to 7000. The aim is to create a sustainable community that avoids the need to travel long distances to work and to reduce use of the car for commuting, shopping and leisure visits as far as possible. With the infrastructure available, maximising its impact will be a key part of delivering this in conjunction with the other schemes in the regeneration programme.

2.2.14 In addition to sustainability objectives, the current pandemic has emphasised the need for more self-sufficiency in local areas. Ideally, most needs would be met within about 15 minutes' walk (a fundamental tenet of the original Stevenage development concept). In addition, there is a need to reduce dependence on crowded trains and buses, if possible, to reduce infection risks.

2.2.15 To make this work and to achieve the above aims all of the necessary elements need to be in place to attract well qualified residents to the town. Without a strong cultural offer Stevenage town centre will remain relatively unattractive to the types of workers the town needs to attract to work in such developments such as the new Bioscience Centre and the high-quality offices that will soon be developed in the town centre.

2.2.16 This project addresses this need. Along with new employment opportunities, a proposed new sports and leisure centre, an improved town centre environment and food and beverage outlets, the ability to move fluently between new spaces and key leisure and cultural sites will enhance the attraction to the town, whilst also providing a lifestyle and transport option that is safe, exciting and sustainable.

Opportunities

Major Project Drivers and Opportunities Addressed

2.2.17 This project will address 3 of the five major opportunities defined in the Town Investment Plan.

Opportunity 1: *National & International Gateway for UK PLC.* Stevenage can be a critical asset to UK PLC. Located 45 minutes from 3 airports, 19 minutes by train to the capital. A town centre that matches the profile of its international businesses and an arrival gateway befitting this status will help drive the hundreds of millions of investment that we know the town can deliver.

Opportunity 4: Building Wealth and Reclaiming Expenditure. The town centre can be a UK top 100 town. Our vision is to bring back what Stevenage once was - a destination town centre with a combined retail, office, leisure and residential offer that will meet the needs not only of our residents but attract visitors and encourage our great industries and businesses to use it.

2.3 Policy Alignment

National Policy Alignment

The UK Government's Build Back Better Plan for Growth

2.3.1 Following the UK Government's unprecedented economic package to minimise the adverse effects of the Covid-19 and the largest fall in annual GDP in 300 years, the Build Back Better plan takes a transformational approach, by building on three core pillars of growth.

- Infrastructure: stimulating short term activity and driving long term productivity through investment in cities, broadband and transport infrastructure with capital spending over £100 bn per year, whilst maintaining a focus on net zero growth.
- Skills and learning to support productivity growth through skills and training, whilst aligning post- 16 technical education with employer demand.
- Innovation: supporting and incentivising the development of the creative ideas and technologies that will shape the UK's future high growth and sustainable and a secure economy.

Department for Transport (DfT) Cycling and Walking Investment Strategy

2.3.2 The Strategy sets out the aim to double cycling activity by 2025 and each year reduce the rate of cyclists killed or seriously injured on English roads, as well as reverse the decline in walking that we have seen over the last few years. For that to happen, the Strategy's ambition is for cycling and walking to be the natural choice for shorter journeys in every urban and rural community in England. It highlights the wider positive impact that investing in cycling can the local economy, the environment and social benefits. This project would align to achieving these ambitions through funding and other programme the council and partners are leading such as the cycling campaigns and festivals.

Cycling and Walking Investment Strategy

2.3.3 The vision focuses on better safety, better mobility and better streets for cycling and walking. Interventions including improved public realm, streets and routes where cyclists and walking feel they belong and safe and community-based activities on such routes.

2.3.4 This project aims to directly address all of these themes, and with the segregated cycleways that Stevenage has and is connected to outside of the boundaries, this project will aim to produce all of these outcomes. The route aims to link with the forming transport interchange, improve the linkages to the town centre and key employment space, and future growth sites whilst celebrating the heritage of the unique planning design which was ahead of its time. HCC and the Council have worked closely in establishing a local response to this national strategy, in the form of the Local Cycling and Walking Infrastructure Plan.

Highways England

- 2.3.5 Highways England published a Cycling Strategy in January 2016 to support its aim to invest £100 million on cycling by 2021. Providing more attractive, safe, accessible and integrated cycling facilities will encourage cycling participation and remove some local motor vehicle journeys from the Strategic Road Network. In 2016 Highways England also published Cycle Traffic and the Strategic Road Network Interim Advice Note (IAN) 195/16; the IAN ensures that the needs of cyclists are accommodated in all future schemes and that infrastructure facilitates the convenient and safe movement of cyclists along or across the strategic road network.

Sub-regional Policy Alignment

Hertfordshire Local Transport Plan (LTP3) 2011 – 2031

- 2.3.3 This sets out a 20 year vision and strategy for developing transport in the county, providing the framework for transport's economic and social development. For example, exercise is recognised as essential for health and modes of transport such as walking and cycling offer the opportunity for healthy exercise; 'building new roads' has fallen to last place behind 'providing better walking and cycling access to schools' and 'improving pedestrian and cycling facilities' across the whole county. Hertfordshire requires new developments to include sustainable infrastructure including cycle and pedestrian routes, which should be funded by the developer. Cycling routes should be linked to those existing in towns to encourage cycling to work and for leisure journeys. Links to schools are particularly important.

Hertfordshire County Council Active Travel Strategy 2013

- 2.3.4 This sets out how the County Council and its partners will identify, deliver and promote interventions to increase the numbers of people walking and cycling in Hertfordshire and is a daughter document of Hertfordshire's Local Transport Plan (LTP3).

Hertfordshire Health and Well Being Strategy

- 2.3.5. This set a high-level set of priorities based on a life course approach looking at the four stages of life which are starting well, developing well, living well and ageing well. Many of the priorities are recognising the strategy is the same given the disparity of health inequalities in Stevenage when compared to the rest of Hertfordshire.

Hertfordshire LEP Strategic Economic Plan

- 2.3.6 The project addresses Priority 3 within the current Hertfordshire LEP Strategic Economic Plan.

Reinvigorating our places for the 21st-century. The strategy calls for high-density solutions, recognising particular opportunities, linked to railway hubs and transforming town centres into vibrant lively urban hubs underpinned by new models of living and working. The Stevenage Central Framework and this scheme align closely with this approach. This will be directly addressed by this project as it will help diversify the and bring more demand wealth creation into the town centre.

Local Industrial Strategy Grand Challenges

2.3.7 Grand Challenges for Hertfordshire highlights the importance of clean growth challenges. This project provides the conditions for improved access to recreational activities, and will be conducive to helping the increasing numbers of older people participate in culture and leisure activities and to stay active, productive and independent.

Local Policy Alignment

2.3.8 Stevenage Local Plan 2019-2031. This was adopted in 2019 following Examination in Public and sets the overall spatial vision for the borough and growth direction to 2031. In total 7,600 homes are planned, 3,000 of these targeted for a regenerated Town Centre. The Local Plan looks to provide at least 140,000 m² of new B-class employment floorspace, and is promoting new employment opportunities as a critical component of the town centre regeneration. This project directly reflects the Local Plan's ambitions.

2.3.9 Stevenage Central Framework. This was prepared in 2015 to set a direction of change for the regeneration of Stevenage Town Centre. Now supported by the Local Plan, the Framework sets out a strategy for accelerated employment and housing provision on a large scale in the town centre to meet the demands of significant population growth, and revitalised and enhanced and modernised amenities to service it.

Healthy Stevenage Strategy

2.3.10 The vision of the Healthy Stevenage Strategy is to reduce health and inequalities and improve the health and well-being of Stevenage residents. Its mission is to help all residents to be happy and healthy for as long as possible by providing high-quality services in partnership with other local bodies that are accessible by all.

2.3.11 Identified priorities are to enhance levels of physical activity, improve mental health and well-being, enhance older peoples' independence, to reduce obesity and smoking and to increase health promotion as informed by the public health outcomes framework and Stevenage health profile 2016.

Stevenage Cycle Strategy

2.3.12 The Cycling Strategy lists two headline objectives:

- more people cycling more often as a convenient, quick, healthy and sustainable form of transport for short journeys
- more people cycling more often as an activity that contributes positively to the primary shared local transport objectives

This is well aligned with the Investment Strategy and Stevenage Borough Council, through the implementation of the Cycle Strategy Action Plan, will continue to seek government funding for the investment in Cycling and keep abreast of new initiatives as they are launched.

Stevenage Arts & Cultural Strategy

2.3.13 Through this Strategy a developed, enhanced and sustainable cultural offer, complementing town centre regeneration, will substantially improve local quality of life and health; benefit businesses and the economy; engage children and young people; and attract visitors from the County, London and beyond to a thriving, busy and accessible creative environment. Within this strategy there is a plan to deliver a major public art programme and trail and link arts and heritage with sport to build on the town's substantial sporting and cycling heritage.

2.4 Vision and Objectives

Vision

2.4.1 The transformation of cycling connectivity between core spaces such as new developments in the Town Centre, the Old Town, the Town's employment areas and surrounding residential neighbourhoods incorporating enhanced arts and heritage features, repositioning Stevenage Town Centre it as an attractive and vibrant destination with strong appeal to incoming residents and workers and leisure visitors whilst providing a catalyst for significant new investment and regeneration.

2.4.2 Key outcomes sought are:

- Vastly improved appeal and safety of segregated cycleway pedestrian pathways higher numbers of users of the network.
- Increase in the number of people cycling or walking to work, which in turn will create a reduction in car usage in the central core and surrounding areas.
- Increase the know.
- Successful implementation of the improvements to the cycling and pedestrian connections aligned with the Sustainable Travel Town, LCWIP and Town Centre Cycling Masterplan.

SMART Objectives Related to the Project

- 1) To create a celebration of the heritage assets in the town creating a high-quality interactive arts and heritage cycling and walking trail; supporting the creation as Stevenage a destination town for both residents and leisure visitors.
- 2) To improve the image, appeal and connectivity of the segregated cycleways and provide appropriate cycling infrastructure to support and encourage active use of the cycleways.
- 3) To build a thriving and viable leisure and cultural offer not only in the town centre but across the town, connecting key cultural and leisure assets.
- 4) To remove a constraint to access key spaces across the town- specifically linking the town centre, with residential and business spaces through the central core area and other major growth and regeneration points in the town.

Measures of Success

2.4.2 Successes to be measured and the method of measurement each of element of the scheme are summarised below.

Project	Successes to be Measured	Method of Measurement
Creation of heritage and arts trail	Delivery on time and to budget	Tracking with project managers
	Improvement in perceptions amongst town centre visitors	Town centre visitor surveys
	Increase in use of heritage	Shopping surveys and regular findings from specialist retail data providers
Improved walking and cycling connectivity across the town	Significant increases in walking and cycling trips across all purposes of travel assault the active travel corridor	Before and after travel surveys along the route(s)
	Improved quality of life and will be amongst active travel corridor users	Surveys amongst existing and incoming population

2.5 The Proposed Investment

Options Considered

2.5.1 The Do nothing and do minimum options considered in the first instance to deliver the solutions to meet the above objectives were:

- a) Do nothing: No measures to improve the extent, links and functionality of the cycling network.
- b) Do minimum: Improve publicity of active travel benefits and options through a marketing campaign. Provide walking/cycling maps and improve signage for pedestrians only.

2.5.2 A full list of the options considered is set out in Section 3 along with the criteria adopted in shortlisting them.

Preferred Option

2.5.3 Improve the walking and cycling connectivity across the town by providing appropriate 21st century facilities and the creation of a cycling and pedestrian heritage trail as a visitor attraction, linking the town core spaces, new developments, the employment areas, the Old Town and surrounding residential neighbourhoods.

Project Risks, Constraints, and Interdependencies

2.5.4 Risks have been set out in the Register below, which is based on a 5x5 matrix indicating the exposure to risk, which is defined as the relationship between the likelihood of the risk occurring and its impact. Plotting the likelihood and Impact Scores assigned on the risk matrix will result in a risk level of between 1 and 25 and a colour code from Blue (insignificant) to Red (major) set out in the diagram below.

Risk matrix

		LIKELIHOOD				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
IMPACT	Major (5)	5	10	15	20	25
	Significant (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5

Stevenage Pedestrian & Cycling Connectivity and Heritage Trail: Project Risk Register

Risk Register L: Likelihood; I: Impact; T: Total

Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/ Updated
					L	I	T			
001	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	The need to implement practices to ensure safety. Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	4	4	16 R	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		
002	Construction labour shortages create delays	Conclusion of contracts with building contractors for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely contractual arrangements	4	5	20 R	In development agreement ensure there is commitment to bring in additional temporary labour to ensure projects are completed on time.		

003	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components . Cost overruns	Contractual arrangements	5	5	25 R	In development agreement incorporate commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
004	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		
005	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		
006	Failure to achieve planning approval for Westgate adaptation	Notification of Council decision	Major delay to completion. and project interdependencies.	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.	1	5	5 Y	Close cooperation with Planning.		

007	Constrained nature of the site limits both the range of uses and how the building of the HUB is organised on site.	Funding restricted / stopped. Poor management decisions. Failures in contractor / partnership working. Poor project management. Poor planning	Project delays/overruns. Reputational damage. Cost overruns. Public dissatisfaction. Discouragement of future partnerships. Delay, impact on service delivery.	Regular meetings with designers / contractors. Effective procurement strategy. Post contract reviews. Regular and timely meetings with planning. Robust project management.	3	3	9 Y	Close cooperation with Planning.		
008	Failure to provide adequate cycle parking provision in the town centre and along the route of the active travel corridor.	Identified shortage of cycle parking add storage	Significant increase in walking and cycling trips within the town not realised leading to limited reductions in car usage and improved health levels	Enforcement measures to assure compliance with cycle parking standards	2	5	10 Y	Close cooperation with Planning.		
009	Failure of programmes for increasing receptiveness to consider new ways of travelling such as cycling	Active travel targets not being achieved	Inadequate levels of behaviour change necessary to change modal change in favour of active travel	Project planning to ensure that all elements for success are completed within the programme	2	5	10 Y	Establish a fully comprehensive marketing and communications programme to make people aware of the new active travel opportunities well in advance of completion of the project		

2.6 Description of the Project

Purpose and Key Elements of the Project

2.6.1 The project will take the high-level aspirations for the development of an attractive and exciting heritage and arts trail that will draw together the wealth of heritage and public art assets that are already in place across the town and couple this with new art installations, either close to or on the segregated cycle and pathways across the town. Also, to support the creation of the visitor attraction trail and other developments in the towns fund programme, is the need for targeted new cycling and connectivity improvements.

2.6.2 Key activities will involve:

1) Creation of a cycling and pedestrian heritage and arts trail

- It will be the creation of a key focal point for residents and visitor to the town and support that tourism and heritage market that makes Stevenage unique.
- Link together key leisure and heritage assets across the town with a coherent and exciting design.
- Co- design engagement sessions with the community.
- Activation of public spaces to become vibrant social spaces
- Installation of Wayfinding and where needed new lighting
- Embedding digital educational experience into the trail
- Installation of new cultural pieces along the trail
- Branding and publicity campaign tied in with user groups and other key community stakeholders.

2) Improving the connectivity across the town and providing appropriate 21st century facilities

- Review and align both Town's Fund projects and Cycling Masterplan plan with the Sustainable Travel Town pipeline of projects, and perform a scoping process with stakeholders to determine maximum improved connectivity impact across the segregated cycling and pedestrian routes.
- Design and procure technical experts.
- Complete improvements subways, lighting.
- Embedding arts and heritage where possible.

2.7 How the Project Addresses the Objectives and Vision

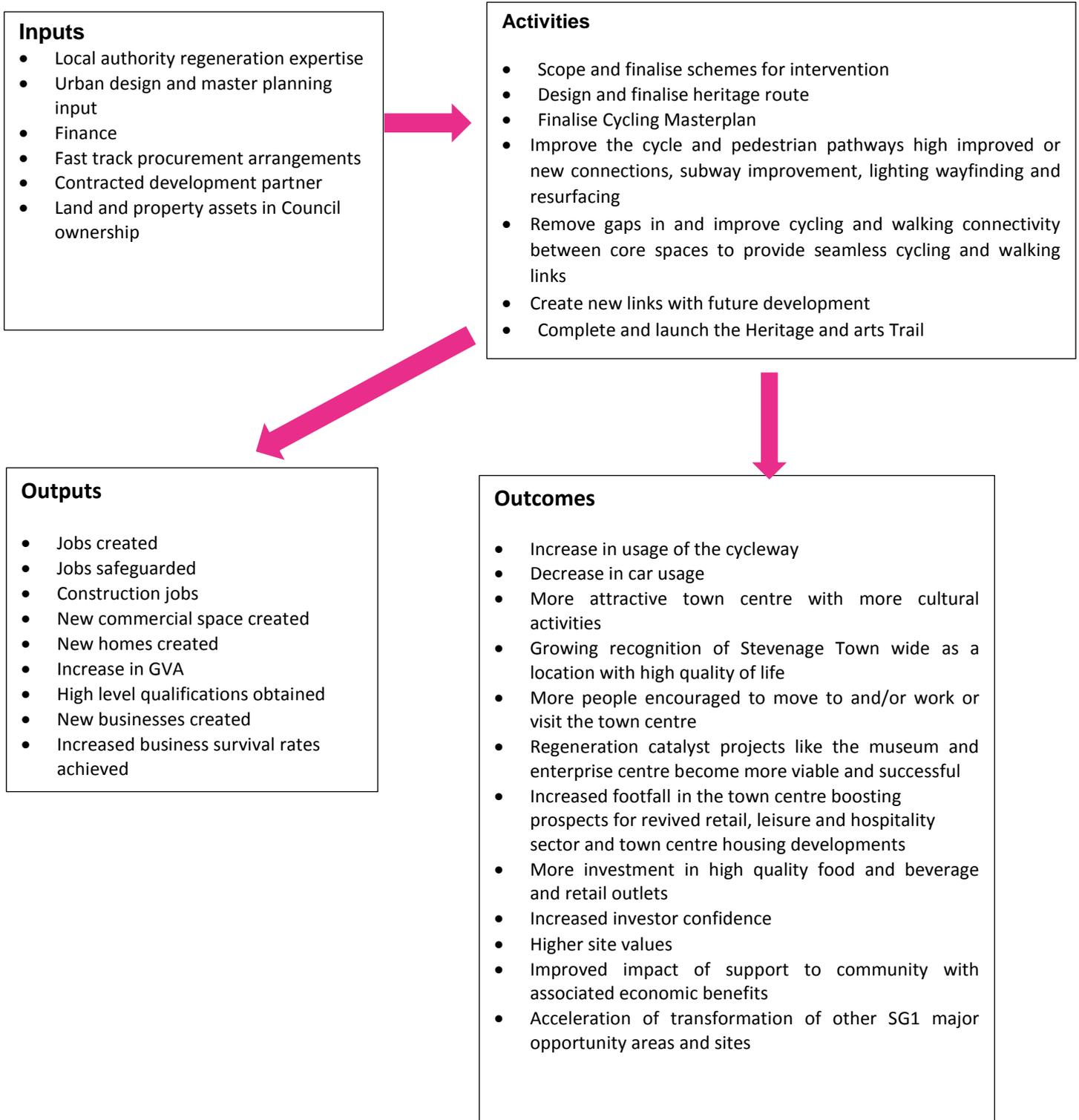
2.7.1 By building on an evidenced programme of required works, this project has the ability to not only provide success in delivering these schemes, but also has the opportunity to maximise the impact of such interventions by mapping them directly against regeneration, Town's Fund and other growth projects.

2.7.2 This project will reduce or remove the broken connectivity issues that currently exist, enhance and improve the segregated cycle and pedestrian ways and reduce the barriers to active transport for residents and visitors to the town.

- 2.7.3 This will be achieved by physical intervention such as new routes, additional public realm, wayfinding, lighting, subway improvement, cycle storage. Coupled with close collaborative working with public health and leisure teams to engage and encourage more residents to be active.
- 2.7.4 By alleviating issues with permeability to key areas in the central core a solid foundation will be created to then deliver the Heritage, Arts and Culture trail an ambition of the Cultural Strategy and a leisure and visitor attraction. The trail will be a key asset to drive tourism within the town, and will aim to link other key visitor attractions for an overall cohesive journey. As well as this, the trail will voyage through the history of its creation including art that has been embedded in its physical landscape and surrounding communities.
- 2.7.5 By leading people through key assets in the town, it will provide footfall to these spaces, whether that is educational, leisure and culture, or food and beverage and shopping with some of the key spaces within the town centre.
- 2.7.6 Overall, it will remove a major constraint to the regeneration of Stevenage as in the current situation the poor quality of the town centre and its environment is a major deterrent to investment by the private sector and to prospective home buyers and incoming employers.
- 2.7.7 The success of the regeneration catalyst projects such as the new museum and leisure space and the new housing and office developments currently planned or underway will thereby be assured. This scheme will boost investor confidence and accelerate investment commitments on other redevelopment sites.

2.8 Project Theory of Change

2.8.1 The following logic model explains the theory of change.



2.9 Expected Outputs and Outcomes

2.9.1 Quantified Outputs

Infrastructure Specific Outputs	
Underpasses improved	22
Length of cycleways improved	5km
Length of pedestrian footpaths improved	5km
Cultural assets within a heritage trail integrated	10
Increase in walking trips per day	987
Increase in cycling trips per day	595
Standard Economic Outputs	
Jobs Created	15
Commercial Floorspace Developed sqm	240
Indirect Jobs	6
Construction Jobs	51
Additional GVA Generated per Annum	£1,500,006
Additional Annual High Level Skills Qualifications Attained	3

2.9.2 Wider Outcomes and Benefits

Economic

- Improved visual quality and very high-quality public realm and cycling routes across the town will encourage more people to visit cultural and heritage assets and the town centre.
- This, plus an improved quality of life offer and prospects for wellbeing will attract a wider range of new residents to the area, providing a good choice of range workers to the advanced high value industries Stevenage is seeking to attract.
- This should and boost patronage of and investment in town centre retail and leisure businesses. The expanded demand will help assure long term commercial viability of the centre.
- The success of other project in close proximity such as the Town Enterprise Centre and the new museum and cultural centre and acceleration of the redevelopment of key housing sites in the town centre.
- Improved town centre environment. Stronger perception of Stevenage as a place to invest.

Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- More walking and cycling into the town centre and to other leisure and cultural assets leading to more active and healthier lifestyles.
- Bicycle riders are up to 5 times less exposed to air pollution than car drivers.
- Cycling is circa 7 times more space efficient than vehicular traffic. Vehicles use more space than bikes and deny it for other purposes.
- Bikes require less infrastructure and do much less damage to roads than cars.

- Vehicles spend over 80% of their time parked, so car parking also makes major demands on valuable town centre land that could be developed for other uses.
- Bike riders contribute to quieter and more attractive neighbourhoods with less traffic and improved safety.

Social

- Broadens scope for engaging more people in cultural activities through accessible active travel options.
- Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression.
- Active travel to school can increase concentration by up to four hours.
- Bikes boost independence for people who do not drive.
- Bikes promote social, economic, age and ability equity.
- Bikes enable young people to be independent and develop healthy habits.
- The critical mass of more people riding make streets safer and more vibrant for everyone.
- Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town.

2.10 Stakeholders

2.12.1 Key stakeholders and their role or interest in the project are listed below.

Project	Stakeholders	Comment
Connectivity	Council regeneration team.	Impact on the success of parallel town centre regeneration initiatives.
	Local residents' groups.	Design proposals. Range of activities and facilities to be made accessible in the upgraded spaces.
	Local Businesses	Interest in improvement of connectivity with employment and key spaces across the town
Heritage Trail	Local, regional and national heritage groups	Heritage trail as an educational and visitor attraction

Strategy to Engage through Development, Delivery

2.12.2 In a wider context, stakeholders views have been captured through the Stevenage engagement programme, encompassing a number of mechanisms.

Local Residents

- A wide range of digital engagement utilising social media other related platforms
- A dedicated Visitor Centre in Town Square open to the public, where people could view, engage with and discuss the regeneration of the town.

- A ‘virtual visitor centre’, which contains all of the content in a digital platform on our dedicated website; this has enabled the Council to continue to reach residents of all ages and abilities during the pandemic.
- Stevenage residents’ survey

Currently engagement is focused on the consultation and promotion of the Council’s priority projects.

Business

- Business networking events, a number of project based consultations, such as the Local Plan, SG1, and the Bus Interchange and a number of roadshow events.

Other Stakeholders

- Regular consultation with public sector bodies such as Hertfordshire County Council, the LEP and relevant statutory bodies.
- Project specific consultation as part of the planning process.

2.12.3 The key themes that have emerged from residents, business and community groups are:

- Create inclusive accessible transport.
- Create great spaces to live in and socialise.
- Create a vibrant town centre offer that is a destination for all.
- Create aspiring communities and opportunities that create a lasting legacy. Events through to a wide range of digital engagement utilising social media other related platforms.

Summary of Approach to Communications with Stakeholders Including the Public

2.12.4 The Council’s stakeholder consultation and communication processes are well designed, extensive and far-reaching. Stakeholders’ views have been captured more widely through the Stevenage engagement programme, encompassing a number of mechanisms. These processes will operate in parallel with the stakeholder consultation process specific to the project as described above in order to fully inform the course and outcomes of the project.

ECONOMIC CASE

3. ECONOMIC CASE

3.1 Introduction

3.1.1 This economic case defines the benefits from the scheme identified and how they will have come about, the geographical scale of the benefits by way of a place-based analysis and how the how benefits estimated link to the theory of change and strategic case set out above. Quantified benefits have been calculated and an assessment made of non-quantifiable benefits. The economic case indicates which benefits have been monetised and how these will be generated year by year. Factors such as additionality, deadweight and displacement of benefits and double counting have been considered as have distributional impacts.

3.2 Approach to the Economic Case

Options Initially Considered

3.2.1 In the first instance, the following long list of options was considered for addressing the challenges, opportunities and constraints associated with enhancing economic growth, reducing the costs of traffic congestion and personal vehicle use, improving public health, quality of life and carbon emissions within and around the town centre.

- a) Do nothing: No measures to improve the extent, links and functionality of the cycling network.
- b) Do Minimum: Improve publicity of active travel benefits and options through a marketing campaign.
- c) Rely on solely good land use planning to reduce the need to travel.
- d) Allocate the funds to upgrading local bus services such as improved bus stops serving the town centre, subsidised bus services for certain user groups, more real time information, smaller shuttle buses and priority bus lanes and junctions at selected locations.
- e) Improve the walking and cycling connectivity across the town by providing appropriate 21st century facilities and the creation of a cycling and pedestrian heritage trail as a visitor attraction, linking the town core spaces, new developments, the employment areas, the Old Town and surrounding residential neighbourhoods.

- f) Upgrade the capacity of the road network to reduce congestion through more investment in roundabout capacity, grade separation or filter lanes and peak time traffic lights.
- g) Simply remove or reduce car parking capacity in the town centre.
- h) Alter signs to discourage through traffic close to the town centre.
- i) Focus on investment of cycle lanes on existing roads by widening them and through provision of roadside grade separation.
- j) Remove car parking and relocate cycle parking to the area immediately south of the rail station
- k) Focus resources on exclusively on increasing extensive provision of cycle storage only.
- l) Provide walking/cycling maps and improve signage for pedestrians only.

How Project Options Were Shortlisted

3.2.2 The following criteria have been adopted in shortlisting options. Projects must be able to:

- Address the stated objectives of and benefits sought from the project and those of associated strategic policies.
- Be delivered within a 36 month timescale.
- Significantly accelerate delivery of the Stevenage Central SG1 Regeneration Strategy.
- Significantly improve accessibility in an out of the Town Centre.
- Demonstrate a significant impact on the growth of high technology growth businesses Stevenage.

How Options were Shortlisted

3.2.3 Of these options:

- Relying on solely good land use planning to reduce the need to travel was rejected because in today's circumstances it already builds in the need for suitable infrastructure to enable increased levels of walking and cycling. Hertfordshire requires new developments to include sustainable infrastructure including cycle and pedestrian routes, which should be funded by the developer.
- Simply removing or reducing car parking capacity in the town centre was rejected as this would stifle economic growth and add to congestion in the environs of the town centre.
- Altering signs to discourage through traffic close to the town centre was rejected as this would likewise add to congestion in the environs of the town centre.

Shortlisted Options

3.2.4 The remaining options, which have been shortlisted are appraised as follows.

Option 1	Do nothing: No measures to improve the extent, links and functionality of the cycling network.
<i>Appraisal</i>	<i>This option does nothing to remove the problems of congestion, infrastructure maintenance costs, pollution and air quality and the need to promote active travel turn improve health.</i>
Option 2	Do Minimum: Improve publicity of active travel benefits and options through a marketing campaign. Provide walking/cycling maps and improve signage for pedestrians only.
<i>Appraisal</i>	<i>These will in any event be needed to change behaviour in favour of active travel but do not alone resolve the needs identified as improved practical conditions are needed to induce more take up and use of the available walking and cycling infrastructure.</i>
Option 3	Allocate the funds to upgrading local bus services such as improved bus stops serving the town centre, subsidised bus services for certain user groups, more real time information, smaller shuttle buses and priority bus lanes and junctions at selected locations.
<i>Appraisal</i>	<i>Again, more of these measures will be needed over time but they too little too reduce pollution and infrastructure costs and improve health benefits and are limited the extent to which they can and improve accessibility to residential areas compared with improved walking and cycling infrastructure.</i>
Option 4	Upgrade the capacity of the road network to reduce congestion through more investment in roundabout capacity, grade separation or filter lanes and peak time traffic lights
<i>Appraisal</i>	<i>This option is likely to exacerbate existing problems of congestion as it will attract more, not less traffic, increase pollution and problems with air quality and have no impact on reducing infrastructure maintenance costs.</i>
Option 5	Focus on investment in cycle lanes on existing roads by widening them and through provision of roadside grade separation.
<i>Appraisal</i>	<i>This option will be very expensive to implement and does not take advantage of the existing walking and cycling infrastructure which already in place which will attract far more additional users if upgraded given the superior environmental quality end accessibility to and from the town centre.</i>
Option 6	Improve the walking and cycling connectivity across the town by providing appropriate 21 st century facilities and the creation of a cycling and pedestrian heritage trail as a visitor attraction, linking the town core spaces, new developments, the employment areas, the Old Town and surrounding residential neighbourhoods.

<i>Appraisal</i>	<i>This option is likely to have high impact on inducing high levels of active travel both for existing and incoming residents. It will be cheaper to implement than other solutions and evolve lower ongoing maintenance costs whilst delivering significant health and environmental benefits.</i>
Option 7	Focus resources on exclusively on increasing extensive provision of cycle storage only.
<i>Appraisal</i>	<i>This option is already provided for through the issuing of cycle parking standards for each of the main land uses associated with new development in the town centre. Furthermore, this would only be one of a series of measures that would be necessary to increase levels of active travel in and around the town centre.</i>

Preferred Option

3.2.5 The proposed option is to improve the walking and cycling connectivity across the town by providing appropriate 21st century facilities and the creation of a cycling and pedestrian heritage trail as a visitor attraction, linking the town core spaces, new developments, the employment areas, the Old Town and surrounding residential neighbourhoods.

3.3 Economic Benefits

3.3.1 Quantified Benefits

Summary of Outputs

Infrastructure Specific Outputs	
Underpasses improved	22
Length of cycleways improved	5km
Length of pedestrian footpaths improved	5km
Cultural assets within a heritage trail integrated	10
Increase in walking trips per day	987
Increase in cycling trips per day	595
Standard Economic Outputs	
Jobs Created	15
Commercial Floorspace Developed sqm	240
Indirect Jobs	6
Construction Jobs	51
Additional GVA Generated per Annum	£1,500,006
Additional Annual High Level Skills Qualifications Attained	3

Basis of Infrastructure Specific Output Projections

3.3.2 Additional walking and cycling trips have been estimated for the numbers of the existing population in each age group. This has been based on assumed trip frequencies and mode share related to alternative trip purposes based on mode share data from the

Stevenage Cycling Strategy and the Hertfordshire Transport Plan and Active Travel Strategies.

- 3.3.3 Changes post intervention to modal share for each trip purpose have been applied based on the rationale indicated in order arrive at projections of additional walkers and cyclists using the upgraded infrastructure.
- 3.3.4 The same approach has been used to project additional trips from the incoming population. It has been estimated that 1500 new households will have been creating through residential development in the town centre generating an additional population of 3,600 by 2026.
- 3.3.5 In each case, the share of trips attributable to the upgraded part of the entire town wide active travel network has been applied, estimated as 20% and 100% of the existing and incoming population respectively. Detail on the values assumed and applied are set out in the table below.

<i>Purpose of Trip</i>	<i>Trips per Week</i>	<i>Av. Trips per Day</i>	<i>Age Groups Applicable</i>	<i>Walking Mode by Purpose%</i>	<i>Walking Mode by Purpose%</i>	<i>Baseline Evidence Source</i>	<i>Rationale for Assumed Impact After Intervention</i>
				<i>Before Intervention</i>	<i>After Intervention</i>		
WALKING							
Shop	2	0.29	25 to 79	11%	11%	Herts Active Travel Strategy	Limited scope for increase without transport
Work	4	0.57	25 to 64	8%	10%	Herts Active Travel Strategy	More people living close to place of work as more offices and homes in town centre
Recreation	2	0.29	5 to 79	13%	13%	HATS Av.mode share	Walking experience more appealing
Other Unspecified	5	0.71	20 to 79	13%	13%	HATS Av.mode share	Not known
Transport Connection	5	0.71	25 to 64	2%	2%	SUTC	More people living close to place of work as more offices and homes in town centre
Education	2.6	0.37	10 to 19	50%	50%	Herts Active Travel Strategy	No schools in town centre so impact limited
Return Home	5	0.71	20 to79	13%	15%	HATS Av.mode share	Higher safety standards
CYCLING							
Shop	2	0.29	25 to 79	2%	3%	HATS Av.mode share	Opportunities for greater use of freight bikes
Work	4	0.57	25 to 64	3%	6%	SUTC	More people living close to place of work; cycle parking easier; showers in new buildings
Recreation	2	0.29	5 to 79	2%	5%	HATS Av.mode share	Recreational bike rides become more appealing; more cycle hire
Other Unspecified	5	0.71	20 to 79	2%	2%	HATS Av.mode share	Not known
Transport Connection	5	0.71	25 to 64	2%	4%	SUTC	More cycle parking close to transport interchanges
Education	2.6	0.37	10 to 19	3%	4%	Herts Active Travel Strategy	Higher safety standards
Return Home	5	0.71	20 to79	0%	2%	Not known	More cycle parking close to transport interchanges; more cycle hire

3.3.6 This approach has generated the following projected increases in active travel.

Summary Active Travel Projections	Existing Population	Incoming Population	Total
Walking			
Additional Trips Per Day	215	773	987
Cycling			
Additional Trips Per Day	379	216	595

How Benefits Have Been Monetised

3.3.7 Benefits have been monetised as follows.

Increase in GVA from new jobs and Town Centre Spending

This has been derived by estimating the GVA per head for each of the new jobs to be created and by projecting additional spending in the town centre that would be generated as a result of the upgrades to the walking and cycling network, such as occasional F&B purchases, new bicycles and accessories and through cycle hire.

The projected increase in town centre spending on F&B has assumed that once in 8 trips additional walkers and cyclists, including tourists will stop for a refreshment and that on average each of the additional cyclists will spend about 25p pence per trip on food and beverage outlets in the town centre or adjacent to the route of the upgraded active movement corridor. In addition, it is assumed that a certain proportion of the incoming population will purchase bicycles and accessories for the first time and that a number of these will be replaced every 5 years leading to more demand for bicycles from within the town centre. Further expenditure will be generated from bicycle hire.

Economic Benefits from Walking and Cycling

Analysis from the AMAT toolkit will at a later stage be used to monetise and thereby value benefits from additional active travel related to mode shift, health, journey quality, government costs and income and private sector contribution. Data on numbers of existing walking and cycling trips and related infrastructure provision before and after the after the intervention will be entered into the AMAT toolkit to arrive at the monetised benefits.

Additionality, Deadweight, Displacement and Substitution of Benefits

3.3.8 These are explained as follows.

Additionality	Additionality affects that would not have been realised but for this project are an increase in the numbers of active travel trips reducing vehicle use, noise and pollution and raising the health of those participating.
Leakage	This project is about place specific site development which cannot take place elsewhere in the borough, so no leakage is anticipated as regards job creation or travel benefits.
Deadweight	The benefits from this project could not have happened anyway given identified market failures and the amount of investment needed to take the

	proposed scheme forward for development. The private sector could not accomplish the range of activities and benefits made possible offered by this council initiative.
Displacement	Aspects such as parking revenue will be displaced, but offset by the impact of the project benefits.
Substitution	The scheme will give rise to spending on bicycles and will substitute car use.

Assessment of Non-Quantified Benefits

3.3.9 Non-quantified impacts and benefits are summarised below.

Project	Impact	Assessment of Benefits
Cycling and Walking Heritage Trail	Substitution of the car	Less infrastructure and associated maintenance and cost required than cars Lower noise and pollution levels
	Walking and cycling reduce illness and improve health	Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression and higher quality of life
	Improved safety as more people make use of active travel infrastructure	More young people can be independent and develop healthy habits
	Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town	Accelerated take up of new homes developed in the town centre stimulating ongoing housing demand and regeneration

Consideration of Distribution of Impacts

Employment and income

3.3.10 The project will not predominantly benefit not anyone particular group from the point of view of the improved infrastructure but as regards the job creation as a result of the projects it will be lower income occupations in activities such as retail and food and beverage who are most likely to benefit.

Geographical

3.3.11 Beneficiaries will be primarily current residents of Stevenage given that the route of the upgraded cycleways and walkways lie within the borough.

Protected Groups

3.3.12 No adverse impacts have been identified.

3.4 Economic Costs

Breakdown of Project Costs					
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HERITAGE TRAIL CYCLING AND WALKING	22/23	23/24	24/25	25/26	Total
<u>Development Costs</u>					
Design	£520,000				£520,000
Enabling Works		£1,755,000			£1,755,000
Construction			£2,100,000	£2,125,000	£4,225,000
Heritage Items and Urban Art				£500,000	£500,000
Grand Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

3.5 Value for Money Assessment

3.5.1 A BCR has been calculated as shown below.

	Present Value
	30 Years
Cost	£6,322,342
Benefits	£22,078,538
Net Present Value: Benefits Less Cost	£15,756,196
BCR Calculation	3.49

3.5.2 As can be seen from the table above, the net cash flow taking account of economic benefits gives a net present value of £15,756,196 and benefit cost ratio of 3.49.

3.5.3 Appropriate measures are being applied to ensure that the construction works for the project can be delivered in the most cost-effective manner possible, without sacrificing the quality and functionality of the end product. To this end, the appointed contractors will be asked to assess scope for further savings from the supply chain, alternative configurations and materials with a view to optimise value for money. In addition, quotes for ongoing design and survey activity will be retendered should this be considered to have scope for further savings.

3.6 Place Based Analysis

3.6.1 Benefits related to the preferred option which are quantifiable and those wider in scope or non-quantifiable are set in the place-based analysis described below, taking account of local employment impacts.

Place Based Analysis											
Target Area	Central Core, Stevenage Town Centre, SG1										
External Dependencies	Adequate cycle parking provision along the route of the active travel corridor. Enforcement and adherence to minimum cycle parking standards for new developments within Stevenage Borough to meet planned uplift in cycling within the town. Success of behaviour change programmes in increasing receptiveness to consider new ways of travelling such as cycling.										
Benefits to the Target Area: Quantified.	<p>Summary of Outputs</p> <table border="1"> <thead> <tr> <th colspan="2">Infrastructure Specific Outputs</th> </tr> </thead> <tbody> <tr> <td>Underpasses improved</td> <td>22</td> </tr> <tr> <td>Length of cycleways improved</td> <td>5km</td> </tr> <tr> <td>Length of pedestrian footpaths improved</td> <td>5km</td> </tr> <tr> <td>Cultural assets within a heritage trail integrated</td> <td>10</td> </tr> </tbody> </table>	Infrastructure Specific Outputs		Underpasses improved	22	Length of cycleways improved	5km	Length of pedestrian footpaths improved	5km	Cultural assets within a heritage trail integrated	10
Infrastructure Specific Outputs											
Underpasses improved	22										
Length of cycleways improved	5km										
Length of pedestrian footpaths improved	5km										
Cultural assets within a heritage trail integrated	10										

Place Based Analysis			
Target Area	Central Core, Stevenage Town Centre, SG1		
	Increase in walking trips per day		987
	Increase in cycling trips per day		595
	Standard Economic Outputs		
	Jobs Created		15
	Commercial Floorspace Developed sqm		240
	Indirect Jobs		6
	Construction Jobs		51
	Additional GVA Generated per Annum		£1,500,006
	Additional Annual High Level Skills Qualifications Attained		3
Benefits to the Target Area: Qualitative.	<p><u>Health</u></p> <ul style="list-style-type: none"> Walking and cycling offer the opportunity for healthy exercise. Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression. Active travel to school can increase concentration by up to four hours. <p><u>Environmental</u></p> <ul style="list-style-type: none"> Bicycle riders are up to 5 times less exposed to air pollution than car drivers. Cycling is circa 7 times more space efficient than vehicular traffic. Vehicles use more space than bikes and deny it for other purposes. Bikes require less infrastructure and do much less damage to roads than cars. Vehicles spend over 80% of their time parked, so car parking also makes major demands on valuable town centre land that could be developed for other uses. Bike riders contribute to quieter and more attractive neighbourhoods with less traffic and improved safety. <p><u>Social</u></p> <ul style="list-style-type: none"> Bikes boost independence for people who do not drive. Bikes promote social, economic, age and ability equity. Bikes enable young people to be independent and develop healthy habits. The critical mass of more people riding makes streets safer and more vibrant for everyone. Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town. 		
Possible collateral effects in the target area or wider spatial area.	<p>Will help generate a small increase in town centre footfall and spending</p> <p>Stronger attraction of well qualified home buyers to live and work in Stevenage.</p> <p>Increased investor confidence.</p> <p>Acceleration of sales of new homes and transformation.</p> <p>Generation of indirect employment.</p>		
Adverse effects on protected groups	None identified.		

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
Different impacts by income group	Higher health and social benefits will impact on all income groups. However, jobs created will be for low-income groups in activities such as retail and hospitality.
Views of local stakeholders	Desire to create aspiring communities and opportunities that create a lasting legacy.
Alignment with wider public policy in the relevant area/s and the UK as a whole/s.	<p>National Policy Alignment</p> <p><i>Department for Transport (DfT) Cycling and Walking Investment Strategy</i></p> <p>The Strategy sets out the aim to double cycling activity by 2025 and each year reduce the rate of cyclists killed or seriously injured on English roads as well as reverse the decline in walking that we have seen over the last few years. For that to happen, the Strategy’s ambition is for cycling and walking to be the natural choice for shorter journeys in every urban and rural community in England.</p> <p><i>Highways England</i></p> <p>Highways England published a Cycling Strategy in January 2016 to support its aim to invest £100 million on cycling by 2021. Providing more attractive, safe, accessible and integrated cycling facilities will encourage cycling participation and remove some local motor vehicle journeys from the Strategic Road Network. In 2016 Highways England also published Cycle Traffic and the Strategic Road Network Interim Advice Note (IAN) 195/16; the IAN ensures that the needs of cyclists are accommodated in all future schemes and that infrastructure facilitates the convenient and safe movement of cyclists along or across the strategic road network.</p> <p>Sub-regional Policy Alignment</p> <p><i>Hertfordshire Local Transport Plan (LTP3) 2011 – 2031</i></p> <p>This sets out a 20 year vision and strategy for developing transport in the county, providing the framework for transport's economic and social development. For example exercise is recognised as essential for health and modes of transport such as walking and cycling offer the opportunity for healthy exercise; ‘building new roads’ has fallen to last place behind ‘providing better walking and cycling access to schools’ and ‘improving pedestrian and cycling facilities’ across the whole county. Hertfordshire requires new developments to include sustainable infrastructure including cycle and pedestrian routes, which should be funded by the developer. Cycling routes should be linked to those existing in towns to encourage cycling to work and for leisure journeys. Links to schools are particularly important.</p> <p><i>Hertfordshire County Council Active Travel Strategy 2013</i></p> <p>This sets out how the County Council and its partners will identify, deliver and promote interventions to increase the numbers of people walking and cycling in Hertfordshire and is a daughter document of Hertfordshire’s Local Transport Plan (LTP3).</p> <p><i>Hertfordshire LEP Strategic Economic Plan</i></p> <p>The project addresses Priority 3 within the current Hertfordshire LEP Strategic Economic Plan: Reinvigorating our places for the 21st-century. This will be directly addressed by this project as it will help diversify and bring more demand wealth creation into the town centre.</p> <p><i>Local Industrial Strategy Grand Challenges</i></p>

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
	<p>This project provides the conditions for improved access to recreational activities and will be conducive to helping the increasing numbers of older people to stay active, productive and independent.</p> <p>Local Policy Alignment</p> <p>Stevenage Local Plan 2019-2031. This was adopted in 2019 following Examination in Public and sets the overall spatial vision for the borough and growth direction to 2031. In total 7,600 homes are planned, 3,000 of these targeted for a regenerated Town Centre. The Local Plan looks to provide at least 140,000 m2 of new B-class employment floorspace and is promoting new employment opportunities as a critical component of the town centre regeneration. This project directly reflects the Local Plan’s ambitions.</p> <p>Stevenage Central Framework. This was prepared in 2015 to set a direction of change for the regeneration of Stevenage Town Centre. Now supported by the Local Plan, the Framework sets out a strategy for accelerated employment and housing provision on a large scale in the town centre to meet the demands of significant population growth and revitalised and enhanced and modernised amenities to service it.</p> <p><i>The Sustainable Travel Town and the LCWIP</i></p> <p>The Stevenage LCWIP (“The Plan”) brings together existing evidence on potential improvements to the walking and cycling networks within Stevenage, and provides a consistent methodology to prioritise interventions aimed at:</p> <ul style="list-style-type: none"> • Improving the cycling network to reduce the propensity to travel by private vehicle and increase active travel, by walking and cycling • Identifying and prioritising walking opportunities to increase the number of walking trips to local destinations • Ensuring that new development complements and connects to the existing and planned walking and cycling network <p><i>Stevenage Cycle Strategy</i></p> <p>The Cycling Strategy lists two headline objectives:</p> <ul style="list-style-type: none"> • more people cycling more often as a convenient, quick, healthy and sustainable form of transport for short journeys • more people cycling more often as an activity that contributes positively to the primary shared local transport objectives <p>This is well aligned with the Investment Strategy and Stevenage Borough Council, through the implementation of the Cycle Strategy Action Plan, will continue to seek government funding for the investment in Cycling and keep abreast of new initiatives as they are launched.</p> <p><i>Other Local Strategies</i></p> <p>The Stevenage Cultural Strategy 2018 sets out a ten year Arts and Heritage Strategy for Stevenage. This includes to plan and deliver a major public art programme and trail, enhancing the town centre and Old Town public realm, parks and open spaces, and the extensive network of cycle paths in the Borough.</p>

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
	The draft Healthy Stevenage Strategy 2018-2022 sets out strategic priorities including; to reduce obesity rates among children and adults; increase physical activity rates among children and adults by targeting the most inactive; support adults and children to achieve good mental health and well-being; provide high quality housing and developments in line with demand and population growth considering health and well-being through design; and regenerate Stevenage Town Centre creating more employment opportunities, providing an enhanced leisure and cultural offer and public spaces that facilitate health and well-being.
Dependency on the successful delivery of other proposals	Continued house building and new offices in the town centre to assure a demand driver for additional walking and cycling trips.
Link of Benefits Estimated Link to Theory of Change and Strategic Case	<ul style="list-style-type: none"> • The scheme will make Stevenage more attractive to well qualified workers. • More high quality and high value businesses will be attracted to Stevenage. • Recognition of Stevenage Town Centre as a high prestige business location. • Increased investor confidence. • Acceleration of transformation of other SG1 major opportunity areas and sites.

3.7 Summary of Preferred Option for Investment

Purpose of the Project

3.7.1 The project will take the high-level aspirations for the development of an attractive and exciting heritage and arts trail that will draw together the wealth of heritage and public art assets that are already in place across the town and couple this with new art installations, either close to or on the segregated cycle and pathways across the town. Also, to support the creation of the visitor attraction trail and other developments in the towns fund programme, is the need for targeted new cycling and connectivity improvements.

Key Elements of the Project

3.7.2 Key activities will involve:

1) Creation of a cycling and pedestrian heritage and arts trail

- It will be the creation of a key focal point for residents and visitor to the town, and support that tourism and heritage market that makes Stevenage unique.
- Link together key leisure and heritage assets across the town with a coherent and exciting design.
- Co- design engagement sessions with the community.
- Activation of public spaces to become vibrant social spaces
- Installation of Wayfinding and where needed new lighting.
- Embedding digital educational experience into the trail.
- Installation of new cultural pieces along the trail.
- Branding and publicity campaign tied in with user groups and other key community stakeholders.

2) Improving the connectivity across the town and providing appropriate 21st century facilities

- Review and align both Town's Fund projects and Cycling Masterplan plan with the Sustainable Travel Town pipeline of projects and perform a scoping process with stakeholders to determine maximum improved connectivity impact across the segregated cycling and pedestrian routes.
- Design and procure technical experts.
- Complete improvements subways, lighting
- Embedding arts and heritage where possible.

Key Benefits of the Project

3.7.3 Key benefits of the project are as follows.

- This project will reduce or remove the broken connectivity issues that currently exist, enhance and improve the segregated cycle and pedestrian ways and reduce the barriers to active transport for residents and visitors to the town.

- This will be achieved by physical intervention such as new routes, additional public realm, wayfinding, lighting, subway improvement, cycle storage. Coupled with close collaborative working with public health and leisure teams to engage and encourage more residents to be active.
- By alleviating issues with permeability to key areas in the central core a solid foundation will be created to then deliver the Heritage, Arts and Culture trail an ambition of the Cultural Strategy and a leisure and visitor attraction. The trail will be a key asset to drive tourism within the town, and will aim to link other key visitor attractions for an overall cohesive journey. As well as this, the trail will voyage through the history of its creation including art that has been embedded in its physical landscape and surrounding communities.
- By leading people through key assets in the town, it will provide footfall to these spaces, whether that is educational, leisure and culture, or food and beverage and shopping with some of the key spaces within the town centre.
- Overall, it will remove a major constraint to the regeneration of Stevenage as in the current situation the poor quality of the town centre and its environment is a major deterrent to investment by the private sector and to prospective home buyers and incoming employers.
- The success of the regeneration catalyst projects such as the new museum and leisure space and the new housing and office developments currently planned or underway will thereby be assured. This scheme will boost investor confidence and accelerate investment commitments on other redevelopment sites.

3.7.4 By building on an evidenced programme of required works, this project has the ability to not only provide success in delivering these schemes, but also has the opportunity to maximise the impact of such interventions by mapping them directly against regeneration, Town's Fund and other growth projects.

3.7.5 Many more people will visit this part of the town centre as a result. This will boost its image and improve footfall and spending in town centre in retail and food and beverage outlets, in turn making them more commercially viable and sustainable. Increased investment in and prosperity of existing and new commercial outlets, and the strong sense of place created will add to the general appeal of the town centre to prospective house buyers and employees considering relocating to Stevenage. The success of the regeneration catalyst projects such as the new museum and leisure space and the new housing and office developments currently planned or underway will thereby be assured. This scheme will boost investor confidence and accelerate investment commitments on other redevelopment sites.

FINANCIAL CASE

4. FINANCIAL CASE

4.1 Introduction

4.1.1 This section sets out the financial case for the project first describing the approach and funding options, details of the build-up of costs, proposed funding and an affordability assessment.

4.2 Approach to Financial Case

Funding Options Considered

4.2.1 Stevenage Borough Council has been investigating a range of funding opportunities to fund projects within the Regeneration programme and working across the organisation to create a centralised review of available funding opportunities and determine which projects are most appropriate. The financial impact on the council following COVID 19 will be significant, and it is anticipated that the capital programme will be affected. Having said that, the Council needs to be the initiator and owner of the project because of the business model being wider in scope from that of the private sector, as criteria such as widening participation in cultural pursuits is conducive to increasing the aspirations and cohesiveness of the population come into play particularly measures to engage with those on low incomes and in high areas of deprivation and who may be marginalised. For these reasons, the Council will be obliged to fund a major part of the cost of the scheme. However, were this project to be funded 100% by the Council, it would divert funds earmarked for other initiatives essential to accelerating the regeneration and renewal of the SG1 area, such as strategic site acquisitions and associated enabling works.

Other Public Sector Funding Options

4.2.2 Other funding options such as Future High Street, One Public Estate and Levelling Up funding are less aligned in terms of criteria and the urgency surrounding the scheme, though these were explored in conjunction with the Town Development Board. However, due to the volume of associated house building, there is scope for a major contribution to the project from Section 106 and the Community Infrastructure Levy.

Private Sector

4.2.3 The private sector is not typically oriented towards the creation of public realm spaces unless in the case of huge enterprises who have control of large swathes of development land. This is not the case here as the landowner is the Borough Council who are also the freeholder of the retail core. Public realm provision is the traditional role of the public sector, as the impacts and benefits involved are widespread and transcend those which would normally be of interest to private sector entities. For these reasons the project would not be attractive as an investment proposition for the private sector.

Town Fund

4.2.4 The Town Fund is an ideal option to be deployed where there is a funding gap, which presents a barrier to a project being able to move forward, and where a number of collateral benefits can

be identified as a consequence of being able to make up the funding as is the case with this project.

Preferred Funding Option

4.2.5 The Town Fund is considered to be an ideal option for this scheme as it makes up the required amount of resources to implement the scheme. This can realistically be expected to create the level of confidence needed to secure the investment and development commitment necessary for the Cycling & Pedestrian Connectivity and Heritage Trail to move forward.

Funding Profile and Scheduling

4.2.6 The funding profile is summarised as follows.

Funding Profile	Total
Private Sector	£0
SBC	£500,000
Town Fund	£3,500,000
Other Public Sector	£3,000,000
Total	£7,000,000

4.2.7 The table below shows the scheduling of the funding.

Funding Profile	22/23	23/24	24/25	25/26	Total
Private Sector	£0	£0	£0	£0	£0
SBC				£500,000	£500,000
Town Fund	£400,000	£1,000,000	£1,200,000	£900,000	£3,500,000
Other Public Sector	£120,000	£755,000	£900,000	£1,225,000	£3,000,000
Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

4.3 Costs

4.3.1 The project costs are as set out below.

HERITAGE TRAIL CYCLING AND WALKING	22/23	23/24	24/25	25/26	Total
<u>Development Costs</u>					
Design	£520,000				£520,000
Enabling Works		£1,755,000			£1,755,000
Construction			£2,100,000	£2,125,000	£4,225,000
Heritage Items and Urban Art				£500,000	£500,000
Grand Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

4.4 Funding and Revenues

4.4.1 Funding options considered are as described above. Sources and uses of funds are summarised below.

Funding Profile				22/23	23/24
Sources	Value	Uses	Value		
Private Sector	£0				
SBC	£500,000	Heritage and Urban Art	£500,000	£0	
	£500,000	Total	£500,000	£0	
Other Public Sector					
Other Public Sector	£120,000	Design	£120,000	£120,000	
Other Public Sector	£755,000	Enabling Works	£755,000		£755,000
Other Public Sector	£2,125,000	Construction	£2,125,000		
Sub Total Other Public Sector	£3,000,000	Total	£3,000,000	£120,000	£755,000
Town Fund	£6,000,000		£6,000,000		
Town Fund	£400,000	Design	£400,000	£400,000	
Town Fund	£1,000,000	Enabling Works	£1,000,000		£1,000,000
Town Fund	£2,100,000	Construction	£2,100,000	£0	
Sub Total Town Fund	£3,500,000	Total	£3,500,000	£400,000	£1,000,000
Grand Total	£7,000,000	Total	£7,000,000	£520,000	£1,755,000

4.5 Affordability Assessment

4.5.1 A BCR has been calculated as shown below.

	Present Value
	30 Years
Cost	£6,322,342
Benefits	£22,078,538
Net Present Value: Benefits Less Cost	£15,756,196
BCR Calculation	3.49

4.5.2 As can be seen from the table above, the net cash flow taking account of economic benefits gives a net present value of £22,078,538 and benefit cost ratio of 3.49.

4.5.3 It is proposed that the Town Fund provides £3,500,000 to the project.

COMMERCIAL CASE

5. COMMERCIAL CASE

5.1 Introduction

5.1.1. This section sets out the commercial case, describing the potential commercial options for delivery of the project model and supporting rationale, taking account of the existing commercial strategy of Stevenage Borough Council and on this basis the procurement strategy adopted, based on a review of possible options for the preferred procurement route. The proposed procurement process, including key milestones, and processes for assurance and approvals are then set out.

5.2 Commercial Deliverability

Potential Delivery Options

5.2.1 There are two delivery options.

1. Stevenage Borough Council and Hertfordshire County Council promoting a development with its own finances and management resources, working with a construction partner.
2. Attracting proposals from a developer.

5.2.2 The first option, where the Council would act as the developer is an acceptable use of its resources and expertise if it is able leverage investment from sources such as the Town Fund. In addition, HCC and SBC are the key landowners. The project relates entirely to the support of traditional public sector and voluntary and community sector activity.

5.2.3 Attracting proposals from developers is highly unlikely as these types of interventions have no or little revenue return. The private sector knowledge and expertise will be required particularly in relation to design and delivery of the improvements. Furthermore, in relation to the arts and heritage trail, utilising community and local artists to coproduce this trail to allow residents to shape the design and identity of the trail.

Proposed Delivery Model

5.2.4 The proposed delivery model is for the Council to take the lead as the developer, working with a construction partner.

Rationale for Proposed Delivery Model

5.2.5 These arrangements have a number of advantages. The Council needs to be the initiator and owner of the project because of the need to:

- a) take advantage of its position as landowner and thereby control over the assets involved.
- b) achieve this by offering improved facilities offered to maximise patronage and make the facilities accessible to those on low incomes and in high areas of deprivation.
- c) provide an important building block for the regeneration of the town centre.

- d) use its expertise and funding need to be deployed to stimulate leveraged investment and transformation.

5.2.6 For these reasons, the Council is best placed to initiate and deliver the scheme and fund a major part of the cost.

Existing Commercial Strategy

5.2.7 Stevenage Borough Council has a strong track record of delivering projects and are working collaboratively with construction partners to increase momentum to regenerate the town centre.

Evidence of Market to Deliver the Project

5.2.8 Stevenage Borough Council has a strong track record of delivering projects and are working collaboratively with partners to increase momentum to regenerate the town centre. Examples of such partners with whom the Council has previously worked are:

- In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre.
- As stated in the Town Investment Plan, Reef are an urban regeneration specialist with a £4bn regeneration portfolio and expertise in enhancing communities and environments, providing design expertise and end-to-end management including programming, cost analysis, procurement, construction and leasing. In Stevenage, Reef have acquired the former M&S site in in partnership with SBC are delivering a £20m+ mixed-use regeneration scheme of 107 apartments, diversified leisure, retail and restaurant uses, and new commercial space. The scheme is on site now and nearing completion. . Reef are keen to do more in Stevenage particularly involving the life science sector.

Key Contractual Arrangements

5.2.9 There will be a need to tender process to ensure market value before entering into a delivery contract for the design and build related to the Cycling & Pedestrian Connectivity and Heritage Trail. A spec will be produced collaboratively by the project group before moving to the tender stage. In relation to new arts installations, an appropriate competitive tender process will also be required. The Council are in discussions with arts commissioners such as other council partners and Arts Council about how to best approach this to maximise the impact of the installations.

Delivery Arrangements

5.2.10 Therefore separate agreements will be needed will be set up for design and construction of the project. The responsibility for initiating and managing these agreements will lie with the project team which will include both Hertfordshire County Council and Stevenage Borough Council. As part of the next stage of the project, final contractual approach will be agreed alongside the scope and update costings

Risks

5.2.11 The identified risks are assessed as follows.

Risks	Likelihood	Mitigation
Renewed risk of Covid-19 outbreak and possible introduction of lockdown measures.	High	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.
Labour shortages in construction, freight transport and supply industries delay construction progress.	High	Include in development agreement with public realm contractors incorporate commitment to bring in additional temporary labour and stocks of materials to ensure projects are completed on time.
Climate changes and weather conditions retarding progress of the construction programme	Medium to High	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather.
The construction cost exceeds the limit for the project or other issues arising during the design & development phase.	Medium	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.

5.3 Procurement Strategy

Projects that will need to be Procured

5.3.1 There are three projects that needs to be procured:

- the design of cycling infrastructure improvements works
- the procurement for delivery of improvement works
- the procurement and installation of new art installations and heritage signage

Procurement Process, Milestones, Assurance and Approvals

5.3.2 Stevenage Borough Council follows public procurement procedures and complies with public procurement law (s35 Local Government Act 1972 plus current OJEU regulations). Information regarding this can be viewed on our website. This also outlines the corporate procurement strategy between 2016-2020. Stevenage Borough Council will perform the procurements of construction contractors.

Proposed Policies on Social Value, Sustainability, and Innovation

5.3.3 As part of this there have been recent improves to the procurement strategy of the council to ensure that maximise impact for social value, sustainability and innovation is embedded within tendering and contractor management processes. For these projects, this approach will be continued and monitored through the monitoring and evaluation process which can be viewed in the Management Case of this business case.

MANAGEMENT CASE

6. MANAGEMENT CASE

6.1 Introduction

- 6.1.1 This section sets out the approach and experience of SBC in delivering similar projects and sets out the proposed arrangements for Project Organisation and Governance. The approaches to oversight and approvals and to assurance and the assurance plan are then described.
- 6.1.2 The scope of the project and its key elements are then described along with the approach to specifying and managing requirements, the interfaces with third parties and related management approach and the approach to solution development, confirmation management and acceptance.
- 6.1.3 The structure of the project programme and principal stages and workstreams and related timescales are then described, making reference to interdependencies with rest of TIP and non-TIP projects.
- 6.1.4 The key milestones and key decision points, assurance, consents, approvals are then summarised. Constraints and assumptions are then summarised and the most likely forecast completion date stated.
- 6.1.5 This section also elucidates on the approaches to risk and opportunities management, project management, stakeholder engagement and benefits, monitoring and evaluation.

Evidence of Application on Similar Projects

- 6.1.6 Stevenage Borough Council has a strong track record of delivering projects and are working collaboratively with partners to increase momentum to regenerate the town centre. In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the six Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre.
- 6.1.6 In the last five years, SBC's Regeneration team have completed:
- 4 Public realm schemes totally 45,520 sqft (£3 million)
 - Refurbishment of disused 18,000 sqft of office space end retail space (£6 million)
 - Relocation of the CCTV control room, decant and vacant possession of office building (£2.4 million; and
 - The construction of a £9.6 million Bus Interchange including highway interventions and public realm (due for completion in Q4)
- 6.1.7 The accumulative impact of these projects has resulted in the Council having secured 2 developers bringing private development investment of over £500 million. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value in excess of £30 million. This team maintains strong working relationships with HCC in

their growth, education, highways and development capacity and with the LEP, who have experience of programme management of major schemes.

6.2 Project Organisation and Governance

6.2.1 There is a very well established two- tier governance system which is already overseeing the delivery of the programme of projects delivery regeneration in the town centre. The Town Development Board has been recently established after drawing the previous Stevenage First board to a close. This board operates a strategic steering group, which sets the vision and direction for the Town Investment Plan funding.

In term of the project delivery, there is a two tier governance structure in place at a programme level and project level within Stevenage Borough Council.

A key difference with this project, in relation to other Town’s Fund projects, it that this project will be delivered in partnership between Hertfordshire County Council (predominantly as highways experts and land owner) and Stevenage Borough Council (project management). For this project a joint working group will be established relating to the project, with standard government and project management approach which is aligned with the Town’s Fund processes and the two respective Council’s governance structures. As with all of the projects within the programme, the escalation of risks relating to budget, timescales and tolerance levels will be shared with the Regeneration Steering Group.

Key Participants, Accountabilities and Responsibilities

6.2.2 The key participants, accountabilities and responsibilities are summarised below.

Organisation	Functions	Key Roles	Capability	Competences and Resourcing
Stevenage Borough Council	Orchestration of regeneration strategy and projects Partner for the delivery of the project Co Contract Manager	Stakeholder consultation Project scoping Sourcing of funding Initiation of delivery partnerships Formalising approvals	Well-developed stakeholder engagement strategy, organisation and processes Devising high impact regeneration solutions Delivery through partnership and contract	Expert and experienced regeneration team Town Fund award and match funding for key projects Delivery partnerships
Hertfordshire County Council	Partner for the delivery of project Lead Contract Manager	Stakeholder consultation Project scoping Sourcing of funding Initiation of delivery partnerships Formalising approvals	Well-developed stakeholder engagement strategy, organisation and processes Devising high impact regeneration solutions Delivery through	Delivery Partnerships Expert and experienced highways and transport teams

		Contract manager	partnership and contract	
Stevenage Borough Council Accountable Body	To act as the Accountable Body ensuring robust processes are followed for the delivery of the project	Monitoring and Evaluation Assurance Financial security	Well-developed Council processes which will be adhered following the endorsement from the Development Board Capital Programme experience	Expert Finance Team with knowledge of capital schemes Shared learning with LEP

Project Delivery Organisation

6.2.3 The project delivery organisation is summarised below.

Organisation	Functions	Key Roles	Capability	Competences and Resourcing
Stevenage Borough Council	Orchestration of regeneration strategy and projects.	Stakeholder consultation. Project scoping . Sourcing of funding. Initiation of delivery partnerships. Formalising approvals.	Well-developed stakeholder engagement strategy, organisation and processes. Devising high impact regeneration solutions. Delivery through partnership and contract.	Expert and experienced regeneration team. Town Fund award and match funding for key projects. Scape procurement framework. Delivery partnerships.

Governance Arrangements for Oversight and Approvals

6.2.4 The Town Development Board will continue to monitor the progress of the programme of Town Investment Plan projects. The Board includes a number of local leaders from key sectors and businesses, including:

- a) companies such as Airbus, MBDA, Wine Society and Groundwork East;
- b) all tiers of local government and Hertfordshire LEP;
- c) community sector;
- d) education sector including North Hertfordshire College (FE) and the University of Hertfordshire;
- e) others such as the local NHS Trust.

6.2.5 Stevenage Borough Council (SBC) will be the accountable body. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value in excess of £60m. SBC will be supported by both the County Council and the LEP. The LEP has

considerable experience of major programme management (BEIS/MHCLG Getting Building Fund, Growth Deal and Growing Places funding). The LEP approves and monitors its projects using an Assurance Framework and this will be utilised for administering Town Deal.

6.2.6 As mentioned, the Regeneration Steering Group will monitor the performance of the scheme.

6.2.7 Project Governance at this stage:

With the establishment of the Sustainable Travel Town project group as collaboration between Hertfordshire County Council and Stevenage Borough Council, this is a key project space for interventions to report progress to. Work has been produced in establishing the work and collating the number of interventions and initiatives across the variety of strategies and project in Stevenage to create one succinct list of projects. With the creation of the emerging Town Centre Cycling Masterplan, there may be additional schemes to add to this long list. This group has all the key stakeholders relating to the segregated cycle and pedestrian routes and will be continue to be used in this way.

6.3 Assurance

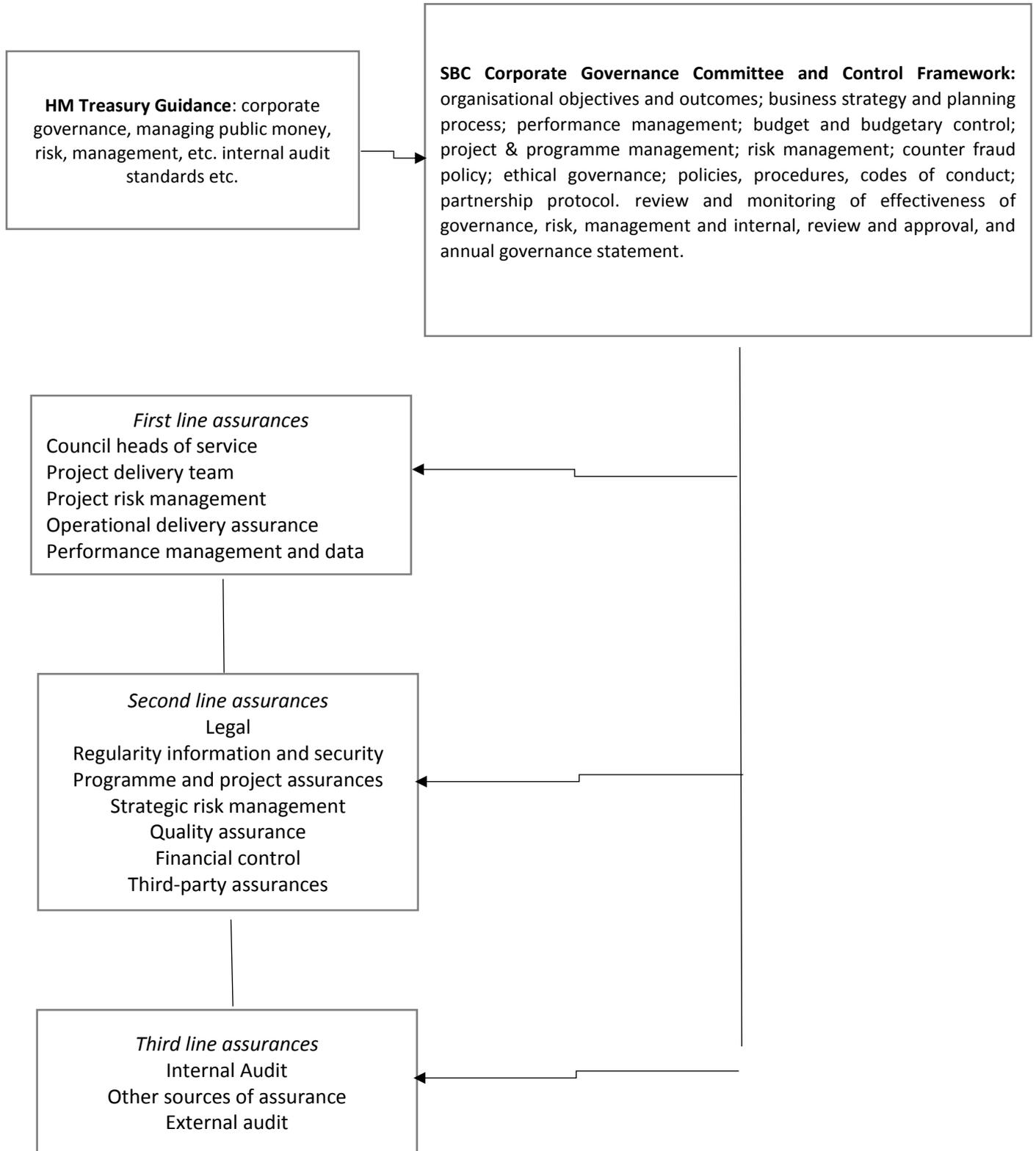
Approach to Assurance

6.3.1 All proposals and business cases will go through a transparent and robust application and scrutiny process, based on three simple principles:

- Robust interrogation to maximise value for money and ensure outputs and outcomes are deliverable and achievable.
- Streamlined and efficient process, utilising private sector partners, to ensure pace of delivery is maximised.
- Transparency and openness, with the process and framework published (without prejudice to commercial confidentiality).

Summary of Assurance Plans and Timing of Key Reviews and Links to Decision Points

6.3.2 The assurance process will proceed via the following framework.



Integrated Approvals and Assurance Plan

6.3.3 The approvals and assurance arrangements are illustrated in the table below.

Month		Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
		Actions	Approvals	Oversight Actions	Investigations and assurances
Start	Complete				
		Walking and Cycling Network and Heritage Trail			
1	1	Prepare brief for building design team.	Approval of building design brief.		
1	2	Tender and select building design team.	Approval of selected design team.	Review of design team budget and work programme.	
3	3	Appoint design team.	Approval of outline design proposals.		
3	7	Undertake site surveys and specialist reports. Prepare outline design to RIBA stage 2 and consult stakeholders.			
8	12	Design up to RIBA stage 3 detailed planning application including supporting documentation and formal consultation	Approval of detailed design proposals.	Review and commentary on risk profile and combined project risks, mitigation proposals and actions.	Submission of comments on project design proposals.
8	12	Pre-construction works.			
8	12	Business plan for town centre animation activities and programme.	Approval of expenditure.	Assurance that support arrangements are in place and will deliver impacts required.	
8	12	Procurement and fit out of temporary planting, street trader infrastructure and performance space on the bus station apron.	Approval of expenditure.	Assurance that items to be procured deliver what is intended.	
12	15	Launch town centre animation activities.			
16	20	RIBA Stage 4 Technical design, discharge of planning conditions and construction information Retail Core Gateway.	Approval of technical design proposals.	Review and commentary on risk profile.	
22	24	Contractor shortlist and tender period for Cycling and Walking Network and Heritage Trail Works	Approval of tender brief		
24	24	Review tenders and appoint contractor for Cycling and Walking Network and Heritage Trail Works.	Approval of contractor appointment.		
25	36	RIBA Stage 5 for Cycling and Walking Network and Heritage Trail Works.	Approval of construction programme.		
25	36	Commission monthly project reports: progress, achievements, risk mitigation actions and expenditure for Cycling and Walking Network and Heritage Trail Works.	Approve stage gate construction completions.	Review monthly project reports. Stage gate assessments. Decisions and interventions in the event of serious delays or emerging major uncertainties.	Interim project audit.

Month		Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
		Actions	Approvals	Oversight Actions	Investigations and assurances
				Commission interim project audit report. Directions in event of financial and other irregularities.	
36	36	Completion of Cycling and Walking Network and Heritage Trail development works		Verification and signoff of development completion.	
36	42	Completed Cycling and Walking Network and Heritage Trail opened to the public			

6.4 Scope Management

Summary of the Scope of the Project and its Key Elements

6.4.1 The scope of the project specification is driven by the Stevenage Central Framework produced in 2015, through which Stevenage Borough Council has set out to comprehensively regenerate the town centre through the transformation of its major opportunity areas.

6.4.2 The scope of the project will be as follows.

Creation of a cycling and pedestrian heritage and arts trail

- It will be the creation of a key focal point for residents and visitor to the town, and support that tourism and heritage market that makes Stevenage unique.
- Link together key leisure and heritage assets across the town with a coherent and exciting design.
- Co- design engagement sessions with the community
- Activation of public spaces to become vibrant social spaces and
- Installation of Wayfinding and where needed new lighting
- Embedding digital educational experience in to the trail
- Installation of new cultural pieces along the trail
- Branding and publicity campaign tied in with user groups and other key community stakeholders

Improving the connectivity across the town and providing appropriate 21st century facilities

- Review and align both Town's Fund projects and Cycling Masterplan plan with the Sustainable Travel Town pipeline of projects and perform a scoping process with stakeholders to determine maximum improved connectivity impact across the segregated cycling and pedestrian routes.
- Design and procure technical experts

- Complete improvements subways, lighting
- Embedding arts and heritage where possible.

Approach to Specifying, Approving and Managing Requirements

6.4.5 The Stevenage Central Framework also sets the parameters underlying the specification of requirements. This has set targets for the amounts of employment space and number of homes to be developed and jobs to be created. Sub-regional economic growth objectives, such as those set out in the Hertfordshire LEP strategic economic plan and Covid recovery plan have an influence on the scope of the project.

6.4.6 To achieve these aims and targets, the both Councils have identified the resources, processes and tools that need to come together in place to create the cycling and pedestrian connectivity improvement interventions and the activities required for the creation and delivery of an Arts and Heritage Trail.

Specifically:

- Final identification of the land and property on which the scheme will take place.
- A costed project plan and programme for scheme.
- Measures to secure the necessary planning approvals.
- Production of engagement and consultation plan
- Putting in place other relevant enabling measures affecting the relevant sites.

6.4.7 The responsibility for initiating and managing these processes will lie with the SBC Regeneration team. Key management tasks the HCC/SBC Regeneration team will be concerned with are:

a) Site Specific:

- Detailed design.
- Consultation with relevant third parties.
- Securing planning approval where appropriate
- Selection and appointment of a building contractor.
- Assuring satisfactory construction and fit out.
- Sign off.

b) Marshalling Resources:

- Assembling the necessary project managers and support functions to prepare for mobilisation

c) Integration:

- Ensuring the timely completion of the proposed scheme.
- Early procurement for design expertise
- Consultation with all relevant partners and residents

d) Project development and assurance

- Mechanisms to ensure the project is delivered on time and to budget i.e., through a tight project plan and construction agreement.
- Identification and management of risks.
- Assuring the performance of the contractor in delivering the required built product within the agreed timescale through effective monitoring.
- Monitoring and evaluation to ensure that the targeted outputs and outcomes are delivered.
- A detailed project plan specifying how the above will be brought together and implemented.

e) Approvals

- Approval for the project plan, design proposals, tender brief, contractor appointment, construction programme, stage gate construction completions, staff training plan and fit out will be sought from the Town Development Board who will also sign off project completion.

Interfaces with Third Parties and Management Approach

6.4.8 A number of key interfaces need to be managed:

- Monitoring of the contractor's progress to ensure that what has been promised through the construction contract is actually delivered.
- Consultation with the general public to assure support for emerging and final designs.

Approach to Solution Development, Confirmation Management and Acceptance

6.4.9 The solution for Cycling and Pedestrian Connectivity (including the Arts and Heritage Trail) has been extensively informed by Stevenage Central Framework, the Local Plan, and other transport related policy. The solution development process beyond this will comprise the following stages.

- i) Objective setting.
- ii) Consultation with the prospective users and local residents.
- iii) Issues identification – examination of how key outcomes are to be realised.
- iv) Specification of requirements that will inform the design briefs.
- v) Identification, investment appraisal and evaluation of solution options.
- vi) Selection of optimum solution.
- vii) Specification of the project.

- viii) Verification that the specification will deliver what is required.
- ix) Interim development of value-improving proposals
- x) Interim checks on the project to ensure that the right product is being built.

Confirmation Management and Acceptance

6.4.10 The confirmation management and acceptance process will cover the reviews and decisions to address:

- the relevance and appropriateness of the objectives
- whether the requirement reflects the objectives and addresses the issues identified
- whether the project specification will meet the preferred solution
- whether the final project outcome has met what was required.

6.5 Programme/Schedule Management

Summary Structure of the Programme

6.5.1 Key elements of the programme are:

Cycling connectivity improvements

- Initial engagement and consultation
- Review and appraisal action list of possible interventions
- Finalise scope of project and update Development Board
- Provide costings to inform budget for project in preparation for tender
- Tender for relevant contractor expertise for the delivery of the schemes

Arts and Heritage Trail

- Engage and consult with the community and businesses
- Review list of current heritage assets listed in the town (Heritage Trail)
- Procure arts for new installations

Summary Timescales

6.5.2 Main milestones are as summarised below.

Milestone	Timescale
Council Authority to proceed	Q1 2022/3
Option appraisal complete producing final scope of project and updated costings	Q1 2023/24
Consultation and engagement	Q4 2022/3
Procurement of design for interventions	Q1 2024/5
Construction Start	Q1 2024/5
Completion	Q4 2025/6

Interdependencies with the Rest of TIP and non-TIP Projects

6.5.3 The interdependencies are as follows.

Dependencies for Success of this Project

TIP

- Completion of the Multi Storey Car Park & zero carbon support infrastructure

Non TIP

- Completion of the new Bus Interchange on time

Projects Dependent on the Success of this Project

TIP

- Marshgate Biotech Office project
- Town Enterprise Centre
- Heritage Museum and New Leisure Space

Non TIP

- Residential and Commercial Development Plot B
- Residential Development Plots A, F, G & K
- Development of future office sites

Decision Points, Assurances, Approvals and Critical Paths

6.5.4 These are summarised as follows.

<p>Key Decision Points</p>	<ul style="list-style-type: none"> • Sign off of final business case. • Sign off of project designs final costings and delivery plan for public realm works. • Sign off of risk mitigation measures. • Authorisation of project start. • Commissioning of interim and final audits. • Sign off of project completion summarised as follows.
<p>Assurances</p>	<ul style="list-style-type: none"> • Integrated review of project risks and strategic risks, mitigation proposals and actions. • Assurance that infrastructure procured will deliver what was intended. • Review of monitoring reports. • Stage gate assessments. • Decisions and interventions in the event of serious delays or emerging major uncertainties. • Interim project audit. • Directions in event of financial and other irregularities if required. • Interventions in event of non-delivery of development agreement. • Sign off of independent audits.
<p>Consents & Approvals</p>	<ul style="list-style-type: none"> • Approval of final business case. • Approval of project designs, final costings and delivery plan for public realm works. • Approval of development agreement. • Approval for project start. • Local authority planning approval. • Sign off of project completion.

Critical Paths and Higher Risk Workstreams	<ul style="list-style-type: none"> • Interim arrangements for reallocated car parking capacity. • Completion of multi-storey car park. • Finalisation of land sale and development agreement.
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Summary of Schedule Hierarchy

Summary of Constraints, Assumptions, and Basis for Programme Durations

6.5.5 These are summarised below:

Issue	(Possible) Constraints	Assumptions	Basis for Programme Durations
Planning	Public dissatisfaction with proposals	Approval expected	Delays would affect project start
Site development scheme	Difficulty in receiving tenders due to resource constraints	Tenders will come through	Delays would affect project start
Site development scheme	Consultation with neighbouring uses may throw up objections	No major issues expected as project expected to benefit neighbouring uses	6 months for design and approval and 21 months for construction

Forecast Completion Date (within stated range)

6.5.6 The forecast completion date is between February and April 2025, target date being March 2026.

6.6 Risk and Opportunities Management

Summary of Risk Management Strategy

6.6.1 The risk management strategy is focused around maximising the popularity of the scheme amongst local residents, and managing the risks of labour shortages and supply chain disruption which could potentially cause delays and bring about cost overruns.

Summary of Processes and Tools

6.6.2 The Town Development Board takes responsibility for the assessment of the project risks and the measures necessary to mitigate them, working with the project delivery team and other sources of assurance such as the auditors.

6.6.3 The board has adopted an assurance plan that provides for an integrated review of project risks and strategic risks, mitigation proposals and actions. As part of this process the board will seek comments on risk profile and combined project risks, mitigation proposals and actions from the SBC audit team. The board will initiate interventions in the event of serious project delays, emerging major uncertainties (e.g. a climate change disaster), non-contract compliance or financial irregularities.

Summary of Risk Themes and Key Risks and Mitigations

6.6.4 The main risk areas relate to:

- Potential delays, due to changing weather conditions, labour shortages or supply chain issues.
- The design of the new complex proving to be unpopular
- Poor delivery performance by the building contractor
- Potential cost overruns.

6.6.5 Key mitigation measures will include:

- Timely commencement of consultation activity in order to identify and address major issues.
- Use of the construction contract to secure a commitment to tight delivery standards, to ensure availability of spare labour and measures to address unforeseen eventualities such as weather and shortages of materials.
- Involvement of a cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.
- Contractual provisions to manage unforeseen site conditions e.g. physical obstructions or physical conditions.

Approach to Opportunities Management and Realisation

6.6.6 The Town Development Board is attuned to the concept of opportunities management, since its core function is to find ways to maximise the social, community and economic benefits from the resources available within the town. The generation of ideas is a process that is proactively managed by the Council and the Development Board and addressed through the following processes:

- Proactive stakeholder consultation as a means of capturing useful ideas.
- Acquiring new ideas through partnership working.
- Developing options in response to changing circumstances e.g. climate change, disruptive innovation etc.
- Seeking optimum uses of under-utilised resources, such as sites with scope for redevelopment.
- Examining opportunities as a response to identified risks .
- An up-to-date comprehensive vision of where Stevenage wants to be, providing a framework in which ideas can be generated and opportunities identified, evaluated, scoped out and where appropriate taken forward.

6.6.7 These processes are built into the remits, work programme, meeting agendas of the Development Board and relevant Council delivery teams.

Assessment of Opportunities to Gain from Industry Productivity Initiatives

6.6.8 This is an integral part of the process described above as well as being tied into the solutions for the development process. For example:

- The potential use of new construction techniques are constantly considered when specifying tendered contracts.
- Exploiting opportunities brought about by climate change. For example, the provision of charging infrastructure and facilitating the adoption of electric bikes and scooters as an alternative to car use.
- The on-going adoption of digital technologies in all aspects of urban development and operations.

6.6.9 Assessment of these types of opportunity are embedded into the agendas of the Council and Development Board.

6.7 Project Management

Proposed Project Management Approach

6.7.1 The project delivery team will be assembled from key officers within the Stevenage Borough Council Regeneration division. This team will take responsibility for day-to-day project management of the scheme. This will include

6.7.2 The detailed implementation of the project will be set out in a comprehensive delivery plan. This will schedule all activities from project inception, through design, costing, approvals, construction activity through to completion and handover. It will build in necessary ongoing stakeholder liaison processes. The governance structures in place ensure there is responsibility for overall control of the scope and progress the project and for putting in place the necessary assurances.

Key Processes for Controlling Scope, Programme, Cost, Risk and HSE Assurance and Reporting

6.7.3 The final scope, scheduling and budget for the project will be worked up by the project delivery team then presented to the Development Board for consideration. The Development Board will then ensure that the project scope is in line with predefined regeneration objectives and the TIP and that the proposed implementation programme is realistically deliverable.

6.7.4 The Development Board will also review all risks and mitigation measures taking into account any views of the council's internal audit team. It will provide directions to the project delivery team for any additional measures that need to be put in place to minimise risks identified.

6.7.5 A number of the controls will be brought about through the contractual process, in particular provision for addressing possible causes of delay, health and safety assurance, quality control and tight and regular reporting.

Processes for Managing Key Interfaces, Consents, and Compliance

6.7.6 The project delivery team will act as the key vehicle for liaising with the parties such as neighbouring uses, the site developer and contractor for the public realm works. As mentioned

above the control mechanisms will be built into the contractual process for the developer and contractor and a regular process of monitoring will assure that contract compliance. And remedial actions where this is not achieved. The delivery team will also take responsibility for regular liaison with statutory authorities for planning and other consents required throughout the development process. A further dimension is the initial consultation and ongoing liaison with neighbouring uses so that the public realm proposals and any issues that are likely to arise during the implementation phase are dealt with in a satisfactory and cooperative manner.

Approach to Information Management

6.7.7 A designated member of the project delivery team will take responsibility for information management so that all aspects of the project and its progress and related issues arising are comprehensively recorded and reported upon where necessary. Regular monitoring reports will be submitted to the Development Board and relevant service heads within the Council.

Details for Managing Change

6.7.8 The risk register has identified a number of areas where there might be a need for managing change. These could include severe weather conditions, unexpected problems with site conditions or delays caused by labour shortages affecting the development and construction process.

6.7.9 It will be the responsibility of the Development Board to decide on alternative structures, processes, organisational and governance arrangements that may need to be put in place to address major changes of circumstances.

Arrangements for Managing Professional Service Contracts and Third-party Agreements

6.7.10 As mentioned above the contractual process would be a key tool in controlling the performance of the developers and contractors and related outcomes. The responsibility for managing these other agreements will lie with the project delivery team advised and supported by the Council's legal services team.

6.8 Stakeholder Engagement

Key Stakeholders, Interests and Power to Influence Delivery

6.8.1 Key stakeholders and their role or interest in the project are listed below.

Project	Stakeholders	Comment
	Council regeneration team.	Impact on the success of parallel town centre regeneration initiatives.
	Local residents' groups.	Design proposals. Range of activities and facilities to be made accessible in the upgraded spaces.

Strategy to Engage through Development, Delivery

6.8.2 In a wider context, stakeholders views have been captured through the Stevenage engagement programme, encompassing a number of mechanisms.

Local Residents

- A wide range of digital engagement utilising social media other related platforms
- A dedicated Visitor Centre in Town Square open to the public, where people could view, engage with and discuss the regeneration of the town.
- A 'virtual visitor centre', which contains all of the content in a digital platform on our dedicated website; this has enabled the Council to continue to reach residents of all ages and abilities during the pandemic.
- Stevenage residents' survey

Currently engagement is focused on the consultation and promotion of the Council's priority projects.

Business

- Business networking events, a number of project based consultations, such as the Local Plan, SG1, and the Bus Interchange and a number of roadshow events.

Other Stakeholders

- Regular consultation with public sector bodies such as Hertfordshire County Council, the LEP and relevant statutory bodies.
- Project specific consultation as part of the planning process.

6.8.3 The key themes that have emerged from residents, business and community groups are:

- Create inclusive accessible transport.
- Create great spaces to live in and socialise.
- Create a vibrant town centre offer that is a destination for all.
- Create aspiring communities and opportunities that create a lasting legacy. Events through to a wide range of digital engagement utilising social media other related platforms.

Summary of Approach to Communications with Stakeholders Including the Public

6.8.4 The Council's stakeholder consultation and communication processes are well designed, extensive and far-reaching. Stakeholders' views have been captured more widely through the Stevenage engagement programme, encompassing a number of mechanisms. These processes will operate in parallel with the stakeholder consultation process specific to the project as described above in order to fully inform the course and outcomes of the project.

6.9 Benefits, Monitoring and Evaluation

Summary of Benefits Register

6.9.1 Key benefits from the project are summarised as follows.

Health

- Walking and cycling offer the opportunity for healthy exercise.
- Reduced risk of obesity, high blood pressure, high cholesterol and diabetes, stress, anxiety and depression.
- Active travel to school can increase concentration by up to four hours.

Environmental

- Bicycle riders are up to 5 times less exposed to air pollution than car drivers.
- Cycling is circa 7 times more space efficient than vehicular traffic. Vehicles use more space than bikes and deny it for other purposes.
- Bikes require less infrastructure and do much less damage to roads than cars.
- Vehicles spend over 80% of their time parked, so car parking also makes major demands on valuable town centre land that could be developed for other uses.
- Bike riders contribute to quieter and more attractive neighbourhoods with less traffic and improved safety.

Social

- Bikes boost independence for people who do not drive.
- Bikes promote social, economic, age and ability equity.
- Bikes enable young people to be independent and develop healthy habits.
- The critical mass of more people riding make streets safer and more vibrant for everyone.
- Higher quality of life for residents as high quality infrastructure for cycling enhances the appeal of living in the town.

6.9.2 Quantified Outputs are as follows:

Infrastructure Specific Outputs	
Underpasses improved	22
Length of cycleways improved	5km
Length of pedestrian footpaths improved	5km
Cultural assets within a heritage trail integrated	10
Increase in walking trips per day	987
Increase in cycling trips per day	595
Standard Economic Outputs	
Jobs Created	15
Commercial Floorspace Developed sqm	240
Indirect Jobs	6
Construction Jobs	51
Additional GVA Generated per Annum	£1,500,006
Additional Annual High Level Skills Qualifications Attained	3

- 6.9.3 The benefits realisation plan will focus primarily on assuring successful delivery of the following outcomes.
- i) Successful delivery of the interventions which improve connectivity with increased usage of the cycle and pedestrian network
 - ii) Successful delivery and launch of the Arts and Heritage trail
 - iii) Wide recognition of the quality of the scheme amongst local residents, prospective employers, investors and house buyers considering Stevenage.
- 6.9.4 The benefits realisation plan will define the mechanisms through which the benefits projected from these outcomes are fully met. Thus, the plan will demonstrate the positive impact it will have on establishing a positive perception of the cycleways and encouraging residents shift to walking and cycling. Establishing the Arts and Heritage trail will support the aspiration to enhance the image of Stevenage as a high-quality place to live and work and in which to invest

Arrangements for Tracking and Reporting Benefits Through Delivery

- 6.9.7 The tracking and reporting of benefits through delivery will be closely tied into the formative, interim and summative evaluation process described below. This will be based on defining what needs to be measured against each type of benefit and the method of doing so. Key mechanisms to be established in the regard will include:
- i) Recording update of cycleway and pedestrian network usage
 - ii) Surveys and focus groups amongst community, businesses and other stakeholders who use the cycle and pedestrian network
 - iii) Surveys amongst local residents.
- 6.9.8 These activities will be built into the benefits realisation plan and scheduled accordingly. The plan will then be presented to the town development board for review and approval.

High Level Strategy for Monitoring and Evaluating Benefits Realisation

- 6.9.9 Internally the project will be subject to continual evaluation and monitoring through the governance structures and arrangements outlined above. It is intended that key milestones are built into the programme to monitor the tracking of projected outputs and outcomes (e.g. at planning consent, start on site, completion).
- 6.9.10 In parallel, the evaluation will seek to clarify whether the project achieved what it set out to do and what benefits accrued from it from the points of view of a range of stakeholders. Points to be clarified in evaluation to discussions with stakeholders would be:

The Council

- Did the Town Fund help accelerate the development and help meet defined targets?
- Was the money spent wisely and could better value for money had been achieved?
- Has the centre been a catalyst in forming or strengthening partnerships leading to measurably higher levels participation in cultural and entertainment activities locally?

General Public

- How satisfied have users become with the upgraded spaces and new retail core gateway?
- What use has been made of the new capacity and of new activities made accessible as part of the new scheme?
- What else did external visitors do in the town centre and how much was spent on food and beverages and other activities there.
- Case studies on experiences of individuals from marginalised groups
- Examples of home buying and investment decisions that were influenced by the project coming forward.

Community and Voluntary Sector

- How the project impacted on individual quality of life and wellbeing.

Stevenage Planning and Regeneration Team:

- To what extent has the project helped to build momentum for wider regeneration in the town centre and beyond?
- How have other developments or improvement projects been encouraged as a result of this project?
- To what extent has footfall within the town centre increased since the completion of the project?
- What lessons can be drawn from the policies for stimulating new or enhanced animation and vibrancy within the town centre.

Building contractors

- How well was the project programme planned and implemented?
- Was the site preparation implemented adequately?
- How could the implementation process overall have been improved?

6.9.11 The evaluation will determine whether the outputs and non-quantified benefits projected from the project have been delivered. This will partly be evaluated by quantitative measures, monitoring the impact of the project in terms of outputs i.e., the number of residential units, floorspace and jobs that are created. Both core and non-core outputs will be monitored and evaluated by SBC.