

Appendix D – Getting Building Fund Project Background Information

Name of Project	Jaywick Market and Commercial Space Brooklands Avenue, Jaywick Sands, Clacton-on-Sea, Essex CO15 2JE
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Tendring District Council in partnership with Essex County Council
Getting Building Fund value	Original GBF funding allocation: £1,972,000 Additional GBF funding allocation (awarded November 2022): £300,879 Additional GBF funding allocation (to be considered at this meeting): £118,181 Total GBF funding allocation: £2,391,060
Project Description	<p>The Jaywick Market and Commercial Space project will build and operate covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.</p> <p>The proposal was to construct 13 affordable rent business units offering 9,500sq. ft. lettable area and a covered local market of 10 affordable pitches. Following a redesign, the project is also now delivering a further 11 flexible units and a meeting/training room. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration, especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.</p>
Need for Intervention	<p>Jaywick Sands includes the most deprived Lower Super Output Area in the country, with 6 out of the 7 domains ranked in the bottom 10% nationally, including income, employment and health and wellbeing. The community, comprising around 5,000 people, experiences very high unemployment and low skills levels, and there are significant barriers to accessing training and employment due to the geographical isolation of the community.</p> <p>As a coastal community, residents work predominantly in the leisure and care sectors which have been hardest hit by COVID-19 and have lower than average incomes, exceptionally poor-quality housing, and struggle with everyday living. The project aligns with the objectives of the Government to 'level up' these deprived coastal communities, creating opportunities and aspiration which will result in economic and social benefits.</p> <p>Employment and training issues, access to affordable healthy food and low-cost everyday household goods, public realm and environmental</p>

	quality, market failure and COVID-19 are all contributing factors in the need for this project.
Reasons for seeking additional GBF funding	<p>Between confirmation of the original GBF funding award and undertaking the contractor procurement, construction costs doubled. This was due to the market conditions resulting from the COVID-19 pandemic, Brexit and high inflation levels. These extra costs have been covered by Essex County Council and Tendring District Council.</p> <p>Within the agreed budget there is a contingency to cover unexpected costs arising from the build and a small proportion of the budget was set aside for issues relating to ground conditions. The ground conditions survey that accompanied the planning permission was positive and gave a low risk of asbestos contamination. The volume of contamination and the amount of ground obstructions found during excavation of the buildings foundations far exceeded expectations. The additional cost incurred at the time of applying for additional GBF funding was £219,060 and this used all contingency placed in the budget. Further contamination was found during the early excavation of the car park area. Therefore, additional GBF funding is sought to cover the unexpected contamination and ground obstructions costs incurred. The amount of GBF funding sought is based on an estimate of the total likely cost associated with these works.</p> <p>In addition, during the detailed design and procurement phase of the project, and more recently due to budget pressures, elements of the original scope of works have been removed. This is due to the increase in construction costs due to the COVID-19 pandemic, Brexit and high inflation. There is no budget currently available to re-introduce these items. Therefore, if the full value of the additional GBF funding sought is not required to fund the costs associated with the contamination and ground obstructions, it will be used to reintroduce some of the removed elements.</p>
Project benefits	<ul style="list-style-type: none"> • Keeping spend local by creating space for local independent businesses • Increased footfall through improved walkability of the area, incentivising active travel and improving health and wellbeing • Creating space for community events • 44 FTE jobs created • Increasing the job density within Jaywick Sands from 1 job per 14 residents to 1 job per 8 residents. • 842sqm lettable floorspace (B1) • 3,700sqm Improved public realm, including community garden <p>As indicated above, the project benefits have increased since submission of the approved Business Case.</p>
Additionality offered by the additional GBF funding	<p>Additional funding will ensure that the project can deliver in accordance with the current project scope. This will have a positive impact in changing the perception of the area. This is particularly important with Jaywick being the most deprived area as it will improve the quality of the offer to residents and provide a pride of place which is desperately needed.</p> <p>Completing the project and installing tenants into the building will also enable regeneration, improve the skills in the area and provide low cost starter units for new and emerging local businesses which will reduce</p>

	<p>unemployment, bring an income into the area and enable a full business support offer to be put in place.</p> <p>Reinstating the omitted items will enhance the offer to future tenants and visitors to the site increasing footfall and income to the area.</p> <p>The award of additional GBF funding will release the £118,181 funding committed by Tendring District Council in November 2022, allowing this funding to be used to support delivery of other projects in the local area ensuring that additional wider benefits are felt in the local area.</p>																		
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Risks to project delivery	<p>The main risks identified in the application for additional GBF funding are:</p> <table><tr><th>Risk</th><th>Mitigation</th></tr><tr><td>Additional funding not received – the car park element of the project will need to be paused, the area will need to be redesigned and revised planning permission sought</td><td>To seek further funding and to explore options to reduce the project scope further</td></tr><tr><td>Overspend on the current budget – the building will not be opening which will have a number of implications for the area</td><td>To seek further funding and to explore options to reduce the project scope further</td></tr><tr><td>Reduced demand for commercial space and market pitches – some units and market pitches may remain vacant</td><td>Net scheme benefits will be realised even if occupancy is lower than projected.</td></tr><tr><td>Construction risks – which will impact on the project budget and programme</td><td>Risks during the construction programme will be shared between the scheme promoters and the contractor.</td></tr><tr><td>Unexpected or worse than expected ground conditions or contamination – leading to cost increases and programme delays</td><td>Continue to review ground conditions and contamination. Continue to review design and impact on project budget.</td></tr><tr><td>Community opposition</td><td>Ongoing community and stakeholder engagement and project adaptation to reflect community feedback</td></tr><tr><td>Running costs higher than anticipated</td><td>Sensitivity analysis shows that costs can increase by a quarter without affecting ability</td></tr></table>			Risk	Mitigation	Additional funding not received – the car park element of the project will need to be paused, the area will need to be redesigned and revised planning permission sought	To seek further funding and to explore options to reduce the project scope further	Overspend on the current budget – the building will not be opening which will have a number of implications for the area	To seek further funding and to explore options to reduce the project scope further	Reduced demand for commercial space and market pitches – some units and market pitches may remain vacant	Net scheme benefits will be realised even if occupancy is lower than projected.	Construction risks – which will impact on the project budget and programme	Risks during the construction programme will be shared between the scheme promoters and the contractor.	Unexpected or worse than expected ground conditions or contamination – leading to cost increases and programme delays	Continue to review ground conditions and contamination. Continue to review design and impact on project budget.	Community opposition	Ongoing community and stakeholder engagement and project adaptation to reflect community feedback	Running costs higher than anticipated	Sensitivity analysis shows that costs can increase by a quarter without affecting ability
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		to provide a net surplus by year 5.
Delivery programme	<p>The steel frame for the main building has been constructed and it is expected that the project will be completed and the building open for use in March or April 2023.</p> <p>The full programme is set out below.</p>	
	Milestone	Expected completion date
	Construction completed	February 2023
	Business Support	Ongoing
	Marketing and letting	September 2022 to February 2023
	Scheme opening	March/April 2023
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlep.com/project/jaywick-market-and-commercial-space/	