

Appendix E – Getting Building Fund Project Background Information

Name of Project	Enterprise Centre for Horizon 120 Business and Innovation Park Braintree
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Braintree District Council
Getting Building Fund value	Original GBF funding allocation: £7,000,000 Additional GBF funding allocation: £641,924 Total GBF funding allocation: £7,641,924
Project Description	<p>The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.</p> <p>The Enterprise Centre forms the focal point for the Horizon 120 Business Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.</p>
Need for Intervention	<p>In its Plan for Growth, Braintree identifies that to improve the prospects of economic growth, through the creation of more jobs and more high quality jobs, the authority recognises that businesses within the district need to be supported to grow and that new businesses need to be attracted to locate in the district. To that end, the Plan recognises that there is currently a lack of grow-on office space for businesses and general employment premises and sites that are at the point of being delivered.</p> <p>The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree. In order to support this, the Plan specifically identifies the need to provide appropriate business premises as a key issue that needs addressing and that the private and public sector need to intervene by creating employment sites and a range of office accommodation that are fit for purpose for business needs, including targeted support to businesses in our growing and emerging sectors with innovation potential.</p> <p>Braintree District Council commissioned a feasibility study to examine how an enterprise centre at the Horizon 120 Business and Innovation Park would support the delivery of relevant business space and thus help deliver the ambitions within the Plan for Growth. Whilst the feasibility study examines a broad range of sector specific land and premises requirements, the study recognises that there is strong forecast demand for office space in the Braintree district, with an East of England Forecast Model estimate of requirements increasing from the 2020 level of 136,800m² to 163,700m² in 2045 – an increase of nearly 20%. Importantly, the demand for serviced business park B1a office space is also forecast to increase over that period. To that end the feasibility study concludes that for B1a/B1b type office space, the sectoral mix of</p>

	businesses that operate within Braintree leans substantially towards those that would occupy B1a general type office space. The sectors considered relevant for this type of space include Information and communication; Financial and insurance; Professional, scientific and technical; and Administrative and support services (excluding call centre activities).
Reasons for seeking additional GBF funding	<p>The project has experienced cost increases due to the impacts of the COVID-19 pandemic, Brexit and current high inflation levels. These costs increases have arisen as a result of the following factors:</p> <ul style="list-style-type: none"> • Increased security costs – the commencement of construction of the Enterprise Centre was delayed as a result of construction and supply chain delays. This resulted in the need for site security to be provided for an additional 35 week period incurring additional costs. • Increased costs associated with an extended construction programme – delivery of the project was delayed due to supply chain issues and this resulted in the need for the site office and associated facilities to remain in situ for an additional 10 weeks incurring additional costs. • Costs associated with removal of spoil from the site – the original project budget included provision for the removal of the spoil to a licenced tip, however, due to cost increases arising as a result of the pandemic, this budget provision was eroded during project delivery. In addition, during lockdown, no groundworks sub-contractors were available and as a result, the spoil had to be removed to and retained temporarily on an adjoining vacant plot so as not to further delay the construction programme. Whilst contractors are now available to remove the spoil, this will incur further costs which can no longer be covered under the original budget provision.
Project benefits	<ul style="list-style-type: none"> • New jobs: 160 new jobs per a year will be created and this does not include people directed employed by the centre. • 3,100sqm commercial floorspace • Number of new staff – 4 (Business support, Innovation and Broadband) • Virtual environment to support start-ups. • Business Training, leading to professional qualifications provided by an accredited training organisation • Enable nurturing environment to enable start up and grow + SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenant growth. • Better public transport integration

	<ul style="list-style-type: none">• Reductions in carbon emissions <p>Essex County Council and Braintree District Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>												
Additionality offered by the additional GBF funding	<p>The project has already been delivered in accordance with the approved Business Case, and cost increases during construction were absorbed by Braintree District Council. However, this has resulted in reduced contingency and an eroded budget provision for removal of the spoil from the site.</p> <p>If additional GBF funding is not provided, these costs will need to be covered by Braintree District Council, however, this will impact on their ability to bring forward further development on the wider Business Park site jeopardising the creation of 99 new jobs. Furthermore, the investment of further Braintree District Council funding in the project, would impact on their ability to bring forward other employment related projects resulting in the loss of commercial units for start-ups and SME's.</p>												
Financial Information	<table><tr><td>Funding Source</td><td>Original Funding Package (£)</td><td>Updated Funding Package (£)</td></tr><tr><td>Getting Building Fund</td><td>7,000,000</td><td>7,641,924</td></tr><tr><td>Braintree District Council</td><td>9,000,000</td><td>9,000,000</td></tr><tr><td>Total</td><td>16,000,000</td><td>16,641,924</td></tr></table>	Funding Source	Original Funding Package (£)	Updated Funding Package (£)	Getting Building Fund	7,000,000	7,641,924	Braintree District Council	9,000,000	9,000,000	Total	16,000,000	16,641,924
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Risks to project delivery	<p>The project was completed and officially opened in September 2022. The additional funding requested relates to increased costs incurred during the construction period and therefore there are no risks associated with the funding.</p>												
Delivery programme	<p>The Enterprise Centre was completed in September 2022 and is fully operational.</p>												
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p>												
Link to Project webpage	<p>Enterprise Centre for Horizon 120 Business and Innovation Park - The South East Local Enterprise Partnership (southeastlep.com)</p>												