

Stage 2 – Enterprise Centre Business Case



CONTENTS

Introduction

Strategic Case

Economic Case

Financial Case

Commercial Case

Management Case

INTRODUCTION

1. INTRODUCTION

1.1 Introduction

Purpose of the Business Case

- 1.1.1 This business case sets out the proposal and rationale for a the development of the Enterprise Centre project comprising 57,000 sqft incubator, co-working and meeting space and offices in Stevenage Town Centre focused on supporting young and start up life sciences businesses.

Background to Towns Fund and Stage 2 process

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

Scheme Promoter and Accountable Body for the Project

- 1.1.7 The scheme promoter is Stevenage Borough Council who will also act as the accountable body, working in conjunction with the urban developer Reef.

1.2 Summary of the Scheme

- 1.2.1 The scheme being supported by the Town Fund will involve the delivery of a new Enterprise Centre in the heart of the town centre with space for labs, workshops, co-working, hot desks and meeting rooms through the use of digital creativity and technology to harness the creation and development of high value growth businesses in the life sciences sectors. This will provide a

major boost for the town in consolidating a position within the UK Innovation Corridor by encouraging science-based entrepreneurs to start up new ventures, assure their survival and growth and expand the base of emerging high-value and high growth industries in the area. In parallel it can be used to provide a soft-landing for world class technology based business investing in Stevenage adding further momentum to the town's growing base of advanced technology activity. Longer term, the growth of successful technology and innovation based businesses can be expected to create further demand for commercial space in the town and, as with the proposed Marshgate Biotech Centre project, help position Stevenage as an office location of regional significance. The project will also accelerate the diversification of the town centre, which is in significant need of regeneration, at the same time generating greater demand for the products and services of the retail, hospitality and business services based in the town centre.

1.2.2 Key activities will involve:

- 1) Release of the current building within the Queensway scheme for development as a life sciences enterprise centre.
- 2) A contract between the developer and funder for taking over the site and for the build out of the enterprise centre within agreed timescales, working towards an Accountable Body Agreement.
- 3) Bringing about the development of a 57,000 sqft enterprise centre in Stevenage Town Centre, comprising incubator and co-working space, private offices and laboratories, meeting and presentation space and specialist facilities to support life sciences innovation activity within 24 months of project inception.
- 4) Implementation of a high-quality business support offer for start-ups and young businesses to enable their commercial needs to be thoroughly diagnosed and solutions to be provided.
- 5) A robust business plan for the operational phase of the enterprise centre that will assure the viability of the centre, its success in stimulating world beating life sciences ventures and delivery of contracted outputs.

1.2.3 The scope of the project is summarised below.

Activity	Parallel Projects	Enabling Phase	Development Phase	Operational Phase
Multi Storey Car Park & zero carbon support infrastructure	√			
Marshgate Biotech Office project	√			
Acquisition of the Forge building		√		
Essential site preparation		√		
Development agreement with Reef		√		
Sale and transfer of the Forge building to Reef		√		
Build out of the 57,000 sqft enterprise centre			√	
Business plan to assure viability and delivery of outputs				√
Implementation of a high quality business support offer to centre clients				√

1.3 Business Case Structure and Content

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

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

STRATEGIC CASE

2. STRATEGIC CASE

2.1 Introduction to the Strategic Case

- 2.1.1 This strategic case defines the scope of the project. It explains how the project will bring about the development of the Town Enterprise Centre in order to generate the successful start-up and growth businesses in the life sciences sector who go on to develop high value products and services for commercialisation in global markets.

2.2 Case for Change

Current Context, Challenges and Arrangements

Regeneration Challenges and Priorities

- 2.2.1 Parts of Stevenage Town Centre has become severely run down due to time expired buildings and infrastructure and a public realm and hospitality offer failing to attract people. Its shopping centre is losing business and major retailers have moved out, leaving an oversupply of older retail space that is no longer fit for purpose.
- 2.2.2 Stevenage New Town was originally designed to serve a population of 60,000 but the population is forecast to increase to just under 93,000 by 2035 – growth of 50% of that of the original new town, yet there has been no increase in the size of the town centre and growth of surrounding districts will have a significant influence on the town centre. Meanwhile the economy of Stevenage has grown beyond the regional and national average over the past 17 years principally through expansion of knowledge-based industries and with the presence of an impressive array of world class businesses in life sciences, agri-tech, IT, advanced engineering and high value manufacturing.
- 2.2.3 Current challenges that need to be addressed can be summarised as follows.
- Significant investment in new infrastructure and buildings is needed to meet these conditions and to rectify the current shortcomings of Stevenage town centre.
 - Investor confidence is low. The market has not responded independently to the challenge of providing housing and employment space in the town centre or leisure, food and beverage provision meeting the expectations of an increasingly affluent population, many of whom are employees of world class businesses.
 - Town centres will have an important role to play in the post-Covid world in supporting businesses and their workforces. They are now having to assume greater importance as employment and residential locations, focal points for community, social and recreation activity and as hubs for integrated transport.

Progress to Date in Delivering the Stevenage Central Framework

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

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

- A dynamic development board, comprised of prominent business leaders, university and local authority representatives has been assembled. A proactive vision has been formulated. High powered regeneration solutions have been defined and are being initiated.
- A development agreement has been signed with Mace as a private sector development partner, enabling fast track approaches to be new development and construction.
- Planning permission has recently been granted for the Marshgate Biotech Centre project.
- In addition to initiation by Stevenage Borough Council (SBC) of the SG1 and Queensway, a number of private sector developments have already been completed including Park Place, Vista Tower and Skyline.
- A number of redevelopment sites in the central core, northern and southern gateway major opportunity areas, pivotal to kick starting transformation, have been acquired. Preliminary enabling works are either underway or are scheduled.
- Selected preliminary public realm improvements are currently being implemented or are programmed around key sites with a view to building investment confidence amongst developers and future occupiers and promoting high quality development outcomes.
- Construction of a new bus interchange on a new site alongside the station has been approved for funding and construction has now started. This has released a major development site which provides a major catalyst for transformation of the town centre. The new bus interchange, the transformation of Stevenage station and the addition of a 5th platform are the first building blocks towards creating a sustainable transport hub for road, rail, cycling and walking, which will be completed by the first phase of the Station Gateway project, which also forms part of the Town Investment Plan.

Evidence of Need

National and Regional Economic Growth Imperatives

2.2.6 The UK government is pursuing an ambition of becoming a high wage economy. To achieve this, productivity performance, which has been stagnant for some years, needs to significantly improve. To address this, higher value economic activities need to be created within the UK, in

parallel with increasing levels of investment and global trade which have flatlined as a result of Brexit.

- 2.2.7 Against this background, for the UK to advance on the global stage, science and innovation need to play a greater role in the stimulation of wealth creation and economic growth. The bringing forward of new, globally competitive products and services will be key to assuring a strong competitive position as well as attracting high levels of investment into the UK economy.
- 2.2.8 The UK and Hertfordshire and Stevenage in particular, have major scientific and industrial strengths and innovative potential to build on, making them well placed to bolster the role innovation technology as an engine of high value economic growth and activity.

Space Requirements for Technology-Based Start Ups and Young Businesses

- 2.2.9 The types of space required for incubating emerging technology-based startup ventures and for accelerating their growth are in short supply within the area. These businesses need affordable small business units available on flexible terms with a prestige address, smart meeting rooms and presentation facilities in which to engage with prospective investors, business partners and customers, spaces for ad hoc interaction with potential collaborators and an environment for receiving structured business advice and support. For many life sciences businesses, special laboratory facilities or clean work areas shop space may be required.

Constraints Caused by Shortage of Suitable Space

- 2.2.10 However, within Stevenage, this potential is being held back by a shortage of the required amount and types of space. A number of facilities that provide these needs have been set up in Stevenage but outside the town centre. They include:
- the 3,903 sqm Business and Technology Centre (BTC) in Bessemer Road
 - the Chells Industrial Units, 16 single-storey workshop units on flexible terms that range from 67m to 126m and are suitable for a variety of business types.
 - the CGT Catapult Manufacturing Centre.
- 2.2.11 At the time of writing in November 2021, the BTC has just two units available of 24 and 27 sqm and Chells and the CGT Catapult Manufacturing Centre are fully occupied.
- 2.2.12 As regards commercially available small business space, an analysis of the EG Propertylink database shows the following small office units currently available in Stevenage. This indicates that only 400 sqm of units up to 100 sqm in size are currently available. These units are mostly above 20 sqm which is normally the maximum that high-tech business would be likely to require at startup stage. Moreover, the available units are spread out across the town, which is not conducive to business support activity and collaboration and their quality is variable.

Vacant Office & Industrial Space Stevenage 19th October 2021*	Minimum Unit Size Available		Total Available at site		Use
	Sq ft	Sqm	Sqft	Sqm	
Co-Space, Town Square, Stevenage, Hertfordshire, SG1	50	5	50	5	Offices
The Old Bank 162 High Street, Stevenage, SG1 3LL	554	51	554	51	Offices
Office 2 Falcon House, Primett Road, Stevenage, Hertfordshire, SG1	945	88	945	88	Offices
Premier House, Second Floor, Argyle Way, Stevenage, Hertfordshire, SG1 2AD	223	21	1,892	176	Offices
Suite 21, Town Square Chambers, Town Square, Stevenage, Hertfordshire, SG1 1BP	373	35	1,054	98	Offices
Offices 3 - 4 Falcon House, Primett Road, Stevenage, Hertfordshire, SG1	678	63	678	63	Offices
Ground Floor 3 Viewpoint Office Village Babbage Road, Stevenage,	645	60	645	60	Offices

Hertfordshire, SG1					
74 High Street, Stevenage, Hertfordshire, SG1	134	12	134	12	Offices
5 Viewpoint Office Village, Babbage Road, Stevenage, Hertfordshire, SG1 2EQ	674	63	674	63	Offices
The Hive, Bell Lane, Stevenage, Hertfordshire, SG1 3HW	65	6	124	12	Offices
Total	4,341	404	6,750	628	

Source: EG Property Link

*Excludes space currently available on site of the existing project.

Market Failures Constraining Redevelopment of Incubation Space in the Town Centre

2.2.13 The private sector has proved unable to bring forward buildings that can address these requirements, these opportunities as development schemes cannot self-fund the necessary land assembly, site preparation and supporting infrastructure required.

2.2.14 The lack of suitable space is constraining market and growth of these sectors that hold national significance. 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. Action is needed to address this.

2.2.15 This market failure needs to be addressed by releasing under-utilised land or buildings and creating the conditions to accelerate redevelopment. Where innovation and incubation space has been developed, this has only been with the intervention of the public sector and/or public private partnership.

Challenges that Would be Addressed

2.2.16 If successfully developed, the Town Enterprise Centre will help to address two of the challenges set out in the Town Investment Plan.

Challenge 3: Town Centre Transformation. The town centre has aged, retail is losing business due to dated floorspace, catchment leakage, high representation of lower value outlets, and an over-reliance on traditional retail, with limited diversification. Expansion of housing and employment space in the town centre are needed to create natural footfall and increase demand sustainably. To address this, the Stevenage Central Framework adopted in 2015 sets out a £1bn programme to transform the town centre delivering over 3,600 new homes and 55,750 sqm of offices and other commercial space. To achieve this, Stevenage needs to create the conditions for investment in the town centre and whilst the early phases of our regeneration programme have begun to improve values in the town, development viability remains challenging without public sector intervention.

Challenge 5: Lack of Suitable Modern Space for Growth. The lack of suitable space is constraining market and growth of sectors that hold national significance. Life sciences, agri-tech, advanced engineering and manufacturing, where Stevenage is very strong are generating significant demand for modern space. Increasing demand is emerging for space the town centre. Over the last 10 years, 67,000sqm of commercial floorspace has been lost in Stevenage, 75% to residential. This lack of supply threatens Stevenage's potential to maintain its competitive edge, meet the demand that is coming and the ability to retain key businesses. Achilles Therapeutics, which raised more than £100m of investment moved away from Stevenage to Hammersmith to continue its expansion in 2020. Addressing the demand for town centre space would also drive

investment in the broad range of facilities that will help attract and retain skilled employees and businesses, enhancing footfall. This will propel the town centre's revitalisation, wider regeneration and post-Covid resilience.

Future Needs

Use of Employment Space and the Future of Offices

2.2.17 With companies all over the country adapting to the fallout of the pandemic and trying to return to some sense of normality in the post-COVID world, most data shows that offices will not strictly be a thing in the past but will mostly adapt to a new framework. Office space configurations and densities are also likely to change. The regional head at Deloitte Real Estate was recently quoted as that tenants were focused on space that was attractive to staff rather than purely functional and that: "The new start office space under construction is being marketed as amenity-rich, with well-being and community high on priorities." (Source: *Financial Times*; *UK businesses think big about smaller office spaces*; 4th March, 2021.)

2.2.18 This new framework for offices is intended to enhance 'employee experience'. A report conducted by JLL states that offices are now seen more as environments that promote collaboration, innovation, recruitment and retention. Offices have already implemented spaces specific for meetings, collaboration, concentrated work and other rooms solely for to provide for a variety of working contexts. More attention is being placed on well-being, with rooms set up solely for mindfulness meditation, yoga, event spaces and cafes. The outside area is also becoming more of a focus from planners to improve employee well-being, with attention being put to improve air ventilation and having more outdoor leisure space. This may lead to offices having less desk spaces, but more collaboration space, with a hybrid model and homeworking on the rise this will end up offsetting a trend of space per worker decreasing since the early 1990's. (JLL: *The Future of UK Regional Office Demand Office in Markets Outside Central London After COVID-19*; March 2021).

2.2.19 These changes call for work environments that are state of the art and designed to provide these conditions. Where this is not possible, the role of town centres in providing and amenity rich offer assumes greater prominence.

Future of Town Centres Post Covid

2.2.20 Hybrid and remote-working will create a new set of benefits but also challenges to local economies with its wide-spread adoption. Research from KPMG says that that it is clear things will not return to the way things were before the pandemic. With the reduction in commuter footfall and reduction in commercial rent, city centres may now have to consider serving their inhabitants in a different way. According to the same report, high streets could lose anywhere from 20-40% of outlets. New models could be emerging from the shift to online, with consumers buying online and getting better pricing whilst some stores may adopt a hybrid model where they have their stores as a showroom before the customer buys the product on their website. However, some speciality stores may keep their physical locations intact. (Source: *The future of towns and cities* (January 2021) KPMG).

2.2.21 Research by Legal and General and Demos showed that in a post-COVID world, the new working models will provide opportunities for parts of the country like rural areas and neighbourhoods

that were previously ignored, potentially at the expense of city centres. However, the report concludes that mass exodus from cities is overblown as young people and those with jobs that cannot be done remotely made up the majority of those that moved last year and moved within larger cities.

2.2.22 The view that city centres will still play a key role in the future is corroborated by various findings from the Centre for Cities:

- Evidence has shown that East Asian countries that have suffered threats of pandemics in the past at a more frequent rate than the West, have continued to urbanise and have seen their cities grow
- Companies from similar sectors geographically have tended to cluster together because connections, collaborations and shared ideas create new ideas, innovation and other synergies
- Amenities with a large or specialist customer base need to be in city centres
- Local neighbourhoods cannot match the breadth of jobs that a city centre can offer.

2.2.23 These findings seem to indicate a halfway point between the “15 minute city” and the current reliance on city centres, whereby more local amenities will be situated across neighbourhoods and cities whilst more specialist forms of amenities will remain in city centres in the post pandemic world.

Opportunities

Major Project Drivers and Opportunities Addressed

2.2.24 A number of factors have come together that can help accelerate the Town Enterprise Centre project.

- The town’s innovation focus
- Demand for high tech space in the town centre
- An identified site development opportunity
- The project will boost town centre regeneration

2.2.25 The project will address two of the five major opportunities defined in the Strategic Town Investment Plan.

Opportunity 2: Innovation Hub, High Growth Potential and STEM City. These effects will truly position Stevenage at the heart of the UK Innovation Corridor, enhancing its status as High Potential Opportunity location and a business location of international significance.

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

The Town’s Innovation Focus

2.2.26 Stevenage is at the heart of the UK Innovation Corridor. It is now home to a range of acclaimed national and international firms. DIT's recognition of Stevenage as the UK's only High Potential Opportunity location for Cell and Gene therapy reflects its importance for UK plc. Stevenage Bioscience Catalyst was established in 2012 with original funding of £38m from GSK, Wellcome and Innovate UK. Its aim is the building of a globally recognised cluster for Advanced Therapeutics in the UK.

2.2.27 What is being created is a whole science-based ecosystem that links big pharma, universities, researchers, innovative SMEs, start-ups and investment capital to drive innovation and high order skills. Demand is outstripping supply and companies are now facing the difficult choice of leaving Stevenage to continue their expansion. Our story is bigger than just Bioscience. Stevenage is now home to employers such as Fujitsu (IT), BAE Systems (aerospace), GSK (pharma), Dupont (chemicals), EADS-Airbus (aerospace and space), MBDA (defence), Aeroflex (electronics), Astrium (aerospace). As noted, Stevenage now leads the UK's space industry and is home to the 2018 ExoMars Rover and the 2017 Solar Orbiter Satellite research and development programmes. The STIP looks to build upon the recent investments such as the UKAirbus Headquarters and the Bioscience Catalyst to facilitate further investment and spin off activity. This can be Stevenage's contribution to the UK's post-Covid recovery. Our status within the UKIC and DIT's recognition of Stevenage as an HPO gives us the basis to re-imagine our town, embrace the businesses that have come and the opportunities they now provide to promote ourselves nationally and internationally.

2.2.28 Investment in life sciences will be more important than ever as we recover from Covid-19; there will be huge health challenges that require innovative diagnostic and treatment solutions across the world, and our response has shown the benefit of having greater capacity within our own country. In 2019, Stevenage attracted as much private equity as South Cambridge. The opportunity is how to keep pace with the demand for space, commercialisation and scale-up into manufacturing. The Catalyst now sits at the centre of the largest Cell and Gene cluster in Europe.

Demand for High Tech Space in the Town Centre

2.2.29 There has been a recent surge of interest by major companies already in Stevenage in taking up space in the town centre. For global businesses, Stevenage town centre offers a strategic location with road, rail and air connections that place it within 20 minutes of London and less than 45 minutes of Heathrow, Gatwick and Luton airports. To attract them, high quality office development and R&D space will be needed. These are ideal circumstances for the provision of a new, technology based enterprise centre.

Identified Site Development Opportunity

2.2.30 Site shortages have precluded this option up to now. However, there is now an opportunity to redevelop part of the Queensway development known as the Forge in the heart of the town centre.

The Project will Boost Town Centre Regeneration and Covid Recovery

2.2.31 This project will help transform the town centre and harness the strategic potential of the town centre as a key employment hub. It will help maximise the number of jobs created in the town and support the local economy, especially as part of the Covid-19 recovery plan.

2.2.32 As noted above, a demand for space within the town centre has recently emerged from science-based businesses particularly who are seeking a more sustainable operating base. The Town Enterprise Centre project can will help meet this demand whilst providing a major opportunity for boosting regeneration of the town centre. It will breathe new life into the area, accelerating the diversification of the town centre at the same time generating greater demand for the products and services of the retail, hospitality and business services based in the town centre.

2.2.33 Longer term, the growth of successful technology and innovation-based businesses can be expected to create further demand for commercial space in the town and, as with the proposed Marshgate Biotech Centre project, help position Stevenage as an office location of regional significance. Newly available development sites, such as the opportunities being created from release of seven car parks through the Station Gateway project can provide the capacity for meeting this longer-term demand.

2.3 Policy Alignment

National Policy Alignment

National Council for Science and Technology

2.3.1 The Council for Science and Technology has recently been set up by the UK government, chaired by and with the purpose of advising the prime minister on a range of issues related to optimising the commercial potential and development impacts of science and technology and innovation. A recent letter on “The UK as a Science and Technology Superpower” recommended increasing investment in science and engineering technology by at least 50% to a scale commensurate with the size of the economy. It proposed focusing of resources according to potential competitor advantage; integrating research innovation and growth investment by joining up of government research efforts; and strengthening skills and expertise in research and innovation.

2.3.2 The council has also produced another paper “Scaling the Impact of Innovation in the United Kingdom”, recommending the reinforcement of the U.K.’s successful clusters of research and innovation, enabling them to compete globally, spreading the benefits of innovation across the whole of UK and enabling the private sector to invest with greater certainty.

2.3.3 The attention being given to these issues is notable and indicative of the likelihood of further resources being allocated towards research, innovation and measures for scaling up industries with major global potential.

Advanced Research and Invention Agency, or ARIA,

2.3.4 This is a planned research funding agency of the UK government, announced on 19 February 2021 and expected to be fully operational by 2022. It will be tasked with funding high-risk research that offers the chance of high rewards, supporting ground-breaking discoveries that could transform people’s lives for the better. The ARIA is backed by £800 million to fund the most inspiring inventors to turn their transformational ideas into new technologies, discoveries, products and services – helping to maintain the UK’s position as a global science superpower.

- 2.3.5 The new agency will be independent of government and led by some of the world's most visionary researchers who will be empowered to use their knowledge and expertise to identify and back the most ambitious, cutting-edge areas of research and technology - helping to create highly skilled jobs across the country. It will be able to do so with flexibility and speed by looking at how to avoid unnecessary bureaucracy and experimenting with different funding models.

National Sector Strategies

- 2.3.6 In parallel with this work the government is working on national strategies for a number of sectors including life sciences, food, AI, digital and net zero carbon industries. The momentum generated by these new national government initiatives can be expected to drive demand for suitable state of the art infrastructure for innovation and technology, particularly where there are globally significant clusters of high technology businesses in specialist fields (e.g. life sciences) The provision of carefully designed innovation and enterprise centres along with the provision of appropriate scale up accommodation, will be a key requirement for addressing these infrastructure needs.
- 2.3.7 A recent article by William Hague (*Innovation will determine if we soar or stumble; the Times; 18th October 18, 2021*) cited a key example of the impact of a coherent national sector strategy. In 2012, the Cameron government announced the 100,000 Genomes Project, with £100 million to fund the sequencing of the genomes of 100,000 patients, using the vast data of the NHS and training a new generation of scientists. Nine years later the UK leads the world in this field, has more than 150 companies in this sector and private sector investments built on it are more than ten times the initial government pump-priming.

UK Innovation Corridor

- 2.3.8 Stevenage is situated centrally within the UK Innovation Corridor (UKIC), part of a dynamic cluster connecting London to Cambridge, supports an economy worth £189 billion, 2.8 million jobs, out-performs the Oxford to Cambridge Arc and is now Britain's Fastest Growing Region. Amongst industries focussed on commercial innovation, advanced technology, and bioscience, Stevenage specifically is home to global household names - GSK, Airbus, MBDA, and Fujitsu - industries with a bright future. More than 70 companies in the life sciences field have clustered around Stevenage over the past 8-10 years, more than 60% of them focussed on R&D in the Cell and Gene therapy.
- 2.3.9 Stevenage is one of six Life Science Opportunities Zones identified by the Government and has recently been designated by the DIT as a High Opportunity Area. The opportunity for Stevenage is not only to retain but to grow its share of the global market and be promoted nationally and internationally.

Sub-regional Policy Alignment

Hertfordshire Covid Recovery Plan

2.3.10 Stevenage has a pivotal role to play in the delivering the Recovery Plan for Hertfordshire. Its current regeneration strategy and Town Fund projects directly address the plan's two transformational programmes:

- equipping Hertfordshire's places for mid-21st Century living supporting town centres and town-level economies.
- connecting Hertfordshire for mid-21st Century living and working building digital connectivity.

2.3.11 Through this and other Town Fund projects, Stevenage will lead on the delivery packages for:

- 1) Enterprise and Innovation – Stevenage's businesses, many of them SMEs are key to economic recovery.
- 2) Skills and Creativity –the extent to which businesses have the confidence to recruit and invest in their staff will be critical to unlocking recovery and will be greatly assisted through our priority projects
- 3) International Trade and Investment – focused on securing new investment for Hertfordshire. This project is aimed at changing Stevenage's image, attracting and retaining investment.

Hertfordshire Enterprise and Innovation Strategy

2.3.12 The Hertfordshire Enterprise and Innovation Strategy defines steps to be taken to improving the conditions which enable businesses to thrive and prosper, via the following strategic themes aimed at supporting the small business community principally but also support Hertfordshire's larger businesses who will have different requirements from support that the LEP and stakeholders can offer. The key strategic themes are:

- 1) Enhancing the gateway to enterprise support; currently business support is fragmented and lacks coherence
- 2) Supporting enterprise across all of Hertfordshire's communities; entrepreneurship across the county is variable particularly among hard-to-reach groups
- 3) Ensuring space is available for enterprise and innovation; enterprise space is of variable quality and not necessarily where it is needed
- 4) Driving catalytic sectors that can have the largest positive impact upon the economy
- 5) Skills to support Enterprise and Innovation; a focus is needed to fill existing and future skills gaps from within Hertfordshire.

2.3.13 The strategy incorporates a detailed action plan, defining various impacts sought, amongst which are:

- Ensuring provision of high-quality workspace that will ensure that we both retain and attract companies.
- Locating our entrepreneurs within our high streets will use vacant space and ensure that our town centres remain animated.
- Increased levels of investment from businesses in LEP priority sectors.

- A new innovation centre to bring greater focus and practical support to those companies seeking to innovate new products.

Hertfordshire LEP Strategic Economic Plan

2.3.14 The project addresses each of the four priorities within the current Hertfordshire LEP Strategic Economic Plan.

Priority 1: Maintaining global excellence in science and technology. This highlights the challenges of:

- a) building the wider ecosystem so as to achieve a step change in Hertfordshire's productivity performance and to ensure that five key sectors (of which life sciences is one) thrive.
- b) encouragement of innovative start-up and small businesses to scale-up and grow, transforming an economy with substantial numbers of very small businesses, to one with more growing to medium size and beyond as these are likely to be the principal wealth generators; in this context, the need for delivery of physical provision appropriate for the needs of innovators and entrepreneurs is highlighted.
- c) recognising that some of the greatest opportunities are likely to be at the convergence between the technologies associated with the different sectors.

Priority 3: Reinvigorating our places for the 21st-century. The strategy calls for high-density solutions recognising particular opportunities linked to railway hubs and transforming town centres into vibrant lively urban hubs underpinned by new models of living and working. The Stevenage Central Framework and this scheme align closely with this approach. This will be directly addressed by this project as it will help diversify the and bring more demand wealth creation into the town centre.

Local Industrial Strategy Grand Challenges

2.3.15 Grand Challenges for Hertfordshire highlights the importance of clean growth challenges. This project provides the conditions for accelerating the adoption of clean transportation throughout the borough for the long term. Regarding other Grand Challenges, better facilities for cycling and walking and improved access to recreational activities will be conducive to helping the increasing numbers of older people to stay active, productive and independent.

Local Policy Alignment

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

2.3.17 Stevenage Central Framework. This was prepared in 2015 to set a direction of change for the regeneration of Stevenage Town Centre. Now supported by the Local Plan, the Framework sets out a strategy for accelerated employment and housing provision on a large scale in the town

centre to meet the demands of significant population growth and revitalised and enhanced and modernised amenities to service it.

2.4 Vision and Objectives

Vision

2.4.1 The Enterprise Centre will strongly contribute to the positioning Stevenage as a hotbed of science-based innovation and the creation of the next generation of world beating life sciences products and services within the UK Innovation Corridor. It will also contribute to the transformation of Stevenage Town Centre and provide a catalyst for significant new investment into the town.

2.4.2 Key outcomes sought are:

- The creation of a 57,000 sqft enterprise centre in Stevenage Town Centre, comprising incubator and co-working space, private offices and laboratories, meeting and presentation space and specialist facilities to support life sciences innovation activity within 24 months of project inception.
- The creation, survival and growth of new and emerging life sciences businesses and encouragement of their ongoing expansion in Stevenage.
- The stimulation of subsequent investment commitments of developers and international companies to the development and occupancy of an extensive portfolio of new, high quality commercial space within the town centre.

SMART Objectives Related to the Project

- 1) To release the current Forge building within the Queensway scheme for development as a life sciences innovation centre by May 2022.
- 2) To establish a development agreement with the developer Reef for taking over the site and for the build out of the enterprise centre within agreed timescales.
- 3) To successfully bring about the development of a 57,000 sqft enterprise centre in Stevenage Town Centre, comprising incubator and co-working space, private offices and laboratories, meeting and presentation space and specialist facilities to support life sciences innovation activity within 24 months of project inception.
- 4) To establish a high-quality business support offer for start-ups and young businesses to enable their commercial needs to be thoroughly diagnosed and solutions provided.
- 5) To set out a robust business plan that will assure the viability of the centre to assure its long-term viability, success in stimulating world beating life sciences ventures and delivery of contracted outputs.

Measures of Success

2.4.3 Successes to be measured and the method of measurement each of element of the project are summarised below.

Project	Successes to be Measured	Method of Measurement
Enterprise Centre	Delivery on time and to budget	Tracking with developer
	No. of businesses started	Tracking with centre operator
	No. of high-quality jobs created	Tracking with centre operator
	No. of start-ups surviving more than 24 months	Tracking with centre operator
	Amounts of VC funding generated	Tracking with centre operator

2.5 The Proposed Investment

Options Considered

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

- Do nothing: No development of the enterprise centre for life sciences innovation.
- Do minimum: No enterprise centre but encourage LEP and local business support organisations to offer whatever support and advice can be affordably provided to young life sciences businesses from existing resources.

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

Preferred Option

2.5.3 The preferred option is a 57,000 sqft enterprise centre in Stevenage Town Centre, to accommodate and to provide relevant physical facilities for the incubation and growth of young businesses in the life sciences sector.

Project Risks, Constraints, and Interdependencies




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

Risk matrix

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

Stevenage Enterprise Centre Project Risk Register

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

Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/Updated
					L	I	T			
001	Construction labour shortages create delays	Conclusion of contracts building contractors with building for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely Contractual arrangements	4	5	20 	In development agreement with Reef and with public realm contractors incorporate commitment to bring in additional temporary labour to ensure projects are completed on time.		
002	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components . Cost overruns	Contractual arrangements	5	5	25 	In development agreement with Reef and with public realm contractors incorporate commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
003	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	The need to implement practices to ensure safety. Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	3	4	12 	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		

004	Development of Forge Building constrained by unknown site conditions.	Physical obstructions. Physical conditions.	Need to change working methods. Revision of the design. Delays in delivering the development. Cost escalation.	Clear and appropriate description of works in technical documents. Clearly defined scope of works e.g. contractor's design obligations and buildability obligations	2	4	8 Y	Contractual provisions to manage unforeseen site conditions e.g. physical obstructions or physical conditions.		
005	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		
006	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		

007	Reef suffers financial distress and ceases operations	Reported delays in construction progress	Major delay to completion of project.	Terms of development agreement Regular progress reviews. Application of robust project management methodology	1	5	5 Y	Through its due diligence, SBC has reviewed Reef's commercial performance and the value of its property holdings and is assured of the robustness of its finances. SBC has other development partners such as mace who could be called upon to rescue the project in such circumstances		
008	Failure to achieve planning approval	Notification of Council decision	Major delay to completion. and project interdependencies.	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.	1	5	5 Y	Close cooperation with Planning.		
009	Constrained nature of the site limits both the volume of building which can be accommodated , the range of uses and how the buildings are organised on site.	Funding restricted / stopped. Poor management decisions. Failures in contractor / partnership working. Poor project management. Poor planning	Project delays/over-runs. Reputational damage. Cost overruns. Public dissatisfaction. Discouragement of future partnerships. Delay, impact on service delivery.	Regular meetings with designers / contractors. Effective procurement strategy. Post contract reviews. Regular and timely meetings with planning. Robust project management.	3	3	9 Y	Close cooperation with Planning.		

010	Failure to provide and deliver adequate business support to centre clients.	Focus on construction and development may detract attention from the need to assist innovators with commercialisation of their products and services.	Many early-stage centre clients fail and other at intermediate stage have sub optimal success in penetrating their required markets, possibly leading to business failure.	Creation of an appropriately represented strategic board to define business support needs and to engage appropriate business support organisations and providers to address them.	2	5	10 Y	Set out a brief for business support for centre clients. Engage and contract with suitable business support organisations and providers who can assure the successful creation, survival and growth of dynamic technology businesses, in accordance with brief.		
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Description of the Project

Purpose and Key Elements of the Project

- 2.5.5 The project is to be developed on the site of the Forge which part forms part of the Queensway development situated in the North East of the town centre area.
- 2.5.6 A development agreement will then be concluded with Reef the developer to take forward the development and construction of the enterprise centre. This will provide for the transfer of the site ownership to the developer.
- 2.5.7 The enterprise centre has been designed specifically for the needs of life sciences businesses. It will comprise 57,435 square feet, broken down into the following uses:

	Total, All Floors
	Sqft
Co-working Space	8203
Private Work Areas	9627
Meeting Space	2242
Laboratories	12382
DJ 7 Studios	696
Digital Laboratory	971
Break Out Area	2717
Lounge	1800
Events Area	0
Facilities	322
Storage	692
Ancillary Uses	978
Plant & IT Rooms	1861
WC/Changing	1454
Total	43945
Circulation & Other Uses	13490
Grand Total	57435

- 2.5.8 As can be seen, in addition to various forms of workspace, a considerable amount of space has been devoted to specialist facilities to support R&D and product development activities in addition to meeting the needs for different tenants and users of the enterprise centre to interact and collaborate and for giving professional presentations to prospective clients and investors. The project is to be completed within 24 months of project inception.
- 2.5.9 A robust business plan for the enterprise centre will be formulated in order to assure its long-term viability, success in stimulating world beating life sciences ventures and delivery of contracted outputs. This will cover such aspects as:
- Policy for targeting and engaging with prospective centre clients
 - Support roles of the centre
 - Commercial strategy for workspace provision

- Business support provision and delivery
- Links to external specialist sources of expertise
- Operational plan
- Building maintenance and administration
- Staffing arrangements
- Sector networking activities
- Marketing and promotion
- Governance, management and reporting arrangements
- Relationships between the centre and external partners and stakeholders
- Contractual arrangements for delivery of key support services
- Revenue forecasts
- Financial plan

2.5.10 At operational stage, a key function of the enterprise centre will be the orchestration of startup business support for incubation clients and for support on commercialisation planning for selected high growth clients. This will include:

- Diagnostics to determine support requirements
- Referral of clients to specialist as well as generic business support provision
- Managing working relationships with outside support providers
- Orchestration of a wider client network around the centre
- Involvement in sector links, networking and development initiatives across the region
- Related funding procurement
- Overseeing implementation of agreed initiatives

How the Project Addresses the Objectives and Vision

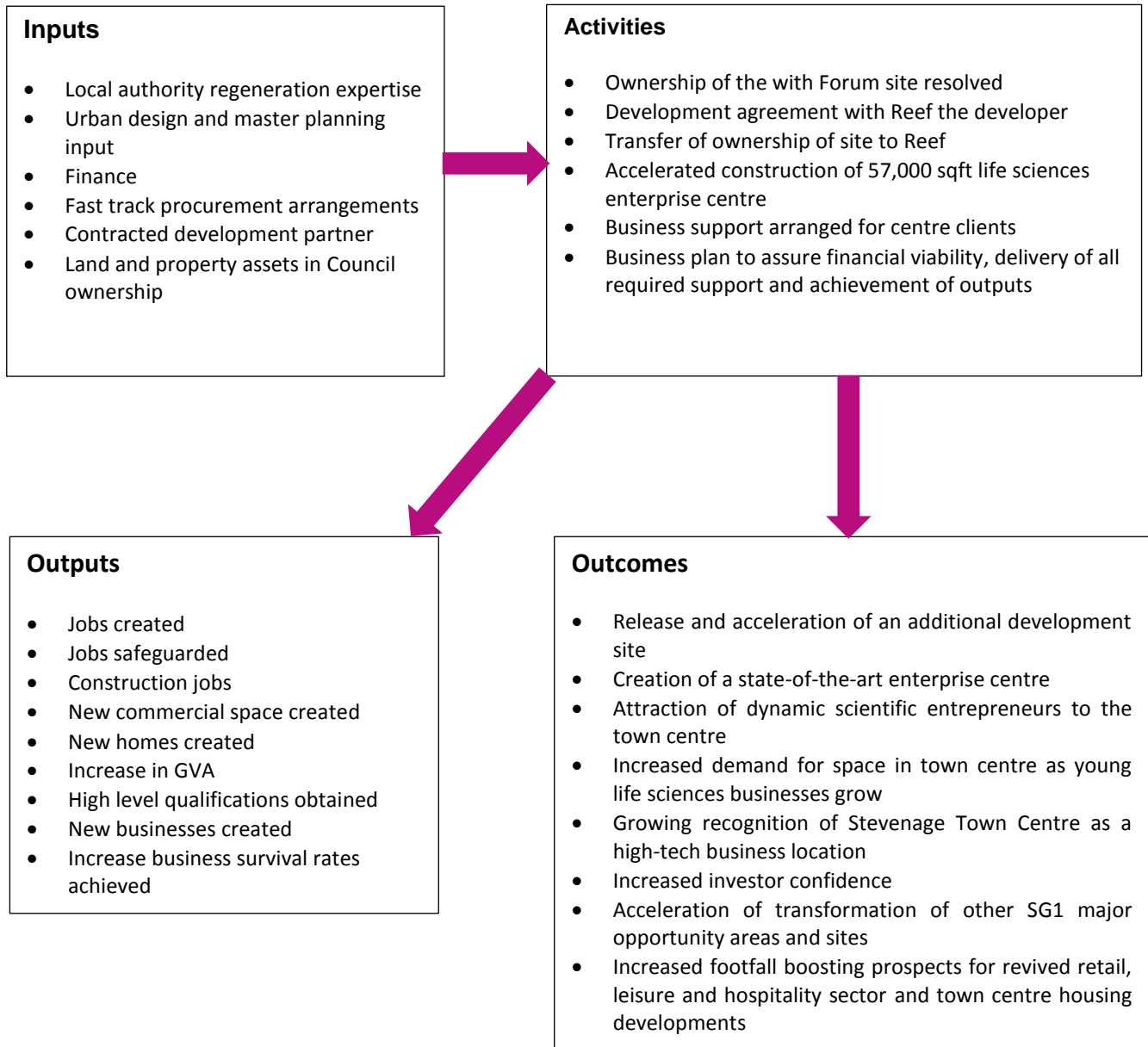
2.5.11 The vision and objectives will be addressed and met as a result of the following outcomes.

- Releasing the existing Forge building site will create a strategically significant development opportunity.
- New, high quality commercial space will be created within the town centre.
- The tenants for the space will be entrepreneurs bringing forward potentially very high value life sciences products and services.
- With this and the new Bioscience Centre being developed at Marshgate Stevenage town centre will become associated with high prestige high tech activity.
- This will build recognition of Stevenage Town Centre as a high prestige location for state-of-the-art technology companies prominent on the world stage, providing a catalyst for a sequential flow of investment in high quality floorspace and housing throughout the rest of the town centre.
- Robust business planning and the provision of high-quality business support will assure the viability of the project and the delivery of contracted outputs.

- This scheme will boost investor confidence and accelerate investment commitments on other redevelopment sites.

Project Theory of Change

2.5.12 The following logic model explains the theory of change.



Expected Outputs and Outcomes

2.5.13 Quantified Outputs

Summary of Outputs	
Jobs Created	59
Commercial Floorspace Developed or Upgraded sqm	5,337
Net Increase in Commercial Floorspace	929
Additional homes brought forward	69
Construction Jobs	140
Additional GVA Generated per Annum	£3,375,721
Additional Annual High-Level Skills Qualifications Attained	12
Business Created (during project period)	60

2.5.14 Wider Outcomes and Benefits

Economic

- Acceleration of the redevelopment of a key site in a Major Opportunity Area, in turn accelerating the on-going regeneration of the rest of the town centre.
- Attraction of major investment into a high prestige Innovation and R&D facility.
- Creation of a significant number of new businesses in Stevenage.
- Scope for creation of a significant number of additional jobs in Stevenage through expansions.
- Stronger perception of Stevenage town centre as a high-tech location.
- Creation of a magnet for additional world class bioscience activities in Stevenage Town Centre.
- Catalyst for stimulating early development commitments on other sites released for development.
- An extensive number of construction jobs will be created.

Environmental

- Scope for higher levels of living and working on the town centre, reducing the need to travel.

Social

- New qualifications will be generated as a result of the scheme.

2.5.15 Expected Different Impacts by Protected Characteristics and/or Income Groups.

No adverse effects are identified.

2.6 Stakeholders

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

Project	Sub project	Primary Stakeholder	Comment
Development of Town Enterprise Centre	Creation of the enterprise centre building	SBC	Provides young life sciences entrepreneurs with superbly incubation space and space for expansion, close to food and beverage, retail, leisure and other amenities key to supporting staff in the post Covid era.
		Herts LEP and local bioscience industry bodies	Major champion for development of the bioscience cluster
		Local residents	Major boost in numbers of high-quality jobs for young people
		Life sciences entrepreneurs	Opportunity to take forward product and service innovations and their commercialisation. Increased scope for living and working locally
		Local food and beverage operators	Improved lifestyles offer for users of the town centre.
	Business support delivery	Life sciences entrepreneurs	De-risking of commercial concepts and acceleration of successful penetration of niche global markets

Summary of Engagement to Date and Evidence Gathered

2.6.2 Over the last eighteen months, our approach to engagement has focussed on ensuring that residents and other key stakeholders have a space to receive regular updates on. This range of engagement has been performed across multiple formats; from school visits, business network connections, and public sector engagement. 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.

2.6.3 Alongside this, we have strengthened our relationships with businesses 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. We have also held a number of roadshow events. We will continue this engagement with residents and stakeholders throughout delivery of the Town Deal.

2.6.4 Our engagement specific to this project has been with representatives of the LEP, key figures in the local and regional life sciences sector and relevant business support organisations.

Summary of Stakeholder Viewpoint of the Project and How it Has Influenced the Strategic Case

2.6.5 The key themes that have emerged from residents, business and community groups: 1. Create inclusive accessible transport 2. Create great spaces to live in and socialise 3. Create a vibrant town centre offer that is a destination for all 4. Create aspiring communities and opportunities that create a lasting legacy.

2.6.6 Of these, this project seeks to address theme No. 4, as it will without doubt create a lasting legacy with impacts intended for many decades to come. It will change perceptions about Stevenage amongst local people as more high-quality jobs are created and raise aspirations.

2.6.7 As regards the business community, engagement with local industry representatives has had a major influence on the strategic case. Firstly, it has influenced the focus of the enterprise centre towards the life sciences as opposed to a generic offer. Secondly, it has informed the design and proposed configuration of the centre, leading to the inclusion of spaces and special facilities that are essential to life sciences product development activity, without which it would not be viable for users from the sector. The configuration also addresses the workstyle needs of the post-Covid world.

ECONOMIC CASE

3. ECONOMIC CASE

3.1 Introduction

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

3.2 Approach to the Economic Case

Options Initially Considered

3.2.1 In the first instance, the following long list of options was considered for addressing the opportunities and constraints described above.

- i) Do nothing: No development of the enterprise centre for life sciences innovation.
- ii) Do minimum: To encourage LEP and local business support organisations to offer whatever business support and advice can be affordably provided to young life sciences businesses from existing resources, without a new enterprise centre.
- iii) Stevenage Borough Council to act as a speculative developer of the innovation centre.
- iv) Develop an enterprise centre in an alternative location such as Gunnels Wood Road.
- v) Redevelop the enterprise centre for innovators and entrepreneurs in a wider range of sectors.
- vi) Pursue a solely office based development on the site.
- vii) Pursue a residential development exclusively on the site.
- viii) Develop a 57,000 sqft enterprise centre in Stevenage Town Centre, to accommodate and to provide relevant physical facilities for the incubation and growth of young businesses in the life sciences sector.

How Project Options Were Shortlisted

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

- Address the stated objectives of and benefits sought from the project and those of associated strategic policies.
- Be delivered within a 30 month timescale.

- Significantly accelerate delivery of the Stevenage Central SG1 Regeneration Strategy.
- Significantly improve accessibility in and out of the Town Centre.
- Demonstrate a significant impact on the growth of high technology growth businesses in Stevenage.

How Options were Shortlisted

3.2.3 Of these options, redeveloping the car park for alternative uses such offices and housing as were rejected because:

- a) general offices do not have the same catalytic impact on regeneration as the preferred option
- b) the town centre needs diversification and new drivers of economic activity to drive demand for housing and town centre services
- c) extensive provision is being provided for new housing and general offices on a range of other development sites within the town centre, in accordance with the SG1 Regeneration Framework.

Shortlisted Options

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

Option 1	Do nothing: No development of the enterprise centre for life sciences innovation.
<i>Appraisal</i>	<i>Stevenage will lose the opportunity to build a dynamic cluster of young life sciences businesses and a catalyst for establishing the town centre as a high quality business location.</i>
Option 2	Do minimum: No enterprise centre but encourage LEP and local business support organisations to offer whatever business support and advice can be affordably provided to young life sciences businesses from existing resources.
<i>Appraisal</i>	<i>Young life sciences businesses will not be attracted to Stevenage because of lack of provision of suitable accommodation and supporting infrastructure, probably choosing London, Oxford or Cambridge as an alternative.</i>
Option 3	Stevenage Borough Council to act as a speculative developer of the innovation centre.
<i>Appraisal</i>	<i>This is not an optimal use of resources or expertise. Proactive private sector investors and developers are nimbler and can deliver higher quality development at less cost than the public sector. By working with the private sector the Council's financial resources can be deployed to stimulate transformation more quickly and more widely across the town centre.</i>
Option 4	Develop an enterprise centre in an alternative location such as Gunnels Wood Road.

<i>Appraisal</i>	<i>The adopted priority for Stevenage is to regenerate the town centre for which this project is an ideal catalyst. Post Covid, many businesses are seeking locations with good amenities for their workforces in town centres. Given net zero targets, locating new activities close to rail stations and a public transport interchange is more sustainable than a car dependent peripheral location.</i>
Option 5	Redevelop the enterprise centre for innovators and entrepreneurs in a wider range of sectors.
<i>Appraisal</i>	<i>This option has merits. However, Stevenage has a major strength in niche areas of the life sciences and gene therapy in particular. Greater impact to the UK economy, its Innovation Corridor and the regeneration of the town centre can be achieved by focusing the enterprise centre on these areas of greatest competitive strength.</i>
Option 6	Develop a 57,000 sqft enterprise centre in Stevenage Town Centre, to accommodate and to provide relevant physical facilities for the incubation and growth of young businesses in the life sciences sector.
<i>Appraisal</i>	<i>This will build recognition of Stevenage Town Centre as a high prestige location for state-of-the-art technology companies prominent on the world stage, providing a catalyst for a sequential flow of investment in high quality floorspace and housing throughout the rest of the town centre.</i>

Preferred Option

3.2.5 The preferred option is Option No. 6, Develop a 57,000 sqft enterprise centre in Stevenage Town Centre, to accommodate and to provide relevant physical facilities for the incubation and growth of young businesses in the life sciences sector.

3.3 Economic Benefits

3.3.1 Quantified Benefits

Jobs Created	59
Commercial Floorspace Developed or Upgraded sqm	5,337
Net Increase in Commercial Floorspace	929
Additional homes brought forward	69
Construction Jobs	140
Additional GVA Generated per Annum	£3,375,721
Additional Annual High Level Skills Qualifications Attained	12
Business Created	60

How Benefits Have Been Monetised

3.3.2 GVA impacts from employment and income projections have been projected. These have been projected over a 30-year period. There are no monetisable direct transport benefits.

Relevant Modelling Results

	Present Value 30 Years	Undiscounted 30 Years
Cost	£13,255,769	£14,491,664
GVA	£49,687,126	£84,393,029
Benefits	£49,687,126	£84,393,029
Net Present Value: Benefits		
Less Cost	£36,431,356	£69,901,365
<u>BCR Calculation</u>	3.75	5.82

Additionality, Deadweight, Displacement and Substitution of Benefits

3.3.3 The following assessment has been made of additionality, deadweight, displacement and substitution of benefits.

Additionality	<p>Additionality affects that would not have been realised but for this project are:</p> <ul style="list-style-type: none"> • New floorspace created and associated job creation. • Enhancement of Stevenage Town Centre's profile as a high-quality business location for international companies.
Leakage	This project is about place specific site development which cannot take place elsewhere so no leakage is anticipated.
Deadweight	The benefits from this project could not have happened anyway given identified market failures and the amount of investment needed to take the proposed site forward for development.
Displacement	Possible relocation of high-tech businesses from Gunnel's Wood to the town centre might occur, but is unlikely as the main clients for the centre will be start-ups and very young businesses. Even if this was the case, given the intensity of demand from the clustering effects within the biosciences sector coupled with a shortage of employment space borough-wide, replacement investment would be found quickly, creating jobs that would cancel out any displacement effects.
Substitution	<p>Not expected to apply as:</p> <ol style="list-style-type: none"> a) Stevenage is being positioned for attracting investment and jobs from new ventures, relocations from outside of the area and from international sources. b) Given the proposed innovation centre skills project complementing this project as part of the Town Fund proposals, skills levels will be enhanced.

Assessment of Non-Quantified Benefits

3.3.4 Non-quantified impacts and benefits are summarised below.

Project	Impact	Assessment of Benefits
Enterprise Centre	Higher levels of investor confidence	<ul style="list-style-type: none"> • As centre clients expand, this will create demand for expansion space, providing an opportunity for more high quality commercial development in the

Project	Impact	Assessment of Benefits
		<p>town centre and acceleration of associated development commitments and completions.</p> <ul style="list-style-type: none"> • This will generate higher levels of investor confidence, conducive to acceleration of the rest of the redevelopment of Stevenage Central. • Enhanced patronage of and investment in upgraded food and beverage outlets. • Wider choice of high quality jobs for local residents. • Increase in town centre residents, employees, visitors and spending.

Consideration of Distribution of Impacts

Employment and income

3.3.5 The business creation and expansion brought about by the project will predominantly benefit white collar occupations. Enhanced demand for food, beverage and retail will provide enhanced employment opportunities for service sector, manual and elementary occupations.

Geographical

3.3.6 Beneficiaries will be primarily current residents of Stevenage and future residents of the town centre plus those within Stevenage and its travel to work area.

Protected Groups

3.3.7 No adverse effects are identified.

3.4 Economic Costs

Town Enterprise Centre Project Costs	£s
Total	12,722,364

3.5 Value for Money Assessment

	Present Value 30 Years	Undiscounted 30 Years
Cost	£13,255,769	£14,491,664
GVA	£49,687,126	£84,393,029
Benefits	£49,687,126	£84,393,029
Net Present Value: Benefits Less Cost	£36,431,356	£69,901,365
BCR Calculation	3.75	5.82

Steps taken to Maximise VfM

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

3.6 Place Based Analysis

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

Place Based Analysis																	
Target Area	Central Core, Stevenage Town Centre, SG1																
External dependencies	None affecting project implementation Site occupancy not dependent on market demand, sources of which have been identified																
Benefits to the Target Area: Quantified	<table> <tr> <td>Jobs Created</td><td>59</td></tr> <tr> <td>Commercial Floorspace Developed or Upgraded sqm</td><td>5,337</td></tr> <tr> <td>Net Increase in Commercial Floorspace</td><td>929</td></tr> <tr> <td>Additional homes brought forward</td><td>69</td></tr> <tr> <td>Construction Jobs</td><td>140</td></tr> <tr> <td>Additional GVA Generated per Annum</td><td>£3,375,721</td></tr> <tr> <td>Additional Annual High Level Skills Qualifications Attained</td><td>12</td></tr> <tr> <td>Business Created</td><td>60</td></tr> </table>	Jobs Created	59	Commercial Floorspace Developed or Upgraded sqm	5,337	Net Increase in Commercial Floorspace	929	Additional homes brought forward	69	Construction Jobs	140	Additional GVA Generated per Annum	£3,375,721	Additional Annual High Level Skills Qualifications Attained	12	Business Created	60
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Additional Annual High Level Skills Qualifications Attained	12																
Business Created	60																
Benefits to the Target Area: Qualitative	<p><u>Economic</u></p> <ul style="list-style-type: none"> • Generation of new high value businesses with potential for high growth and expansion. • Anticipated demand for high quality commercial space as expansions occur. • Acceleration of the redevelopment of key sites in Central Core. • Improved town centre environment. • Stronger perception of Stevenage as a place to invest. • Higher levels of investor confidence conducive to acceleration of transformation throughout Stevenage Central. <p><u>Environmental</u></p> <ul style="list-style-type: none"> • Enhanced scope for living and working in the town centre, thereby reducing the need to travel. • Cleaner air and healthier lifestyles. <p><u>Social</u></p> <ul style="list-style-type: none"> • Better local amenities due to increase patronage of retail, hospitality and leisure activities in the town centre. 																
Possible collateral effects in the target area or wider spatial area	<p><u>Positive effects</u></p> <ul style="list-style-type: none"> • Acceleration of on-going regeneration of the town centre. • Reduced car usage, cleaner air and healthier lifestyles. <p><u>Negative effects</u></p>																

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
	<ul style="list-style-type: none"> None identified.
Adverse effects on protected groups	None so far identified.
Different impacts by income group	High quality development likely to benefit white collar occupations. F&B and retail development will provide opportunities for manual and elementary occupations.
Views of local stakeholders	TBC
Alignment with wider public policy in the relevant area/s and the UK as a whole/s	<p><u>National</u> Boost to: National industrial strategy for life sciences Prospects for the UK Innovation Corridor. National Council for Science and Technology's recommendations for scaling the impact of innovation in the United Kingdom Net Zero Carbon Policies</p> <p><u>Sub-regional</u> Hertfordshire Enterprise and Innovation Strategy: provision of high quality enterprise space and coherent business support; driving a catalytic sector with large positive impact upon the economy. Hertfordshire Covid Recovery Plan: contributes to equipping Hertfordshire's places for mid-21st Century living supporting town centres and town-level economies building digital connectivity. Boosts enterprise and innovation and international trade and investment. Sub-regional and Local Transport Policies: helps create a built environment conducive to improved accessibility; reduces the need to travel; encourages change in people's travel behaviour.</p> <p><u>Local</u> Stevenage Local Plan 2019-2031. Directly addresses Local Plan's ambitions for additional employment floorspace. Stevenage Central Framework. Recycling of redevelopment sites; opportunities to create offices and workspace matching post-Covid requirements; uplifting the area's image and investor confidence; reduced need to travel; greater opportunities for take up of public transport in place of cars contributing to carbon reduction targets.</p>
Dependency on the successful delivery of other proposals	<p>Completion of new bus interchange and rail station upgrade, both approved and funded.</p> <p>Completion of the multi-storey car park enabling improved options for accessibility</p> <p>Completion of the Marshgate Bioscience office, giving enterprise centre users greater confidence in the credibility of Stevenage as an emerging high tech and life sciences hub.</p>
Link of Benefits Estimated Link to Theory of Change and Strategic Case	<ul style="list-style-type: none"> Release and acceleration of an additional development site. Construction of new commercial space. Attraction of high profile business occupiers. Recognition of Stevenage Town Centre as a high prestige business location. Increased investor confidence. Acceleration of transformation of other SG1 major opportunity areas and sites. Increased footfall boosting prospects for revived retail, leisure and hospitality sector.

3.7 Summary of Preferred Option for Investment

- 3.7.1 The project is to be developed on the site of the Forge which part forms part of the Queensway development situated in the North East of the town centre area.
- 3.7.2 A development agreement will then be concluded with Reef the developer to take forward the development and construction of the enterprise centre. This will provide for the transfer of the site ownership to the developer.
- 3.7.3 The enterprise centre has been designed specifically for the needs of life sciences businesses. It will comprise 57,435 square feet, broken down into the following uses:

	Total, All Floors
	Sqft
Co-working Space	8203
Private Work Areas	9627
Meeting Space	2242
Laboratories	12382
DJ 7 Studios	696
Digital Laboratory	971
Break Out Area	2717
Lounge	1800
Events Area	0
Facilities	322
Storage	692
Ancillary Uses	978
Plant & IT Rooms	1861
WC/Changing	1454
Total	43945
Circulation & Other Uses	13490
Grand Total	57435

- 3.7.4 As can be seen, in addition to various forms of workspace, a considerable amount of space has been devoted to specialist facilities to support R&D and product development activities in addition to meeting the needs for different tenants and users of the enterprise centre to interact and collaborate and for giving professional presentations to prospective clients and investors. The project is to be completed within 24 months of project inception.
- 3.7.5 A robust business plan for the enterprise centre will be formulated in order to assure its long-term viability, success in stimulating world beating life sciences ventures and delivery of contracted outputs. This will cover such aspects as:
- Policy for targeting and engaging with prospective centre clients
 - Support roles of the centre
 - Commercial strategy for workspace provision
 - Business support provision and delivery
 - Links to external specialist sources of expertise
 - Operational plan
 - Building maintenance and administration

- Staffing arrangements
- Sector networking activities
- Marketing and promotion
- Governance, management and reporting arrangements
- Relationships between the centre and external partners and stakeholders
- Contractual arrangements for delivery of key support services
- Revenue forecasts
- Financial plan

3.7.6 In order to deliver on its contracted outputs, there will be need for a coherent business support offer so that new or young life sciences businesses with scalable, innovative product or service concepts with major potential for high value wealth creation and exceptional growth potential would be supported more intensively in the form of:

- technology validation
- business concept verification;
- market scoping;
- commercialisation planning;
- specialist commercialisation skills and business support provision;
- direct introduction to specialist innovation support and mentoring;
- high growth start up support.

3.7.7 The specific roles of Town Enterprise Centre business support programme will be as follows.

- Engagement of clients through marketing and targeted networking.
- Careful vetting on the realism and commercial viability of the business concepts of prospective start up entrepreneurs applying for support from the centre network.
- Assessment of the business management and commercial skills of start-up applicants.
- Adequate preparation of prospective entrepreneurs, by way of fast-track provision of training in commercialisation planning, financial, marketing, legal and organisational skills, up to a minimum standard, if and where necessary, as a condition of entry, via The Growth Hub.
- Support in preparation of viable business plans, in conjunction with The Growth Hub and commercialisation strategies.
- Marshalling the demand for specialist courses, advice programmes, mentoring and other specific services.
- Supporting clients in opportunities to network with like-minded businesses.
- Access to expert advice and guidance on legal, patent and intellectual property rights issues.
- Tailored mentoring to centre network clients fitting the core target criteria. This will support businesses in becoming swiftly established in the market, such as introductions to key clients, help in negotiating contracts, or securing funding for development of prototype products.

- Support to help businesses become investment ready.
- Access to sources of finance, including procurement of proof of concept, seed funding and expansion finance.

3.7.8 Acquisition and releasing the existing Forge building site will create a strategically significant development opportunity. New, high quality commercial space will be created within the town centre. The tenants for the space will be entrepreneurs bringing forward potentially very high value life sciences products and services. With this and the new Bioscience Centre being developed at Marshgate Stevenage town centre will become associated with high prestige high tech activity. This will build recognition of Stevenage Town Centre as a high prestige location for state-of-the-art technology companies prominent on the world stage, providing a catalyst for a sequential flow of investment in high quality floorspace and housing throughout the rest of the town centre. Robust business planning and the provision of high-quality business support will assure the viability of the project and the delivery of contracted outputs. This scheme will boost investor confidence and accelerate investment commitments on other redevelopment sites.

3.7.9 Key benefits of the project will include:

- Major boost in the number and choice of high quality jobs for local residents.
- Increase in town centre residents, employees, visitors and spending.
- Enhanced patronage of and investment in upgraded food and beverage outlets.
- Higher levels of investor confidence, conducive to acceleration of the rest of the redevelopment of Stevenage Central.
- Acceleration of development commitments and completions across the wider town centre.
- Consolidation of the wider bioscience sector within the region and UK.

FINANCIAL CASE

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4. FINANCIAL CASE

4.1 Introduction

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

4.2 Approach to Financial Case

Funding Options Considered

Stevenage Borough Council

- 4.2.1 Stevenage Borough Council has been investigating a range of funding opportunities to fund projects within the Regeneration programme and working across the organisation to create a centralised review of available funding opportunities and determine which projects are most appropriate. The financial impact on the council following COVID 19 will be significant, and it is anticipated that the capital programme will be affected. Were this project to be funded by the Council, it would divert funds earmarked for other initiatives essential to accelerating the regeneration and renewal of the SG1 area, such as strategic site acquisitions and associated enabling works.

Other Public Sector Funding Options

- 4.2.2 Other funding options such as Future High Street, One Public Estate and Levelling Up funding are less aligned in terms of criteria and the urgency surrounding the scheme, though these are being explored in conjunction with the Town Development Board.

Private Sector

- 4.2.3 There are good prospects for mobilising the private sector to invest in and take forward the project. A costed development scheme has been worked up by Reef, a development partner of Stevenage Borough Council and a private sector funder identified.

Town Fund

- 4.2.4 However, the visual quality of the Queensway North area is poor. This presents a potential barrier to triggering a development start. To be sure of securing the investment commitment of the above developer, it will be necessary to mitigate this constraint by parallel investment in acquiring the site and making it development ready.

Preferred Funding Option

- 4.2.5 The Town Fund is considered to be an ideal option for this scheme as it provides for sufficient resources to implement the public realm elements of the scheme. This can realistically be expected to create the level of confidence needed to secure the investment and development commitment necessary for the bioscience and affordable homes scheme to move forward.

Funding Profile and Scheduling

4.2.6 The funding profile is summarised as follows.

Funding Profile	Total
Private Sector	£7,722,364
Town Fund	£4,000,000
Other match funding required	£1,000,000
Total	£12,722,364

4.2.7 The table below shows the scheduling of the funding.

Funding Profile	21/22	22/23	23/24	24/25	Total
Private Sector		£2,633,418	£5,088,946		£7,722,364
Town Fund		£2,230,700	£1,769,300		£4,000,000
Other		£1,000,000			£1,000,000
Total	£0	£5,864,118	£6,858,246	£0	£12,722,364

4.3 Costs

4.3.1 A full cost plan has been developed by CUBE on behalf of the developer, but is considered commercially confidential at this stage. The total project cost based on the current appraisal is £12,722,364.

4.4 Funding and Revenues

4.4.1 Funding options considered are as described above. The funding of the site redevelopment will be assured under the terms of a development agreement with Reef. Sources and uses of funds are summarised below.

Funding Profile	
Uses	Total
Sources:	
Private Sector	£7,722,364
Town Fund	£4,000,000
Other funding	£1,000,000
Total	£12,722,364

4.5 Affordability Assessment

4.5.1 A BCR has been calculated as shown below.

	Present Value	Undiscounted
	30 Years	30 Years
Cost	£13,255,769	£14,491,664
GVA	£49,687,126	£84,393,029
Benefits	£49,687,126	£84,393,029
Net Present Value: Benefits Less Cost	£36,431,356	£69,901,365

BCR Calculation	3.75	5.82
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- 4.5.2 As can be seen from the table above, the net cash flow taking account of economic benefits gives a net present value of £36,431,356 and a benefit cost ratio of 3.75.
- 4.5.3 It is proposed that the Town Fund provides the resources for construction of the project. The other public sector commitment to funding the site acquisition and contributing to development costs will provide the assurance to the developer his investment commitment will be de-risked, enhancing confidence in the expected success of the scheme.

COMMERCIAL CASE

COMMERCIAL CASE

5. COMMERCIAL CASE

5.1 Introduction

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

5.2 Commercial Deliverability

Potential Delivery Options

- 5.2.1 There are three delivery options.

1. Stevenage Borough Council promoting a development with its own finances and management resources.
2. Attracting proposals from speculative office developers.
3. Working in partnership with a developer who is able to line up a high quality occupier in advance of the development.

- 5.2.2 The first option, where the Council would act as a speculative developer is a poor use of its resources and expertise which are better deployed to stimulate leveraged investment and transformation more quickly and more widely across a variety of the town centre.

- 5.2.3 Attracting proposals from speculative office developers has the advantage of bringing in private sector investors and developers who have stronger expertise in development schemes and can deliver at less cost than the public sector. However, the Council's regeneration strategy and wider sub-regional economic growth objectives have determined the need to build powerful clusters in specific areas of economic activity and within definitive timescales. This cannot be assured simply by relying on speculative developers. Leaving the opportunity solely for the market to decide is likely to lead to sub-optimal regeneration outcomes. Moreover, development completions are likely to take many more years.

Proposed Delivery Model

- 5.2.4 The proposed delivery model is to work in partnership with a developer who is able to deliver a high quality scheme to a standard that will be guaranteed to attract its intended occupants. In parallel, it is proposed that the Town Fund provides the resources for the acquisition and transfer of the ownership of the land and preparation of the site for redevelopment. The redevelopment would be undertaken by Reef.

Rationale for Proposed Delivery Model

- 5.2.5 These arrangements have a number of advantages. Provision of a development ready site assurance to the developer that the scheme can proceed on a viable basis. This will be conducive to accelerating the transformation of the Marshgate and Queensway major opportunity area, with associated knock-on benefits to surrounding parts of the town centre.
- 5.2.6 A further benefit is that this model works well in assuring the meeting of sub-regional economic growth objectives, in this case boosting the position of Stevenage in the UK Innovation Corridor (UKIC) and in this context further developing its significant bioscience industry. Attracting such uses into the town centre is also conducive to making the wider town centre more sustainable both in economic and environmental terms.

Existing Commercial Strategy

- 5.2.7 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 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.

Evidence of Market to Deliver the Project

- 5.2.8 As stated in the Town Investment Plan, Reef are an urban regeneration specialist with a £4bn regeneration portfolio and expertise in enhancing communities and environments, providing design expertise and end-to-end management including programming, cost analysis, procurement, construction and leasing. In Stevenage, Reef have acquired the former M&S site in collaboration with Homes England, and in partnership with SBC are delivering a £20m+ mixed-use regeneration scheme of 110 apartments, diversified leisure, retail and restaurant uses, and new commercial space. The scheme is on site now and aiming for full completion in November 2021. Reef are keen to do more in Stevenage.

Key Contractual Arrangements

- 5.2.9 SBC will contract for the acquisition, preparation then resale sale of the relevant portion of the Forge site based on a recently completed independent site valuation. In parallel with the contract of sale, a development agreement will be concluded between SBC and Reef which will commit SBC to delivering the property and essential site preparation works and Reef will commit to developing the office, laboratory space and supporting facilities on the Forge site within a defined timescale, subject to planning approval.

Delivery Arrangements

- 5.2.10 The above contractual arrangements will assure the development of the Town Enterprise Centre scheme. Stevenage Borough Council will use the Scape mechanism to procure delivery of necessary site preparation works.

Risks

5.2.11 The identified risks are assessed as follows.

Risks	Likelihood	Mitigation
Labour shortages in construction, freight transport and supply industries delay construction progress	High	In development agreement with Reef and with public realm contractors incorporate commitment to bring in additional temporary labour and stocks of materials to ensure projects are completed on time.
The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Medium	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.
Failure to achieve planning approval	Low	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.
Reef suffers financial distress	Low	Through its due diligence, SBC has reviewed Reef's commercial performance and the value of its property holdings and is assured of the robustness of its finances.
Failure to provide and deliver adequate business support to centre clients.	Low	Creation of an appropriately represented strategic board to define business support needs and to engage appropriate business support organisations and providers to address them.

5.3 Procurement Strategy

Projects that will Need to be Procured

5.3.1 There are three projects that need to be procured.

1. Acquisition of the site and appropriate legals. Responsibility: Stevenage Borough Council.
2. Site preparation and transfer of the Forge site to Reef. Responsibility: Stevenage Borough Council.
3. Turnkey design and build of the town enterprise centre. Responsibility: Reef.

Procurement Process, Milestones, Assurance and Approvals

5.3.2 Stevenage Borough Council will procure required services using the Scape framework. The Council's Procurement Team has indicated that in using the Scape framework, there is not a requirement to carry out a traditional OJEU procurement exercise to find a suitable contractor, as that process can add up to 6-8 months to the delivery programme.

5.3.3 The Scape Group is a public partnership set up in 2006 to help public sector organisations expedite their various procurement processes, whilst remaining compliant with procurement law and creating ongoing efficiency and social values in the built environment. Scape Group is a public sector organisation owned by 6 local authorities: Derby City Council, Derbyshire County Council, Nottingham Council, Nottingham County Council. Over the past 13 years Scape has delivered over 12,000 projects of all types and complexities, currently delivering 1800 live commissions with a value of £4.6bn. 95% of projects are delivered on time and 99% of projects are delivered on budget. As Stevenage Borough Council is a public body it follows public

procurement procedures. Our procurement policy is available to view on our website: <http://www.stevenage.gov.uk/about-the-council/tenders-and-contracts/26230/>.

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

MANAGEMENT CASE

6. MANAGEMENT CASE

6.1 Introduction

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

Evidence of Application on Similar Projects

- 6.1.6 Stevenage Borough Council has a strong track record of delivering projects and are working collaboratively with partners to increase momentum to regenerate the town centre. In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the six Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre. It also has experience of enterprise centre development having previously facilitated the bringing forward of the Business and Technology Centre in Bessemer Road.

In the last four years, SBC's Stevenage Regeneration team have completed:

- 4 Public Realm schemes totalling 45,520 sq.ft (£3 million);
- Refurbishment of disused 18,000 sq.ft of office space and retail space (£6million);
- Relocation of the CCTV control room, decant and vacant possession of office building (£2.4 million); and
- The construction of a £9.6 million Bus interchange including highway intervention and public realm (ongoing).

These key enabling projects mean the Council have secured 2 developers bringing private development investment of over £500 million. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value in excess of £30m.

6.2 Project Organisation and Governance

6.2.1 There is a very well established two- tier governance system which is already overseeing the delivery of the programme of projects delivery regeneration in the town centre. The Town Development Board has been recently established after drawing the previous Stevenage First board to a close. This board operates a programme and project management approach to delivery projects within budget and timescale tolerance with a significant emphasis of timely delivery. Project delivered to date under this supervision model include the public realm projects- Forum Square, Littlewoods Square, Market Place- as well as the Wayfinding project.

Key Participants, Accountabilities and Responsibilities

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

Participants	To Whom Accountable	Accountabilities	Responsibilities
Stevenage Borough Council	Central Government	Successful regeneration outcomes and impacts within the town centre	Correct use of Town Fund award
	Local residents	Minimisation of adverse impacts of the scheme	Ensuring a high-quality scheme
	Enterprise centre clients	Delivery of contracted outputs	Ensuring mechanisms are in place for delivery of outputs
Reef	Stevenage Borough Council	Compliance with development agreement	Assuring what was proposed is delivered and on time

Project Delivery Organisation

6.2.3 The project delivery organisation is summarised below.

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

		partnerships Formalising approvals	solutions Delivery through partnership	Delivery partnerships
Reef	Delivery of high-quality development schemes	Sourcing high quality tenants Funding Scheme design and planning Procurement Construction and delivery	Orchestration of scheme design, funding and construction	Comprehensive array of development expertise Access to commercial development funding

Governance Arrangements for Oversight and Approvals

6.2.4 The Stevenage Development Board will continue to monitor the progress of the programme. This project currently already reports here and will continue to until the new governance board is established. The new board will not determine or monitor this project but will have an on-going role in overseeing the regeneration of Stevenage.

6.2.5 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 (HE), and others such as the local NHS Trust. Stevenage Borough Council (SBC) will be the accountable body. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value in excess of £30m. This team can be scaled up as necessary and is well supported by Hertfordshire County Council and their growth, education, highways and development capacity. 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.

Governance Arrangements for the Project's Operational Phase

6.2.6 The Enterprise Centre will be wider in scope than just a bespoke facility for the incubation of life sciences businesses simply rented out for commercial purposes.

6.2.7 At operational stage, in order to deliver on its contracted outputs, there will be need for a coherent business support offer so that new or young life sciences businesses with scalable, innovative product or service concepts with major potential for high value wealth creation and exceptional growth potential would be supported more intensively in the form of:

- technology validation;
- business concept verification;
- market scoping;
- commercialisation planning;

- specialist commercialisation skills and business support provision;
- direct introduction to specialist innovation support and mentoring;
- high growth start up support.

6.2.8 A key function of the enterprise centre will therefore be the orchestration of such business support. This will include having in place:

- Diagnostics to determine support requirements
- Referral of clients to specialist as well as generic business support provision
- Managing working relationships with outside support providers
- Orchestration of a wider client network around the centre
- Involvement in sector links, networking and development initiatives across the region
- Related funding procurement
- Overseeing implementation of agreed initiatives

6.2.9 To assure that adequate resources and capacities are made available to meet these requirements, a strategic board will be assembled prior to opening of the centre. This will be made up of representatives of relevant business support organisations, academic bodies, business champions and local government economic development specialists. The strategic board will have the following roles.

- Defining a robust business support offer that will assure the successful creation, survival and growth of enterprise centre clients to their full potential.
- Assembling the required funding, resources competences necessary to deliver the required portfolio of business support.
- Monitoring the effectiveness of the business support arrangements and making changes as needed.
- Evaluating tangible outputs and outcomes from the business support including businesses created, survival rates, investment attracted, patents achieved, turnover generated and new jobs created.

6.2.10 The business support governance arrangements will ensure that the commitment of the core parties to the project are effectively tied in, their interests are suitably protected, liabilities amongst the partners are minimised and that the objectives of the innovation centre are suitably met and not compromised by unnecessary institutional or commercial constraints.

6.3 Assurance

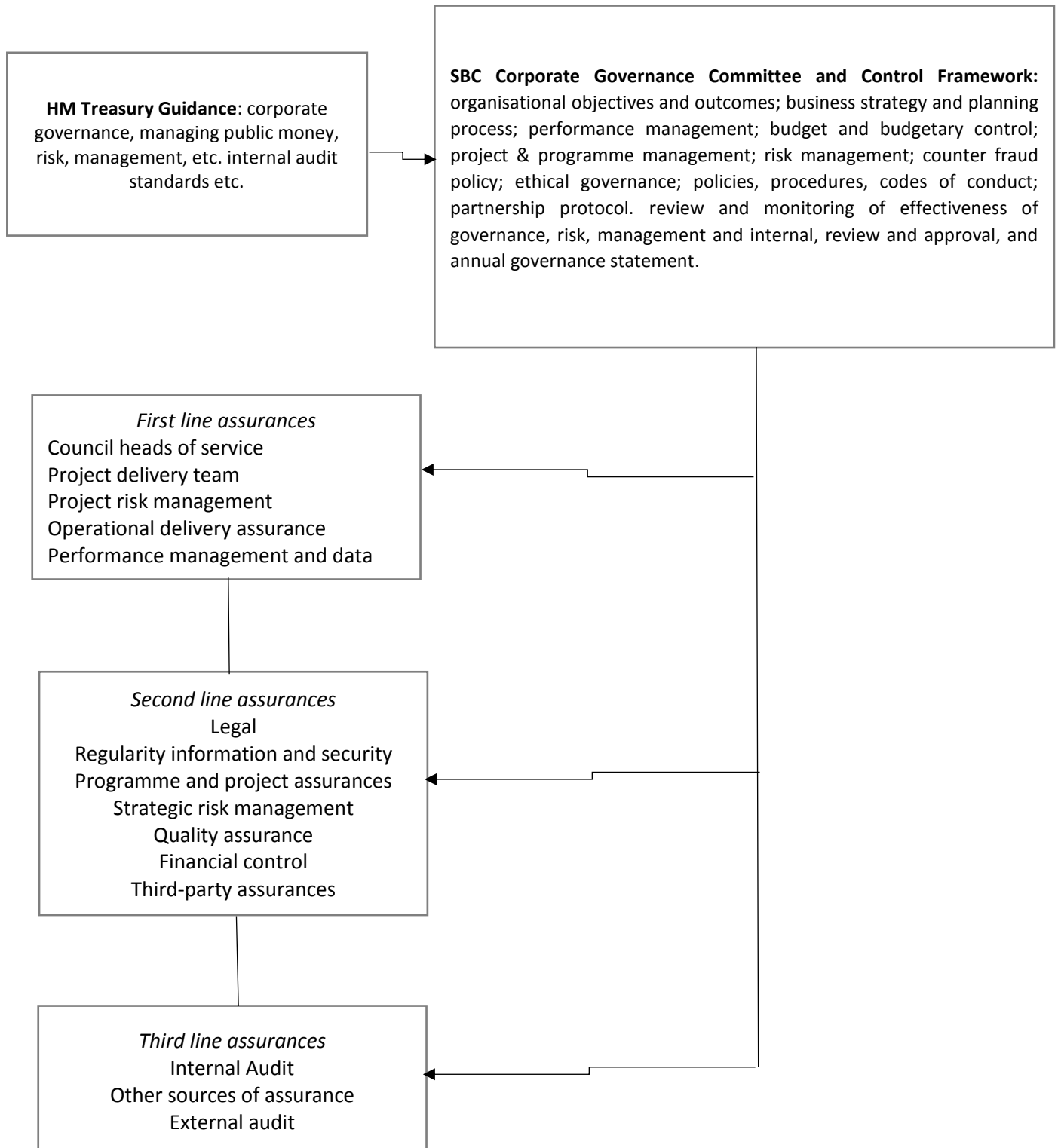
Approach to Assurance

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

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

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

6.3.2 The assurance process will proceed via the following framework.



Integrated Approvals and Assurance Plan

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

Month	Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
	Actions	Approvals	Oversight Actions	Investigations and assurances
	<u>Site Development Scheme</u>			
1	Final scoping and business case	Approval of business case		
3	Report on risk profile and mitigation measures		Integrated review of project risks and strategic risks, mitigation proposals and actions	Review and commentary on risk profile and combined project risks, mitigation proposals and actions
2	Consultation process and report	Approval to finalise project plan		
3	Project delivery plan: proposed designs, solutions, delivery programme and costings	Approval of project plan		Submission of comments on project delivery plan
4	Site Acquisition	Approval of cost and to proceed with acquisition	Review of costs terms of site purchase	Submission of comments on value for money
5-7	Site preparation	Approval of cost and to proceed	Review of costs and procurement	Submission of comments on value for money
9	Asset Transfer	Approval of land sale		Submission of comments on value for money
10	Project launch	Approval for project start		
10-24	Monthly project reports: progress, achievements, risk mitigation actions and expenditure		Review of monitoring reports	
			Stage gate assessments	
			Decisions and interventions in the event of serious delays or emerging major uncertainties	
			Commission interim project audit report	Interim project audit
			Directions in event of financial and other irregularities	
	<u>Project Completion</u>			
24	Project completion report	Sign off of project completion	Sign off independent auditing	Final project audit

6.4 Scope Management

Summary of the Scope of the Project and its Key Elements

- 6.4.1 The scope of the project specification is driven by the Stevenage Central Town Centre Framework produced in 2015, through which Stevenage Borough Council has set out to comprehensively regenerate the town centre through the transformation of its major opportunity areas, of which Marshgate and Queensway is one, in a phased manner. The attraction of high-quality employment into the town centre alongside the development of good quality housing is a fundamental objective for assuring the town centre's future resilience.
- 6.4.2 In accordance with this objective, the scheme being supported by the Town Fund will involve the bringing forward and implementation of a new enterprise centre configured specifically for the life sciences sector that will directly respond to the need for incubation and grow on space to meet continued growth of Stevenage's specialist bioscience cluster.
- 6.4.3 The development will take place on the Forge site located on part of the existing Queensway development. Key activities will involve:

- Acquisition of the Forge site.
- Initial site preparation works create the conditions for the development to proceed.
- A development agreement with Reef incorporating the transfer of site to them under agreed terms.
- A development project to be undertaken by the developer Reef to create 57,000 sqft. of offices, co-working, meeting areas, high tech support and facilities and laboratory space.

Activity	Parallel Projects	Enabling Phase	Development Phase	Operational Phase
Multi Storey Car Park & zero carbon support infrastructure	√			
Marshgate Biotech Office project	√			
Acquisition of the Forge building		√		
Essential site preparation		√		
Development agreement with Reef		√		
Sale and transfer of the Forge building to Reef		√		
Build out of the 57,000 sqft enterprise centre			√	
Business plan to assure viability and delivery of outputs				√
Implementation of a high-quality business support offer to centre clients				√

Approach to Specifying, Approving, and Managing Requirements

6.4.5 The Stevenage Central Town Centre Framework also sets the parameters underlying the specification of requirements. This has set targets for the amounts of employment space and number of homes to be developed and jobs to be created. Sub-regional economic growth objectives, such as assuring the success of the UK Innovation Corridor in Hertfordshire and the bioscience cluster in particular have an influence on the scope of the project.

6.4.6 To achieve these aims and targets, the Council has specified the resources, processes and tools that need to come together in place to create the enterprise centre. Specifically:

- Acquisition of the Forge building.
- Putting in place other relevant enabling measures affecting the site.
- The lining up of a competent developer and high prestige occupier for the site.
- Ensuring the necessary planning approvals are secured.
- Orchestrating the set-up of a strategic board to ensure necessary business support to assure delivery of outputs.

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

a) Site Specific:

- Acquisition.
- Consultation with relevant third parties.
- Site preparation works.
- Development agreement with Reef.
- Transfer of the site to Reef.

b) Marshalling Resources:

- Assembling the necessary funds and expertise to take the project forward.
- c) Integration:
 - Consultation with neighbouring uses.
 - Coordination with neighbouring redevelopment schemes.
 - Coordination with business support providers.
- d) Project development and assurance.
 - Mechanisms to ensure the project is delivered on time and to budget i.e., through a robust development agreement.
 - Identification and management of risks.
 - Assuring the performance of the developer in delivering the required product(s) within the agreed timescale through effective monitoring.
 - Monitoring and evaluation to ensure that the targeted outputs and outcomes are delivered.
 - A detailed project plan specifying how the above will be brought together and implemented.
- e) Approvals.
 - Approval for the project plan will be sought from the Stevenage Development Board.

Interfaces with Third Parties and Management Approach

6.4.8 The key interface that needs to be managed is monitoring of the developer's activities to ensure that what has been promised through the development agreement is actually delivered. Engagement and coordination with business support providers will also be necessary.

Approach to Solution Development, Confirmation Management and Acceptance

Solution Development

6.4.9 Given that the solution for the creation of the Enterprise Centre has been extensively worked up by Reef, the solution development process described here focuses on the public realm project. This has comprised the following stages.

- i) Objective setting.
- ii) Consultation with life sciences industry specialists.
- iii) Issues identification – examination of how key outcomes to be realised and what adverse impacts need to be minimised.
- iv) Specification of requirements.
- v) Identification, investment appraisal and evaluation of solution options.
- vi) Selection of optimum solution.

- vii) Specification of the project.
- viii) Verification that the specification will deliver what is required.
- ix) Interim development of value-improving proposals.
- x) Interim checks on the project to ensure that the right product is being built.
- xi) Validation of successful completion and formal sign off of the development scheme.
- xii) Business plan for the operational phase.
- xiii) Comprehensive business support arrangements put in place.

Confirmation Management and Acceptance

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

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

6.5 Programme/Schedule Management

Summary Structure of the Programme

6.5.1 Key elements of the programme are:

- Acquisition of the Forge site.
- Initial site preparation works create the conditions for the development to proceed.
- A development agreement with Reef incorporating the transfer of site to them under agreed terms.
- A development project to be undertaken by the developer Reef to create 57,000 sqft. of offices, co-working, meeting areas, high tech support and facilities and laboratory space.

Summary Timescales

6.5.2 Main milestones are as summarised below.

Milestone	Timescale	
	Start	Complete
Complete site purchase	February 2022	April 2022
Completion of planning process	Feb 2022	June 2022
Site preparation activity	March 2022	August 2022
January Development agreement	June 2022	August 2022
Sale of site to developer	June 2022	August 2022
Main construction period	September 2022	January 2024

Milestone	Timescale	
	Start	Complete
Handover to occupier		February 2024

Interdependencies with the Rest of TIP and non-TIP Projects

6.5.3 None. This project can be developed on a standalone basis. However, the completion of the new multi-storey car park, which forms part of the Station Gateway Phase 1 TIP project and of the Marshgate Bioscience Centre will be useful in establishing the image and for accelerating demand for this project.

Decision Points, Assurances, Approvals and Critical Paths

6.5.4 These are summarised as follows.

Key Decision Points	<ul style="list-style-type: none"> • Sign off of final business case • Sign off of project designs final costings and delivery plan for public realm works • Sign off of risk mitigation measures • Authorisation of project start • Commissioning of interim and final audits • Sign off of project completion. summarised as follows.
Assurances	<ul style="list-style-type: none"> • Integrated review of project risks and strategic risks, mitigation proposals and actions • Review of monitoring reports • Stage gate assessments • Decisions and interventions in the event of serious delays or emerging major uncertainties • Interim project audit • Directions in event of financial and other irregularities if required • Interventions in event of non-delivery of development agreement • Sign off of independent audits
Consents & Approvals	<ul style="list-style-type: none"> • Local authority planning approval • Approval of final business case • Approval of project designs, final costings and delivery plan for public realm works • Approval of terms of land sale • Approval of development agreement • Approval for project start • Sign off of project completion
Critical Paths and Higher Risk Workstreams	<ul style="list-style-type: none"> • Interim arrangements for reallocated car parking capacity • Completion of multi-storey car park • Finalisation of land sale and development agreement

Summary of Schedule Hierarchy

Milestone	Timescale
Project Approval	March 2022
Completion of planning process for site redevelopment	June 2022
Development completion	January 2024
Handover to occupier	February 2024

Summary of Constraints, Assumptions, and Basis for Programme Durations

6.5.5 These are summarised below.

Issue	(Possible) Constraints	Assumptions	Basis for Programme Durations
Planning	Decision awaited	Approval expected	Delays would affect project start
Sale of site to developer	Sale price to be negotiated	Developer expected to accept formal site valuation commissioned by SBC	No delays expected
Site development scheme	Development agreement still pending	Delays unlikely as most elements already agreed with developer	Minimum build out period of 15 months
Construction	Shortages of labour and materials due to logistics constraints	Causes of delays likely	Developer will hire temporary labour and build up advanced stocks of materials

Forecast Completion Date (within stated range)

6.5.6 The forecast completion is for January 2024 but with a three-month allowance built in to allow for possible delays (e.g., supply shortages) up to April 2024.

6.6 Risk and Opportunities Management

Summary of Risk Management Strategy

6.6.1 The risk management strategy is focused around minimising delays and ensuring timely delivery of the redevelopment scheme, for which a development agreement will be the key assurance tool. A further element of the strategy is for a robust business plan and business support programme to be prepared in advance of opening as a means of assuring delivery of outputs.

Summary of Processes and Tools

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

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

Summary of Risk Themes and Key Risks and Mitigations

6.6.4 The main risk areas relate to:

- a) Potential delays, due to changing weather conditions, labour shortages or unknown site conditions
- b) Poor delivery performance by the site developer or site preparation contractor

c) Failure to address business support issues

6.6.5 Key mitigation measures will include:

- Use of the development agreement with Reef to secure a commitment to tight delivery standards, to ensure availability of spare labour and measures to address unforeseen eventualities such as weather and unknown site conditions.
- Incorporation of tight delivery standards in development agreement.
- Involvement of a cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.
- Contractual provisions to manage unforeseen site conditions e.g., physical obstructions or physical conditions.
- Robust business plan and business support programme as a means of assuring delivery of outputs.

Approach to Opportunities Management and Realisation

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

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

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

Assessment of Opportunities to Gain from Industry Productivity Initiatives

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

- The potential use of new construction techniques is constantly considered when specifying tendered contracts.
- Exploiting opportunities brought about by climate change. For example, the need for energy efficiency and encouragement of local living and more walking and cycling adds up to a more cost-efficient facility and higher quality workstyle and lifestyle for end users.
- The on-going adoption of digital technologies in all aspects of urban development and operations.

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

6.7 Project Management

Proposed Project Management Approach

- 6.7.1 The project delivery team will be assembled from key officers within the Stevenage Borough Council Regeneration division. This team will take responsibility for day-to-day project management of the scheme. This will include direct delivery of the public realm scheme and ensuring compliance with the development agreement for the enterprise centre. The officers in question have extensive experience of setting up urban development and construction projects and taking them forward to completion.
- 6.7.2 The detailed implementation of the project will be set out in a comprehensive delivery plan. This will schedule all activities from project inception, through design, costing, approvals, construction activity through to completion and handover. It will build in necessary ongoing stakeholder liaison processes. The Stevenage Development Board takes responsibility for overall control of the scope and progress the project and for putting in place the necessary assurances.

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

- 6.7.3 The final scope, scheduling and budget for the project will be worked up by the project delivery team then presented to the Development Board for consideration. The Development Board will then ensure that the project scope is in line with predefined regeneration objectives and the TIP and that the proposed implementation programme is realistically deliverable.
- 6.7.4 The Development Board will also review all risks and mitigation measures taking into account any views of the council's internal audit team. It will provide directions to the project delivery team for any additional measures that need to be put in place to minimise risks identified.
- 6.7.5 A number of the controls will be brought about through the contractual process, in particular provision for addressing possible causes of delay, health and safety assurance, quality control and tight and regular reporting.

Processes for Managing Key Interfaces, Consents, and Compliance

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

Approach to Information Management

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

Details for Managing Change

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

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

Arrangements for Managing Professional Service Contracts and Third-party Agreements

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

6.8 Stakeholder Engagement

Key Stakeholders, Interests and Power to Influence Delivery

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

Project	Sub project	Primary Stakeholder	Comment
Development of Town Enterprise Centre	Creation of the enterprise centre building	SBC	Provides young life sciences entrepreneurs with superbly incubation space and space for expansion, close to food and beverage, retail, leisure and other amenities key to supporting staff in the post Covid era.
		Herts LEP and local bioscience industry bodies	Major champion for development of the bioscience cluster
		Local residents	Major boost in numbers of high-quality jobs for young people
		Life sciences entrepreneurs	Opportunity to take forward product and service innovations and their commercialisation. Increased scope for living and working locally
		Local food and beverage operators	Improved lifestyles offer for users of the town centre.
	Business support delivery	Life sciences entrepreneurs	De-risking of commercial concepts and acceleration of successful penetration of niche global markets

Strategy to Engage through Development, Delivery

- 6.8.2 Of these, residents of neighbouring and businesses in control of neighbouring uses will be of particular importance as regards ensuring that the design of the scheme and operational issues associated with having an adjacent new commercial building are clearly understood and appropriately addressed.
- 6.8.3 In parallel, bodies such as the LEP, local business support organisations and partners such as the Bioscience Catapult will be key stakeholders with an interest in ensuring that the development delivers the outcomes that have been promised. These parties will be fully engaged throughout the development process with a view to ensuring that high quality business support to centre clients is readily available upon opening. In each case views expressed will be considered and responded to throughout the life of the project.

Summary of Approach to Communications with Stakeholders Including the Public

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

Local Residents

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

Business

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

Other Stakeholders

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

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

- Create inclusive accessible transport
- Create great spaces to live in and socialise
- Create a vibrant town centre offer that is a destination for all

- Create aspiring communities and opportunities that create a lasting legacy. events through to a wide range of digital engagement utilising social media other related platforms.

6.9 Benefits, Monitoring and Evaluation

Summary of Benefits Register

6.9.1 Key benefits from the project are summarised as follows.

Economic

- Acceleration of the redevelopment of a key site in a Major Opportunity Area
- Attraction of major investment into a high prestige enterprise centre.
- Creation of a significant number of high growth businesses in Stevenage.
- Scope for creation of a significant number of additional jobs in Stevenage.
- Creation of a magnet for additional world class bioscience activities in Stevenage Town Centre.
- Catalyst for stimulating early development commitments on sites similarly released for development as a result of expansion of emerging new ventures.
- An extensive number of construction jobs will be created.
- Stronger perception of Stevenage as a place to invest by the private sector.

Environmental

- Scope for higher levels of living and working on the town centre, reducing the need to travel.

Social

- New qualifications will be generated as a result of the scheme.

6.9.2 Quantified Outputs are as follows:

Jobs Created	59
Commercial Floorspace Developed or Upgraded sqm	5,337
Net Increase in Commercial Floorspace	929
Additional homes brought forward	69
Construction Jobs	140
Additional GVA Generated per Annum	£3,375,721
Additional Annual High-Level Skills Qualifications Attained	12
Business Created	60

Approach to Developing a Benefits Realisation Plan and its Approval

6.9.3 The benefits realisation plan will focus primarily on assuring successful delivery of the following outcomes.

- Completion of the Town Enterprise Centre building and floorspace.
- Ensuring that projected business creation, new job creation and generation of additional GVA is successfully accomplished.

- 6.9.4 The benefits realisation plan will define the mechanisms through which the benefits projected from these outcomes are fully met. Thus, the plan will demonstrate how creating the necessary floor space will be a critical step in achieving the projected number of jobs to be created, how these will translate into the increase in new businesses, jobs GVA and skills qualifications attained as a direct consequence of the project. The plan will show how the realisation of these quantifiable outputs will be tracked by way of interim and post project audits conducted with the developer, commercial and residential occupiers.
- 6.9.5 Verifying the qualitative benefits will be more nuanced. The benefits realisation plan will provide for interim as well as post project reviews of the public realm project. At interim stage the plan will verify that the design of this project will be likely to suitably deliver the benefits sought. A post project stage it will validate the project's success or otherwise in meeting these criteria.
- 6.9.6 Wider qualitative benefits will be longer term in nature and dependent on parallel initiatives being taken. For the reason the benefits realisation plan will build in periodic reviews to:
- a) Assess whether parallel activities, such as promotion activity, have been established as a means of maximising scope for the attraction of additional bioscience entrepreneurs and larger life sciences businesses into the new centre and the stimulation of early development commitments on other town centre sites, a stronger perception of Stevenage as a place to invest, as a result of the scheme going ahead.
 - b) Gauging the extent to which these outcomes will have been achieved.
 - c) Evaluating the extent of higher levels of living and working in the town centre.

Arrangements for Tracking and Reporting Benefits Through Delivery

- 6.9.7 The tracking and reporting of benefits through delivery will be closely tied into the formative, interim and summative evaluation process described below. This will be based on defining what needs to be measured against each type of benefit and the method of doing so. Key mechanisms to be established in the regard will include:
- i) Regular liaison with the site developer to verify progress and those original targets and outcomes are on track.
 - ii) On-going relationship building with the operator of the enterprise centre to track levels of business startup and survival and additional job creation.
 - iii) Survey activity amongst clients of the enterprise centre to assess the quality of the workspace and facilities and impacts and usefulness of expert business support provided.
 - iv) Wider liaison with the town regeneration teams to evaluate the extent of new investment and development commitments in meeting wider regeneration aims.
- 6.9.8 These activities will be built into the benefits realisation plan and scheduled accordingly. The plan will then be presented to the town development board for review and approval.

High Level Strategy for Monitoring and Evaluating Benefits Realisation

- 6.9.9 Internally the project will be subject to continual evaluation and monitoring through the governance structures and arrangements outlined above. It is intended that key milestones are built into the programme to monitor the tracking of projected outputs and outcomes (e.g., at planning consent, start on site, completion stage).

6.9.10 In parallel, the evaluation will seek to clarify whether the project achieved what it set out to do and what benefits accrued from it from the points of view of a range of stakeholders. Points to be clarified in evaluation to discussions with stakeholders would be:

Developer and Occupiers:

- Did the Town Fund project assist with the proposed site development and help meet defined targets?
- Was the money spent wisely and could better value for money had been achieved?
- How have the centre facilities and associated business support helped to realise and accelerate successful commercialisation of new product concepts and ongoing business growth?

General Public:

- How do local people feel the project has helped add prestige and improved amenities to the area?

Stevenage Planning and Regeneration Team:

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

Building contractors:

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

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