

# Executive Summary: Garden Square and Diversification of Retail Space

*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

Garden Square and Diversification of Retail Space

### Assurance Panel Feedback

Assurance Panel discussion was held on the 10<sup>th</sup> February 2022 and a summary of comments is provided below.

Overall the panel discussion was very positive and supportive of the business case.

The Panel unanimously supported the business case, with the following minor amendments to be incorporated:

- Ensure all legal protections are in place before funds committed
- Highlight opportunities within existing bus apron to bring vibrancy to the town square, and integrate with the events programme
- Positive examples in the town of these types of intervention already to learn from
- Identify opportunities to engage the public regarding existing bus apron
- Ensure the justification and narrative from the Regeneration Strategy (Stevenage Central Framework) are highlighted – there is a very strong justification for these types of intervention in response to market failure
- Ensure the economic benefits of the project are articulated

### Recommendations for Stevenage Development Board

To acknowledge and endorse the progression of this business case to Accountable Body processes.

## Overview

<b>Project Title</b>
Garden Square and Diversification of Retail Space
<b>Project Location</b>
Stevenage Town Centre
<b>Partner/Co-Funding Organisations</b>
Mace
<b>Total Project Costs (£)</b>
£3,750,000
<b>Total Town's Fund Allocation (£)</b>
£3,750,000
<b>Other Public Sector Investment (£)</b>
N/A
<b>Total Third Sector Investment (£)</b>
N/A
<b>Total Private Sector Investment (£)</b>
£6,250,000

## Project Description

This business case sets out the proposal and rationale for the Garden Square and diversification of retail project in the town centre. The proposal has two elements, which both focus on the objective to support Stevenage Town Centre to adapt to changing retail habits, and create vibrant spaces that provide leisure, restaurants, cafes and experiential amenities. Stevenage Town Centre has a long history as a retail/social precinct, with the first pedestrianised town centre, and a number of innovative retailers, such as the Fine Fare supermarket in the Town Square. Leisure, culture and experience-based amenities have played a secondary role to the primary function of the town centre as a retail core. The subsequent change in retail patterns, with a significant shift towards online retail, and increased mobility for people to travel to supercentre locations (such as Bluewater), has made Stevenage particularly vulnerable to the diminishing attraction of clothing retail in particular. This project aims to facilitate the diversification of the Town Centre, utilising principles set out in the Grimsey Review, and the Stevenage Central Framework, to use leisure, culture, experience, food and beverage, and an exciting events programme, to create a vibrant town centre

The first element of the business case is to enable and enhance the development of Garden Square, the new high quality public space, which will be the foundation for the establishment of modern food and beverage spaces, placed firmly within the heart of the town centre, and support the transition towards this ahead of the full redevelopment coming forward. The Garden Square will be a pivotal location within the town centre which a high proportion of incoming residents, workers and visitors will see when they arrive and/or through which they are likely to pass. If this location is transformed to a high standard with a strong sense of place, it can remove the poor impression that currently constrains investment and footfall and help assure the success of the new housing and commercial developments currently planned or underway.

The second element is to invigorate currently vacant spaces and poorer retail assets to become catalysts for innovative regeneration, as shown by schemes such as Co-Space. Collectively these will help create a diverse town centre economy, which utilises retail, leisure, culture and experience as part of a high-quality environment to attract sufficient footfall to ensure that new and existing businesses can thrive, and provide the amenities that residents, businesses and visitors need to make Stevenage a vibrant 21st Century town.

Since the submission of this business case to the Assurance Panel, Stevenage has been shortlisted as one of 68 towns to receive support from the High Streets Task Force. The town has been shortlisted following analysis in to the regional indicators of deprivation, inequality and exposure to retail change following the effect of COVID -19 on town centres and high streets. This reinforces the need for these types of interventions as part of the short and long term solutions to mitigate town centre decline.

## Key Purposes of the Project

The schemes being supported by the Town Fund will support diversification of the town centre, and directly support the wider Town's Fund and Regeneration activities throughout the town. The below table shows the schemes in relation to these other projects.

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 Plots A, F, G & K	√	
Enabling the Delivery and Enhancement of the Garden Square		√
Activating Core Vacant Space		√
Creation of New Gateway to Retail Core		√

Building on the success of the recent development North Block, which has taken underutilised retail space and transformed in to high quality employment space, the core essence of this proposal is to lay the foundations to continue to revive these spaces. This proposal outlines two key elements, with sub proposals underneath (as applicable):

1. Enabling the delivery and enhancement of Garden Square
2. Diversification of Retail:
  - i) Activating Core Space on the Vacated Bus Station
  - ii) Creation of a New Gateway to the Retail Core

## Configuration of the Project

Key activities will involve:

### 1) Enabling Delivery and Enhancement of the Garden Square

The project will take the high-level proposals for Garden Square and enhance the design further to create a high-quality public space that will create the environment for vibrancy and activity. Garden Square is a key feature of the SG1 regeneration scheme- a square which will be a focal point for social interaction, with food and beverages spaces spreading from Plot B (SG1) in to the square, encouraging al fresco dining complementing the adjacent and historic Town Square, broadening the town centre offer. This proposal is to explore further opportunities in design to enhance the square's features, increase quality of materials and look to include a water feature which will add to the place creation and playfulness of the space, providing a different experience to the more formal/civic space in the historic Town Square Conservation Area. Creating this high-quality public space will increase the appeal of the surrounding sites, in particular the retail and residential units included in Plot B, which the square sits directly upon. Furthermore, there are a number of enabling activities, such as demolition and acquisitions, to create this square, and utilising this Town's Fund monies, will allow the elevation of quality in its delivery by alleviating its risks to delivery.

### 2) Diversification of Retail

The project aspires to lay the foundations to take underutilised spaces and assets and transform them to drivers for town centre transformational change. There are two schemes that align with the other regeneration activities over the next 18 months that will be this catalyst.

#### i) Vacant Bus Station Space:

The first is the activation Bus Station apron when the new Bus Interchange is opened. This space is at the heart of the town centre and is an opportunity to provide a key focal point, which is for town centre visitors, including a venue for night time activities, as this space await developments. Key elements could include planting to form a new urban park, informal street furniture, lighting, infrastructure for street traders and a flexible space for events. These elements will be versatile and capable of being dismantled and transported to other parts of the square or to adjacent locations to develop a coherent attraction.

#### ii) Creation of a New Gateway to Retail Core

The second is providing improved connectivity between to the town centre from the station to the retail core and town square, with the creation of a new entrance to the retail core of Queensway, by transforming the service yard entrance of the Westgate shopping to a new thoroughfare. This will connect the Arrival Square of the SG1 scheme, to Queensway creating a more cohesive experience. Furthermore, the new entrance will enable the maximisation of high density uses through the creation of secure car parking, another asset to support the regeneration programme.

## 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"> <li>The UK Government's Build Back Better Plan for Growth</li> <li>UK Innovation Corridor</li> </ul>	<ul style="list-style-type: none"> <li>Hertfordshire Covid Recovery Plan</li> <li>Hertfordshire LEP Strategic Economic Plan</li> <li>Local Industrial Strategy Grand Challenges</li> <li>Stevenage Local Plan 2019-2031</li> <li>Stevenage Central Framework</li> </ul>

## Expected Outputs/Outcomes (2.5.11)

<b>Jobs Created</b>	<b>65</b>
<b>Commercial Floorspace Developed sqm</b>	<b>1,331</b>
<b>Net Increase in Commercial Floorspace sqm</b>	<b>1,331</b>
<b>Additional GVA Generated per Annum</b>	<b>£826,936</b>

## Wider Outcomes and Benefits (2.5.12)

### Economic

- Improved visual quality and very high-quality public realm in the heart of the town centre will encourage more people to visit the town centre.
- These effects will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract.
- This should 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 projects 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 will be assured.
- Improved town centre environment.
- Stronger perception of Stevenage as a good place to invest.

### Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- More walking in the town centre leading to more active and healthier lifestyles.

### Social

- Meets anticipated demand from population growth.
- Broadens scope for engaging more people in cultural activities.

## Economic Case

### Economic Benefits (3.3.1)

See table of outputs/outcomes above.

Benefits have been monetised as follows:

#### *Increase in GVA from new jobs*

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 public realm improvements and the new retail core gateway.

#### *Economic benefit from enhanced public realm*

A willingness to pay model has been adopted to arrive at an economic value from the proposed public realm improvements (see calculations below). Account has been taken of the Cultural and Heritage Evidence Bank produced by Simerica Jacobs.

#### *Increase in Town Centre Spending on Convenience Food*

Based on the Family Expenditure Survey, this has assumed that each of the households occupying units in Plots A & B will spend £10.40 per week (on non-supermarket food and drink retail outlets and that one or more convenience stores in the commercial space in Plot B will make up the majority of this spending.

#### *Increase in Town Centre Spending on F&B*

This has assumed that of the 3,600 households created in new housing to be developed in Stevenage Central the majority (75%) will patronise the food and beverage outlets developed on Plot B, given the shortage of related provision elsewhere in this part of the town centre. It has been assumed that 60% of the Family Expenditure Survey estimate of weekly expenditure on restaurants and hotels (£52.90) will be spent on restaurants.

#### *Increase in Town Centre Spending from Increase Events*

In view of the increased level of animation in this part of the town centre, it has been assumed that there will be a significant increase in the numbers of fairs, festivals and live performance events in and around the Garden Square with a parallel increase in the numbers of people attending them. Estimates have been made of average spending on food, beverages and miscellaneous items in the town centre from these visitors.

A BCR has been calculated as shown below:

Value for Money Assessment	Present Value
Cost	£3,367,546
Benefits	£12,892,267
Net Present Value: Benefits Less Cost	£9,524,721
BCR Calculation	3.83

Non-quantified impacts and benefits are summarised below:

Project	Impact	Assessment of Benefits
Garden Square high- quality upgrade.	Scope for intensifying animation of the town centre.	New bars, restaurants, culture, leisure and entertainment activity will become more viable leading to increased investment in higher quality food and beverage and entertainment provision.
	Investment in food and beverage commercial development.	Increased appeal for home buyers, assuring the success of new housing schemes.
		Increased appeal for workers, assuring the success of new office schemes.
Activation and animation of the vacant Bus Station Apron. New Gateway to Retail Core	Enhanced investor confidence leading to uplift in land values.	As the landowner, SBC will be able to deploy more resources to propel on-going regeneration.
	Removal of run-down appearance of a vacant site.	Greater scope for attraction of town centre visitors, incoming residents and employers and associated spending. Improved investor confidence.
	Creation of a stronger street trading scene and night-time economy.	Greater scope for attraction of town centre visitors, incoming residents and employers and associated spending. Opportunity to transfer street trading to other parts of the town centre about to undergo

			transformation.
		Increased visual quality in the town centre.	Great investor confidence. Acceleration of house sales and ongoing residential development.
		Higher appeal of Westgate to potential visitors	Increase in town centre spending.
		Improved security in the car park.	More people encouraged to shop and relax in the town centre.

### Place Based Analysis (3.6.1)

<b>Target Area</b>	<b>Central Core, Stevenage Town Centre, SG1</b>
<b>External Dependencies</b>	Revitalisation of the town centre relies on the attraction of more shopping and day and night time leisure spending visitors. This depends on successful development of new homes, offices and other commercial space, then on the attraction of prosperous incoming residents to take up the new homes and well qualified workers to take up the new jobs as these are the people who will boost footfall and spending within the town centre, along with shopping visitors from outside.
<b>Benefits to the Target Area: Quantified</b>	As above
<b>Benefits to the Target Area: Qualitative</b>	<ul style="list-style-type: none"> <li>• Provision of a high quality visual, operational and leisure environment and amenities attractive to its residents, workers, other users and investors.</li> <li>• Increased footfall boosting prospects for revived retail, leisure and hospitality sector.</li> <li>• Enhances the appeal of living in the town centre, accelerating sales and development of new homes.</li> </ul>
<b>Possible collateral effects in the target area or wider spatial area</b>	<ul style="list-style-type: none"> <li>• Will help reprofile Stevenage as a cultural and entertainment destination.</li> <li>• Will help generate greater footfall for Stevenage.</li> <li>• Stronger attraction of well qualified home buyers to live and work in Stevenage.</li> <li>• Increased investor confidence.</li> <li>• Acceleration of sales of new homes and transformation.</li> <li>• Generation of indirect employment.</li> </ul>
<b>Adverse</b>	None identified.

<b>effects on protected groups</b>	
<b>Different impacts by income group</b>	Most jobs will be for low-income groups in activities such as retail, hospitality, cleaning and maintenance.
<b>Views of local stakeholders</b>	Desire to create aspiring communities and opportunities that create a lasting legacy.
<b>Alignment with wider public policy in the relevant area/s and the UK as a whole/s</b>	<p><b>National Policy Alignment</b></p> <p>The project meets The UK Government’s Build Back Better Plan for Growth in terms of stimulating short term activity and driving long term productivity through investment in cities.</p> <p>Grimsey Reviews:</p> <p>The project directly address the need for varied uses to be established within town centres to create a ‘patchwork’ of different uses that draw in a number communities, businesses and visitors to the town driving footfall and creating and vibrancy environment. There have been 4 Grimsey Reviews, the most recent released during the COVID- 19 pandemic, which reiterates the exacerbation issues facing town centres and high streets.</p> <p><b>Sub-regional Policy Alignment</b></p> <p><i>Hertfordshire Covid Recovery Plan</i></p> <p>The projects directly address the plan’s two transformational programmes: equipping Hertfordshire’s places for mid-21st Century living supporting town centres and town-level economies and connecting Hertfordshire for mid-21st Century living and working building digital connectivity.</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> <p>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.</p> <p><b>Local Policy Alignment</b></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</p>

	<p>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>
<b>Dependency on the successful delivery of other proposals</b>	Continued house building and new offices in the town centre to assure demand for the facilities is maintained.
<b>Link of Benefits Estimated Link to Theory of Change and Strategic Case</b>	<ul style="list-style-type: none"> <li>• The scheme will make Stevenage more attractive to well qualified workers.</li> <li>• Increased footfall boosting prospects for revived retail, leisure and hospitality sector.</li> <li>• More high quality and high value businesses will be attracted to Stevenage.</li> <li>• Recognition of Stevenage Town Centre as a high prestige business location.</li> <li>• Increased investor confidence.</li> <li>• Acceleration of transformation of other SG1 major opportunity areas and sites.</li> </ul>

## Financial Case

Funding Profile (4.2.6)							
		<b>Funding Profile</b>	<b>Total</b>				
		<b>Town's Fund</b>	£3,750,000				
		<b>Total</b>	£3,750,000				
Funding Schedule (4.2.7)							
		<b>Source</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>Total</b>
		<b>Town's Fund</b>	£100,000	£1,150,000	£50,000	£2,450,000	£3,750,000

## Commercial Case

### Delivery Model (5.2.4-6)

The proposed delivery model is for the Council to take the lead as the developer for diversification of retail (parts i) and ii)) directly appointing design teams and construction partners for the delivery of the schemes. The Garden Square element of the project will be delivered in partnership with developer Mace, as part of the SG1 scheme.

These arrangements have a number of advantages. For Garden Square, outline planning permission has already been approved for the totality of the SG1 scheme, and experts in development management and design are already on board preparing for the delivery of Plot A.

For the Diversification of Retail aspect of the project, the Council has significant experience in directly appointing design teams and construction partners to complete schemes.

- a) Take advantage of its position as landowner and thereby control over the assets involved.
- b) Provide an important building block for the regeneration of the town centre.
- c) 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.
Pace of change of retail increases, with more closures/retailers moving out	High	Keep flexibility within the business case, to enable initiatives to be brought online quickly to address unexpected market failure or change.
Labour shortages in construction, freight transport and supply industries delay construction progress.	High	Include in development agreement the commitment to bring in additional temporary labour and stocks of materials to ensure projects are completed on time.
Climate changes and weather conditions	Medium to High	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather.

retarding progress of the construction programme		
The construction cost exceeds the limit for the project or other issues arising during the design & development phase.	<b>Medium</b>	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.
Dissatisfaction of local residents with proposed content and/or design of the public realm and retail diversification proposals.	<b>Low to Medium</b>	Market Research and focus groups to provide ample evidence of what the public expect from the upgraded public realm, animation of the discussed bus station apron and new gateway to the retail core. Extend process to enable preliminary designs to be market tested with the public.

## Management Case

### Next steps and project organisation

Subject to Stevenage Development Board endorsement of the project, there will be a number of activities that will form the next steps of the project's development.

These include:

- Scoping a series of engagement and consultation events with stakeholders and residents
- Market engagement with commercial and cultural opportunities

Participants	To Whom Accountable	Accountabilities	Responsibilities
Stevenage Borough Council	Central Government	Successful completion of the enhanced Garden Square and proposed retail diversification measures.	Correct use of Town Fund award to deliver this project and associated regeneration outcomes and impacts within the town centre.
	Local Residents	Delivery of a high-quality public space attractive and accessible to local residents, workers and visitors to the town centre.	Adequate consultation.



			<p>Creating the conditions for expanded provision of food and beverage outlets adjacent to the scheme and a vibrant town centre scene and atmosphere.</p>	<p>Supporting arrangements to ensure that live performances, festival activities, other and street trading deliver the level of animation are adequately devised and resourced. To assure the success of the new food and beverage outlets.</p>
			<p>Minimisation of adverse impacts of the scheme.</p>	<p>Ensuring a comprehensive design scheme.</p>
		<p>Retail core tenants</p>	<p>Ensuring that the proposed new retail core gateway scheme delivers the increased footfall expected.</p>	<p>Adequate consultation.</p>

Red Line Boundary



