

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)

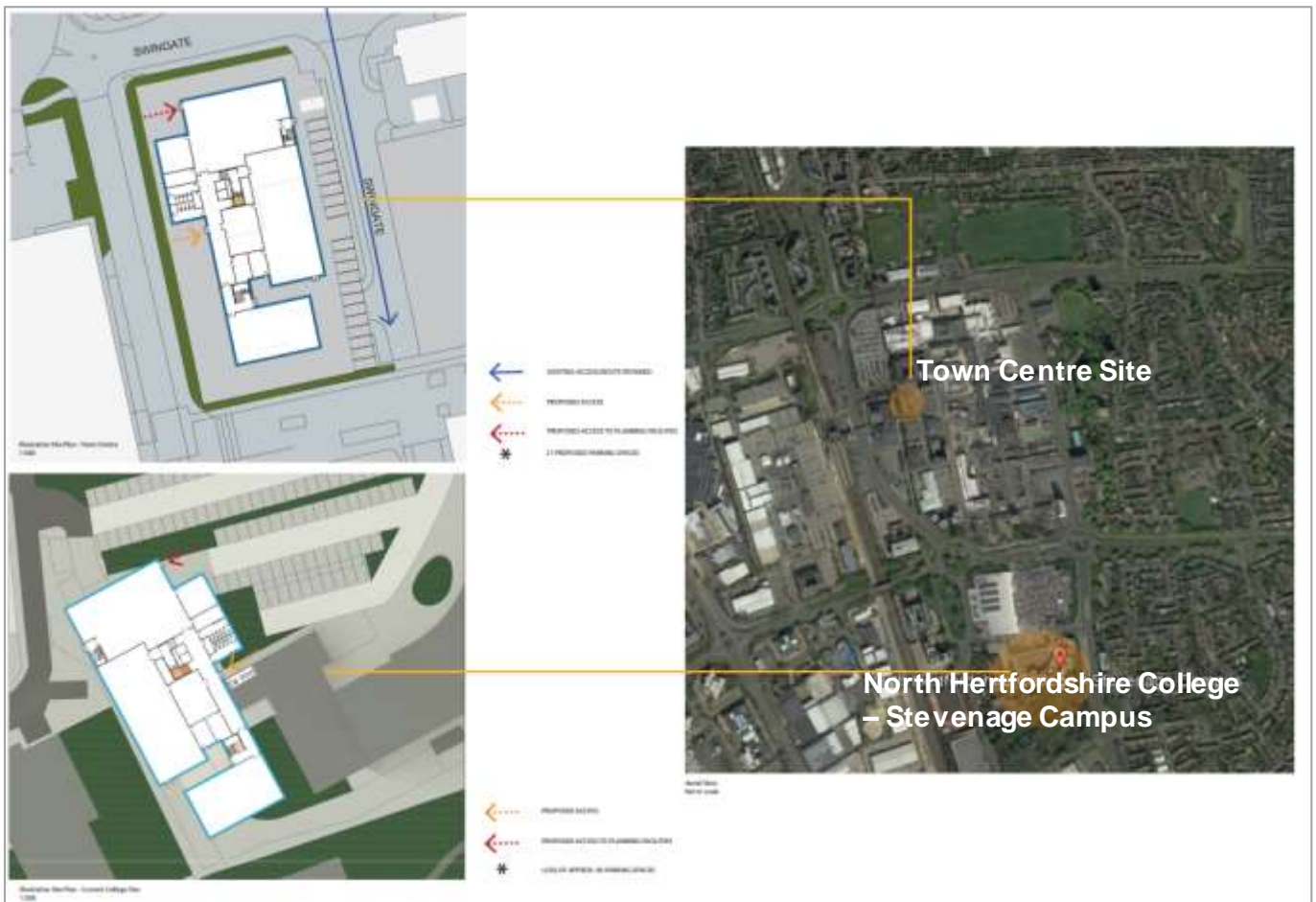
The development of the Stevenage Innovation & Technology Centre (SITEC) is a significant component of the Stevenage Town Deal programme. Whilst much work has been done to develop the project, work remains for the partners to develop the project to the Full Business Case (FBC) stage.

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 Gunnels 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:

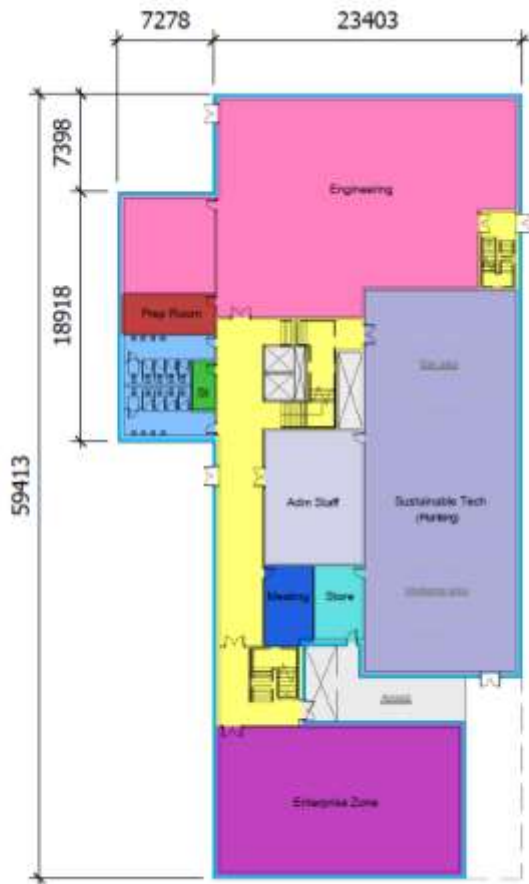
- Clean Lab space.
- Flexible teaching facilities and spaces.
- Virtual reality facilities and technology.
- Engineering and Building technologies space including practical training space for key trades.
- Café and Student refectory, including kitchens.
- Conference space(s), events space and meeting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

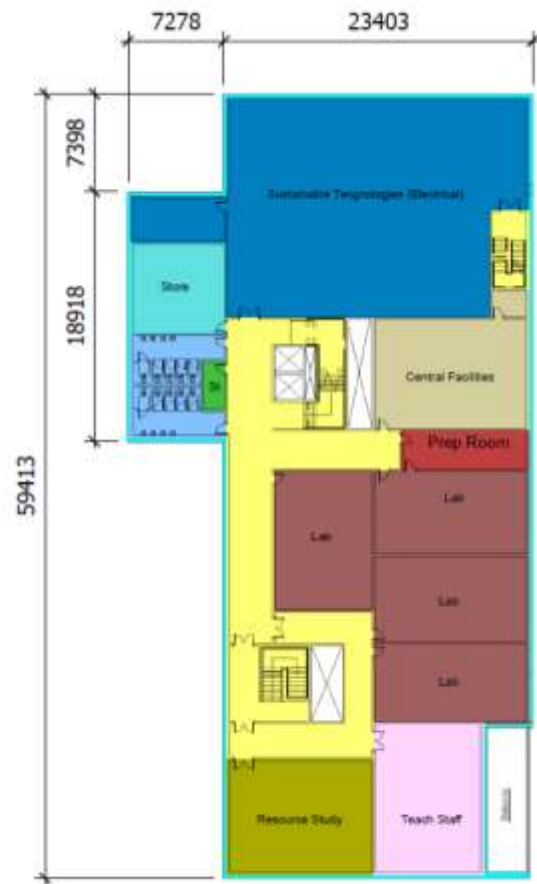
Located in the heart of Stevenage. it will provide a signature asset to develop skills and employment pathways to meet increasing demand from the growth of high-technology innovation businesses.

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.

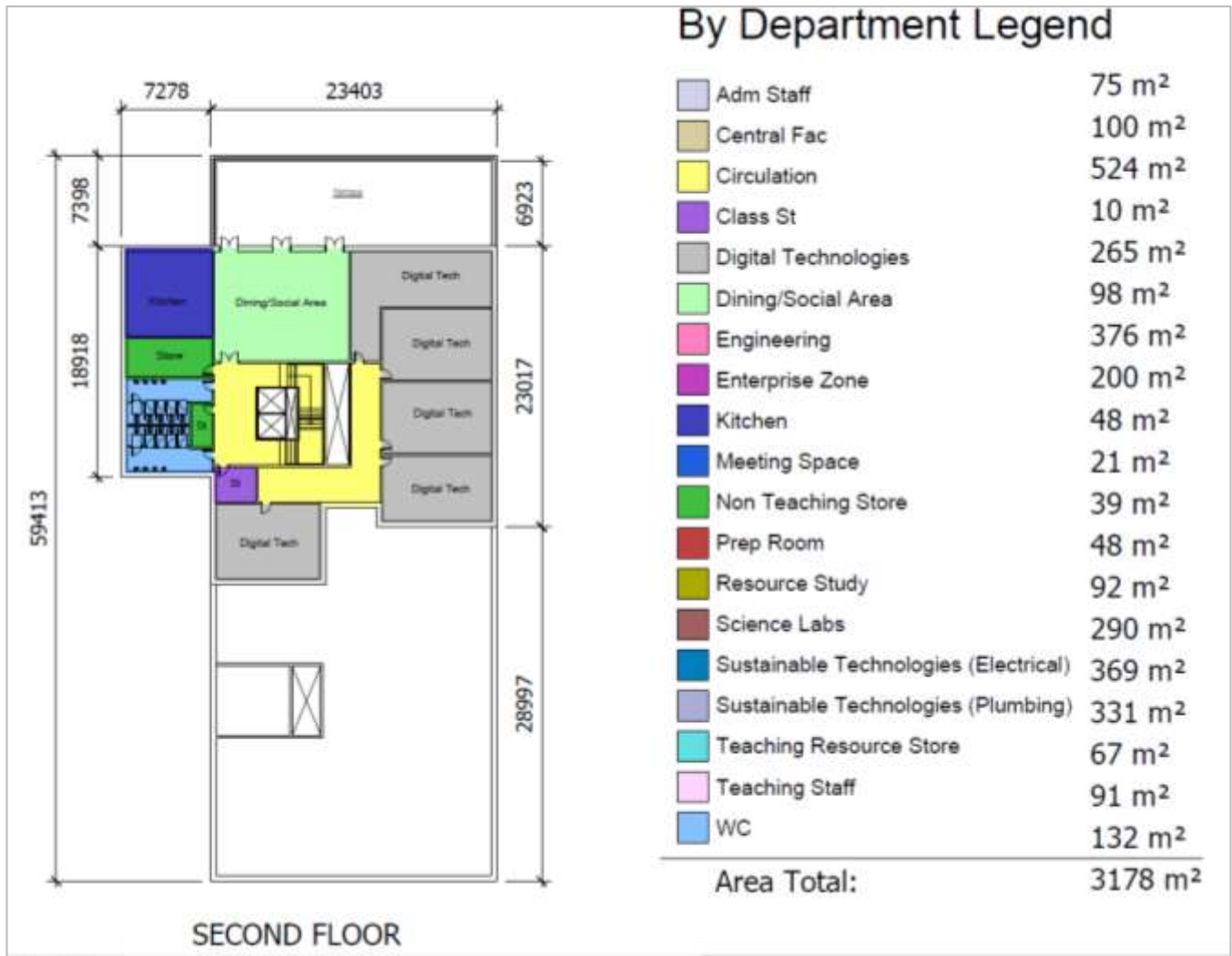
Stevenage SITEC Preliminary Floor Plans



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	<p>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.</p>	<p>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.</p>
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>	<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.</p>

<p>Untapped potential of Stevenage People</p>	<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>
<p>Building wealth and reclaiming expenditure</p>	<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>
<p>Reviving Stevenage's Sustainable Travel Network</p>	<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:

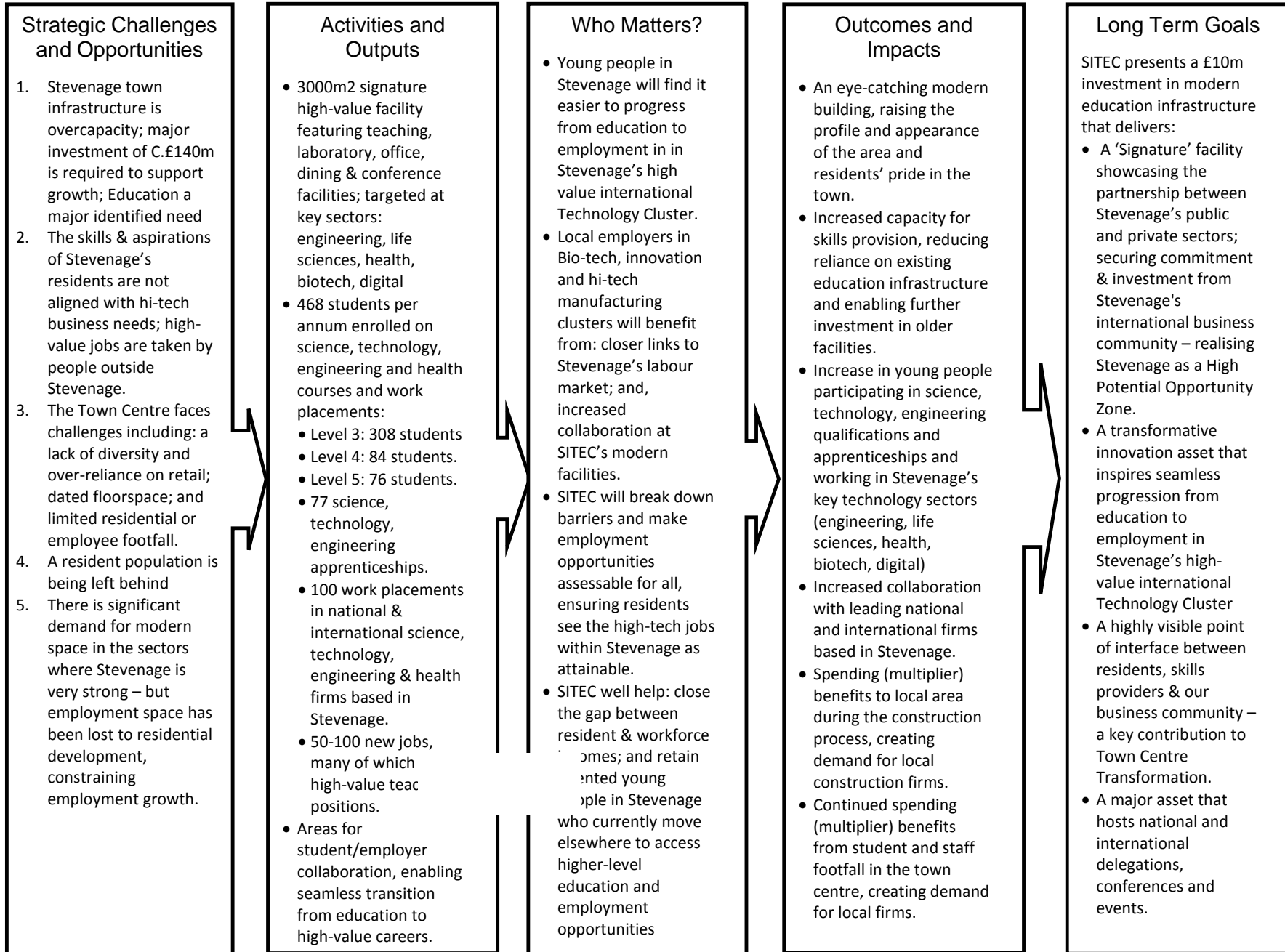
- Spending (multiplier) benefits to local area during the construction process, creating demand for local construction firms.
- Continued spending (multiplier) benefits from student and staff footfall in the town centre, creating demand for local firms.

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. 3,000m2 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)

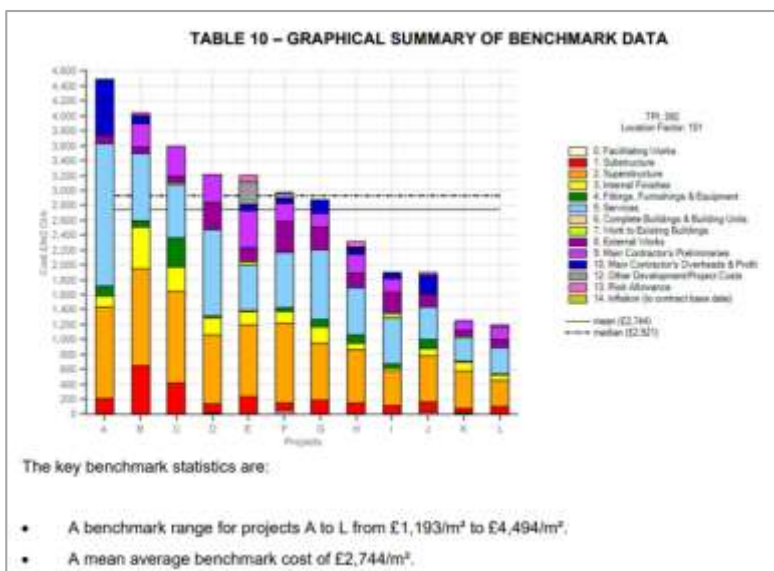
Stevenage Borough Council commissioned Gleeds Cost Management Ltd. to undertake initial costings from feasibility designs developed by Barton-Wilmore Architects. Costs are based on the two possible site options and the functional and spatial requirements for the operation of the centre provided by the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