

COAST TO CAPITAL LOCAL GROWTH FUND FULL BUSINESS CASE

Project Title:	Croydon Creative Campus (Phase 1)
Lead delivery organisation:	Croydon Council
Organisation Address:	Bernard Weatherill House 8 Mint Walk Croydon CR0 1EA
Lead contact name:	Emma Lindsell
Issue Date:	16/08/2019

This document provides a template for a Full Business Case (FBC) for Coast to Capital to invest in a project through the Local Growth Fund (LGF). Please ensure you read the full [guidance document](#) to assist you in completing this form.

Projects funded from the Growth Deal are expected to contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities listed in the SEP, or to support the medium term delivery of our Strategy.

Projects can only request funding as stated within the EOI application; from **£500,000 and up to £2,000,000**, and must demonstrate a minimum of a 50% matched funding contribution.

The information provided in this form will help our Investment Committee, determine the eligibility of your project, and formally decide which projects called for the FBC stage have been successful following a presentation from applicants, that will allow opportunity for Committee members to ask questions. As part of this scrutiny Croydon Council as the acting Accountable Body for Coast to Capital will be ensuring all projects are State Aid compliant and therefore sufficient evidence is required.

The Investment Committee have delegated authority from Coast to Capital Board to make funding awards up to £2million, and make decisions on full or partial funding awards, or any funding conditions. Decisions made would be noted to the October Board meeting, following which funding awards will be announced.

FBC must submitted any time before: **12noon on Friday 16th August 2019. Any FBC not received after this deadline will NOT be accepted and will be returned to the applicant.** FBC submissions will be acknowledged by email within 24 hours.

Applicants must be able to evidence as part of the FBC that they are able to incur full LGF project costs (to include elements of matched funding), by **31st December 2020**.

Coast to Capital also reserves the right to withdraw / reclaim and re-allocate, all funding, if at any point in the delivery of successful projects, our Board believes that the full draw down will not be made.

If you have any queries or require further information please contact Coast to Capital on localgrowthfund@coast2capital.org.uk

Coast to Capital Disclaimer

By submitting this FBC, Project Applicants are agreeing to the following;

- Grant payment (in arrears) will not be made until a funding agreement is signed by both parties.
- All funds provided by Coast to Capital must be used for capital expenditure under the definition of capital provided within HM Treasury, CIPFA and International accounting standards.

- All costs and charges incurred as a result of making this application cannot be claimed as part of the project.
- All FBC submissions will be treated in the strictest confidence, and will only be shared with those involved with the evaluation and the processing of your application (Coast to Capital Officers, London Borough or Croydon Accountable Body, Coast to Capital Investment Committee Members, and Board members).
- Successful FBC submissions who are awarded funding are required to agree as a condition of applying for this funding that their business case will be published in the public domain in full.
- Coast to Capital will keep a record of your contact details, and application on file. We may use your contact details to send you further information, notify you of further funding opportunities, and/or invite you to events organised by Coast to Capital or its partners. Your personal and business information will remain confidential.
- Applicants submitting an FBC will in doing so warrant to have agreed to be bound by the following conditions:
 1. Applicants will indemnify Coast to Capital against any claim for loss, costs or damages as a result of being unsuccessful at FBC stage.
 2. Applicants who are successful in obtaining a grant funding award following scrutiny of the FBC, agree to pay a fee to Coast to Capital to cover the cost of processing and preparing the funding agreement. This fee will be payable in advance and is set at a flat rate of **£9,500.00**, to cover legal and administration costs. This fee cannot be recovered through applications.
 3. Applicants who are unsuccessful following their submission and scrutiny of the full business case, accept that they will be informed in writing on the reasons for this decision in accordance with the attached Guidance, with further feedback only being provided to the extent and discretion decided by Coast to Capital officers.
 4. Applicants agree to not issue any written or verbal statements to any third party which could reasonably be seen to be designed to defame, discredit, or to undermine the decision reached by Coast to Capital in not awarding grant funding following their submission and scrutiny of the FBC.
 5. That the decision of the Coast to Capital Investment Committee and/or Board is final in deciding what FBC submissions are awarded funding, and there is no right of appeal.
 6. That no applications for information under the Freedom of Information Act (FOI) will be accepted from the applicant or any other party, as to the reasons for an application not being invited to full business case stage, or for feedback on the reasons why funding has not been awarded following the submission of an FBC, as Coast to Capital is not bound by this Act.
 7. The applicant warrants that they have not colluded with any other applicant to attempt to benefit their own application through falsification of information or reliance on other applications being successful.
 8. That applications made are on an unconditional basis.
The applicant warrants that their application is state aid compliant. Applications at FBC submission must provide evidence and/or will be asked if they have taken independent legal advice that their application is state aid compliant. Applicants must accept that if subsequently at any point their project is established to not be state aid compliant, Coast to Capital, solely at the discretion of its Board, will withdraw and reclaim any funding awarded.

I Emma Lindsell on behalf of Croydon Council confirm that we agree to be bound by the above application contractual terms.

Signed:

**Dated:
16/08/2019**

1. Executive Summary

1.1) Overview of the project including what opportunity or barrier the investment will unlock:

Context – Regeneration and Growth in Croydon

Croydon is a large South London borough, with a population approaching 400,000. Following a long period of disinvestment and decline, Croydon is once again experiencing major transformation. A series of Council led initiatives are currently underway to facilitate the delivery of around £5.2bn of public and private investment over the next 20 years. This will create: 23,600 new jobs, 2.8m sqft of new Grade A office space, a world class cultural quarter and one of Europe's largest and most exciting leisure/retail destinations. In addition, we are expected to build circa 33,000 homes up to 2036, a third of which will be delivered in the metropolitan centre.

Croydon's Growth Zone is set to deliver a £500m regeneration programme in Croydon's metropolitan centre through Tax Increment Financing. Also underway is [Brick by Brick](#), Croydon's arm's length development company currently working to deliver around 2000 new homes (including affordable homes) on multiple sites throughout the borough.

Key objectives

Regeneration creates jobs and new economic opportunities. In order to tap into opportunity there is a need to ensure that our labour supply is fit for purpose: highly skilled, equipped with the training and qualifications sought by businesses over the next 5-10 years and, that it is ready to meet the challenges of a future economy characterised by technological advances and automation.

To achieve this, we must enable residents equal and equitable access to learning and training opportunities but also ensure that we attract the providers delivering future skills.

The above is set out in our [Corporate plan](#), [Community Strategy](#) and emerging [Economic Strategy](#) that details the policy rich environment we are developing for the growth of the knowledge intensive industry. This aims to foster a culture for new ideas to catalyse growth and attract the right sectors for real change and to invest in residents, ensuring they have the right qualifications and access to skills provision. Our [Croydon Creative Campus](#) concept launched at the MIPIM real estate exhibition earlier this year is a valuable part of this.

Croydon Creative Campus is the borough's approach to the metropolitan centre which looks to ensure a flexible changing mix of uses in the centre reducing reliance on retail. Croydon Creative Campus will deliver a mix of creative, learning, retail, cultural, leisure, commercial and residential uses that can change over time as the needs and demands of our populations change. It will bring together a vibrant mix of uses in a high-quality built environment and public realm. The Council, working with developers, stakeholders and higher education providers, aims to bring about this change by embedding a high-quality university presence as phase 1 of the Creative Campus.

To summarise, the specific aims of Croydon Creative Campus are to:

- 1) Build the partnerships and collaborative networks between businesses, education, research institutions, universities and communities that are needed to stimulate innovation to make our businesses more productive;
- 2) Build the physical environment and ecosystems (smart workspaces, places and contemporary environments) needed to stimulate the growth of knowledge intensive businesses. This is consolidated by the [Croydon Local Plan](#) which is embarking on a review next year and will explore policy levers to stimulate the growth of affordable workspaces.

By achieving these aims, Croydon Creative Campus will improve economic productivity, creating the high value jobs and apprenticeships that are needed to address the long-term structural challenges in our local labour market.

How we will achieve this

Growth deal funding is sought to pump-prime Croydon's Creative Campus, starting with the **redevelopment** of a new University Centre site to support the expansion of London South Bank University (LSBU) in Croydon.

The Council is currently in negotiation with LSBU regarding its phased expansion into the proposed site over a period of 5 years. This presents a tremendous opportunity to transform the Croydon Metropolitan Centre into a locality where innovation can be harnessed for growth. The Council currently has confirmed match funding of £3.6m. A further £2m Growth Deal funding is sought to accelerate the first phase of the redevelopment in 20/21.

The project will address low levels of educational attainment which prevents residents from moving into higher paid and skilled jobs. GCSE attainment in the 8 score is significantly lower than its neighbouring boroughs and has been in decline since 2014 (DfE, 2018). The percentage of people attaining degree level qualifications is 46.7%, significantly lower than the London average 53.9% (ONS, 2018). There is a prevalence of low skilled jobs in the lower paying sector of retail and administration (IDBR, 2018), limiting the opportunities of residents to progress into higher pay.

Croydon's economy lags behind its C2C neighbours. GVA per head is the lowest in the Coast to Capital area and the only one to have decreased since 1997 (ONS, 2018). LSBU expansion into Croydon, combined with the vast ongoing redevelopment of the town centre, is a powerful opportunity to break out of this low productivity cycle.

1.2) Please choose a priority area that is most appropriate to your project.

For further information around each priority area please review our Gatwick 360 Strategic Economic Plan.

- | | |
|---|-------------------------------------|
| Priority 1: Deliver Prosperous Urban Centres | <input type="checkbox"/> |
| Priority 2: Develop Business Infrastructure and Support | <input type="checkbox"/> |
| Priority 3: Invest in Sustainable Growth | <input type="checkbox"/> |
| Priority 4: Create Skills for the Future | <input checked="" type="checkbox"/> |
| Priority 5: Pioneer Innovation in Core Strengths | <input type="checkbox"/> |
| Priority 6: Promote better transport and Mobility | <input type="checkbox"/> |
| Priority 7: Improve digital network capability | <input type="checkbox"/> |
| Priority 8: Build a strong National and International profile | <input type="checkbox"/> |

1.3) The fit with Coast to Capital Strategic Economic Plan: Gatwick 360, and the chosen priority above. Please identify if this project fits in with other priorities as above.

The rationale for the Creative Campus is driven by market failure in Croydon's labour market. The university presence will address both labour supply and demand side issues. The project addresses **Priority 4: Skills for the Future** but also **Priority 5** which seeks to stimulate the demand for new skills.

The project will provide the opportunity to forge strong partnerships between HE and FE institutes in the C2C area – thereby allowing skills providers to adapt to business needs. This will potentially create new higher-level apprenticeship standards based on our core strengths, increased uptake of the Levy and new employment opportunities for our graduates. A refocus on higher quality jobs in STEM sectors will enable residents to move out of low skilled and low paying jobs.

In alignment with the objectives of the Gatwick 360, the university campus will:

Broker positive relationships and new ways of working between education and industry to ensure that individuals and business can access high quality skills training.

It will do this by:

- Enabling collaboration between research organisations such as London South Bank University, Sussex University, businesses networks (Croydon BID, Chamber of Commerce), place based community organisations and other local stakeholders.
- Increasing the R&D capacity of micro and small businesses to enable them to scale up and create new jobs requiring new skills.
- Supporting businesses to identify the core competencies and knowledge for new skills in evolving and emerging jobs.
- Developing innovative new degree programmes, research & innovation, skills training and apprenticeship standards for high value jobs.
- Working with businesses, skills providers and the local authority to ensure the right infrastructure is in place to deliver new skills.
- Working with schools and local FE colleges as part of a wider outreach strategy which enables access to high quality skills training.

In terms of addressing the demand for new skills, the project addresses **Priority 5** in that it seeks to:

- Stimulate the demand (and hence the market) for business incubation and acceleration space – needed to propel businesses into growth.
- Stimulate the growth of industrial supply chains which extend across the Coast to Capital area.

Given the limited university presence in the C2C area, Growth Deal Funding will pump-prime capital investment into the Creative Campus to ensure we have world class training facilities and equipment.

Funding will allow the space to be refurbished, bringing together faculties for Life Sciences, Education, Business, Finance and Digital and Tech, spanning multiple floors and wings. The campus will feature world class teaching space: a state-of-the-art chiropractic and physio lab. High spec office / touch down and flexible workspace will facilitate creative thinking and innovation. The campus premises will be Full-Fibre broadband enabled.

In addition to Croydon's sector opportunities, the University is well placed to respond to the growth of existing clusters (Gatwick Diamond Aerospace Cluster) in the C2C area. Given Gatwick's proximity to Croydon, there is potential to develop an **innovation corridor along the A23 from Croydon to Brighton** and a future skills strategy, supporting the delivery of sector deals etc. which seek to create high value jobs in the sector.

1.4) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet. A Matched funding contribution of at least 50% is required (percentage of the total project costs). (Please name the source of match funding). **(Please name the source of match funding).**

	Amount	% of Total Cost
Total Project Cost	£5,600,000	100.00%
Applicant own funds (LBC)	£3,580,000	63.9%
Other public funds (LSBU)	£20,000	0.4%
Private sector funds		0.0%
Funding requested from Coast to Capital LEP*	£2,000,000	35.7%
Other – add or delete where necessary		

1.5) Expected tangible core outputs/outcomes:

Please also complete the outputs tab of the supporting spreadsheet – add or delete where appropriate.

*Applicants should add in outputs that link directly with the SEP priority they are applying for.

Output/outcome	Metric	Number to be delivered
Employment- created and/or safeguarded	No.	140
Employment unlocked	No.	164
Businesses assisted- financial and non- financial	No.	100
Number of enterprises assisted to cooperate with research entities/institutions	No.	30
Skills- new graduate jobs	No.	364
Skills – Training for high value skills	No. University modules per year	17
Skills – Number of additional learners	No.	664
New floor space constructed/Refurbished-	Sqm	57,562
Carbon reduction	Tonnes of CO2	884
Productivity increase		£ 32,503,094

1.6) Main risks and issues the project will need to manage? Explain contingency plans to ensure full draw down of funding if ultimately awarded. **Please also submit a full risk register as an annex to this document**

Confidential

2. Strategic Case

2.1) Describe the compelling case for change.

Where we are

Market Failure in local labour market

For too long, Croydon's economy has been constrained by structural challenges in our local labour market, characterised by residents with low level skills performing lower paid jobs, which in turn leads to in-work poverty.

The reasons vary between the existence of a skills gap (which is linked to deprivation and barriers to participation) but also the over representation of 'labour intensive' sectors (retail, services, administration, social care) in Croydon which tend to be low paid, feature fragmented hours, and are reliant on entry level

skills, offering limited job security and progression pathways.

Gross weekly pay in Croydon (at £634) is below its Coast to Capital neighbours (Reigate Banstead, Epsom Ewell, Surrey Heath and Tandridge) and London levels. Although mid-ranking compared with other London boroughs, this does not take into account that 70% of our better skilled and hence better paid, out-commuters work in strategic employment locations including in the City and the Surrey belt.

The claimant count is the highest across the Coast to Capital Area and is the only place demonstrating increasing trends over the last 10 years. Youth unemployment is a particular issue with twice as many 16-24 year olds on benefits as there are in Brighton and Hove and six times more than in Crawley.

Skills deprivation in the borough tends to be distorted by higher qualified residents employed in professional / managerial occupations who live in higher PTAL areas, and therefore commute to work. Nevertheless, 6.4% of the working age population have no qualifications – the fourth highest in the C2C LEP area after Mole Valley, Chichester and Lewes.

47.6% of the working population in Croydon have Level 4+ qualifications, lagging behind its neighbours (Mid Sussex, Mole Valley, Reigate and Banstead and Brighton and Hove).

The above is reflected in the **lowest productivity growth rate in London** over the past 10 years (GVA at 9% from 2007-2017) commensurate with a GVA per capita figure at £9.12. Croydon is outperformed by Inner London boroughs which reportedly experience higher levels of deprivation. Furthermore, Croydon is the only area to have seen a drop in its GVA per head since 2006 - with a 4% decrease. The average GVA per head change of all the C2C areas is a 16% increase.

The Industry sectors making the largest contribution to Croydon's GVA are Real Estate Activities (23%), followed by the Public Sector (20%) and Retail and Food (17%). The majority of Croydon's Knowledge Industry jobs are in 'Business service activities', with a significantly lower contribution of 12%. Increasing the number of higher skilled jobs in the knowledge industry would potentially boost GVA. With these occupations would come higher pay, more productive businesses and higher GVA outcomes.

Need to diversify for higher skilled and specialised jobs

We know that the local economy will be subject to major transformation over the next 5-10 years, through automation / artificial intelligence, a shift towards STEM focussed jobs and a growing demand for Health and Social Care due to an ageing population.

Moving forward, there is a need to diversify the local economy to capture high value opportunities based on the strengths and capabilities in the C2C area. There is also a need to make the local economy more resilient to economic shocks brought about by external events such as Brexit.

In Croydon, we are beginning to experience change. Some of the R&D intense sectors which have been identified for future growth by the UK Industrial Strategy and Gatwick 360 are demonstrating upward trends, in particular:

- **Construction and the built environment.** Construction is a highly diverse sector with a range of discrete subsectors such as civil engineering and specialist manufacturing. The sector has experienced 59% growth in businesses between 2013 and 2018, most likely attributed to the ongoing regeneration of the borough. Linked to this, is the growth of the **low carbon construction** sub sector.
- **Smart city specialisation** which is a key feature of the borough's £525m transport Infrastructure programme. We are currently delivering a series of small-scale pilots which are set to take centre stage as smart city technologies mature.
- **Creative digital industries** (average annual growth rate of 36% in sound recording and music publishing since 2013) which may be attributed to the newly acquired Creative Enterprise Zone status.
- **Financial – Activities auxiliary to financial services** (70% growth over 5 years) including transaction processing, settlement activities and credit card transactions, thus indicating a growing marketplace for **Fin tech** products and solutions.

all data derived from IDBR, ONS (2018)

Though this is not to dilute the impact of labour intensive sectors such as retail and health and social care over the next 5-10 years.

- Retail remains one of the largest employment sectors in Croydon (17.7% jobs). This is set to grow as the Westfield development brings new opportunities for retail, leisure and entertainment to Croydon.
- Human Health and Social Care is the second largest source of jobs in Croydon (13.7% jobs - Nomis 2017) and is well placed to respond to the emergence of new opportunities in the life sciences sector
- The same is true of knowledge service industries, particularly education which is the third highest source of jobs at 11.3%.

New technologies and automation will inadvertently place pressure on low skilled activities in those sectors, signalling a shift towards the demand for higher skilled activities linked to R&D, design and marketing.

Where we need to be

Higher Education is a powerful enabler of economic activity by providing a skilled labour pool. The future skills trajectory of these sectors will not only depend on the provision of industry specific qualifications and training but also in generating the vacancies needed to employ residents. The two are mutually interdependent.

The strategic clustering of higher value / innovation businesses in towns and cities will therefore depend on:

- a) The presence of a robust skills infrastructure;
- b) How well we stimulate the market conditions needed to nurture the growth of these sectors e.g. through the availability of finance, business support, workspace affordability and availability for start-ups and scale-ups;
- c) A HEI presence to support knowledge exchange and the growth of innovation.

Existing Arrangements: Business and Skills Infrastructure

Croydon already has a robust skills, employment and business support infrastructure in place to address barriers to participation. This comprises the following interventions:

[Croydon Works](#) – A free, tailored recruitment service to support your business to recruit Croydon residents. Providing pre and post-employment support for candidates, soft skills and identifying industry-specific training requirements. Job brokerage for a range of job types including apprenticeships and work experience.

Croydon Works already has an established role working with the priority groups. It has a robust referral mechanism which links in with the DWP Job Centre, Croydon College and the Council's award-winning Gateway Service. It has a track record of success in promoting improved routes for the two priority groups through targeted employability and sector specific support, focused employer engagement and job brokerage. Positive and sustained employment outcomes for these groups are demonstrated in that they are overrepresented relative to their size, highlighting effective existing approaches to outreach and employment readiness.

[CALAT \(Croydon Adult Learning and Training\)](#) – Funded by the Adult Education Budget, CALAT provides a variety of academic, vocational, pre-vocational and recreational courses across Croydon. With the opportunity to develop courses to meet businesses recruitment and workforce development needs.

EPIC (Employment Pathways in Croydon) – Connecting businesses, schools and colleges to expose young people to the world of work and support businesses to achieve their social value objectives.

Providing engagement opportunities and supporting business and school led activities such as careers events, work experience and employability workshops.

[The Croydon Good Employer Charter](#) – free accreditation scheme for responsible employers who want to become part of the Good Employer Network. Accredited employers are committed to the use of local supply chains, creating local job opportunities and above all ensuring employees are paid the living wage. The Good Employer Charter adheres to 4 basic tenets:

- Encouraging employers to pay a fair wage.
- Create sustainable local employment and training opportunities in Croydon.
- Support Croydon's small businesses and promote local supply chain opportunities.
- Businesses to implement best practice in fairness equality and sustainability throughout their business practices.

Local Employment and Training Strategy (LETS), an agreement with employers which sets out their obligations in respect of their contribution towards skills and training under S106.

[Croydon Apprenticeship Academy](#) – The Croydon Apprenticeship Academy is the one stop shop for apprenticeships in the London Borough of Croydon. It connects businesses and training providers with people who are interested in starting an apprenticeship. Its “100 in 100” campaign is in full swing, aiming to create 100 apprentice job outcomes in 100 days.

[Business Support](#) – we provide a range of services and advice on managing and growing local businesses, finding premises, financing, networking and accessing new business and market opportunities.

There are numerous benefits for developers using Council services:

- Close links to the supply chain, enabling vacancies to be identified and created;
- Beneficiaries are supported on a one-to-one basis, ensuring that each receives relevant support leading to employment;
- Support for beneficiaries both pre- and post-employment, working to ensure advancement of their careers and significantly reducing drop-out rates;
- Flexibility to offer clients the training and support they most need, where and when they need it;
- Ability to influence recruitment, training and employment practices in favour of under-represented groups, leading to an increased supply of labour and good and lasting results.

We have also embarked on sector specific initiatives such as the Mayor's Creative Enterprise Zone and Music City which aims to nurture the growth of creative industries in Croydon, including the digital creative industries mentioned above.

Business needs and problems with Business As Usual

The borough's population is set to grow by 11% (GLA) over the next 10 years. The borough currently has one of the highest populations of young people aged 0-16 and there is a current population boom at year 11 aged (15-16). This is set to continue with a predicted growth of 5.5% in under 16s between 2019 and 2029 (GLA, 2017). There are a number of potential challenges associated with this if business as usual continues.

- Potential unmet demand for university places. Without university expansion the demand for higher education will exceed supply, exacerbating the regional skills gap.
- If current social and economic deprivation trends continue, the pressure on frontline services such as Croydon's Gateway, Work in Health Programme and Croydon Works is set to grow.
- If existing workers are unable to reskill and new workers are unable to acquire the skills needed for growth, the borough will again become vulnerable to cyclical events such as recession. It is imperative that the Council works with stakeholders to future proof skills for a dynamic economy.

Potential scope: A university for the A23 Growth Corridor

The borough is located within the catchment area for a number of London and Surrey based universities (London South Bank University, Kingston, Surrey), each within a 7-10 miles radius. The majority of Croydon students attend universities in the sub region and have travel times of up to an hour more by public transport.

There is a well-established body of evidence which shows that businesses tend to locate near to a knowledge anchor (university, research body or business e.g. Google) in order to reap the benefits of agglomeration and knowledge exchange. Moreover, they need to be able to access specialised local labour pools, educational establishments and communities. The most recent example of this in London is 'Here East' in London's Olympic Park with UCL and Loughborough University as knowledge anchors.

Location is therefore key in sustaining the strategic clustering of high growth industries. Businesses seek out highly accessible places which are well connected both digitally and by public transport, including sustainable modes of travel. It needs to be amenity rich, providing social opportunities for entrepreneurs, workers and learners.

There is currently a gap in the market in the C2C region and Croydon is well placed to respond to need. The borough has embarked on a partnership with London South Bank University (LSBU) to support its expansion into Croydon. The partnership includes Croydon Council, Croydon College and others (see section 2.3 below).

The Council is in negotiation with LSBU regarding its phased expansion in a town centre location. This provides LSBU with an excellent opportunity to establish a small campus at the heart of the Growth Zone.

Insufficient funding for the Higher Education Sector

Major capital investment is required to ensure that the redevelopment is equipped with a space that meets the future need of a HEI and its students. Also that it can offer specialist educational equipment and an open, innovative and accessible site that encourages collaboration between stakeholders.

In England, universities are expected to finance 75% of their capital expenditure from their own cash by 2017–18, compared with 31% in 2014–15. However, over the course of our development of the project, universities routinely reported the difficulty of acquiring capital resources needed to update buildings and to expand their offer.

To be sustainable in the long term, universities need to meet their 'full economic costs' of research. This includes costs of staff, field and laboratory work as well as maintaining/replacing infrastructure and investing in innovation. Nonetheless, UK universities are not receiving enough income to cover the full economic costs of their research activity, and do not dispose enough resources to upgrade or expand their buildings. Although external borrowing is the main option to deliver the investments needed (external borrowing raised for universities in England to over 30% of income in 2016–17), not all universities, such as LSBU, are able to borrow more.

Support of local and regional funding is needed to accelerate the establishment of networks of innovation hubs if the LEPs are to achieve their growth objectives. A recent example, on a much higher scale, is the £100m government fund that has been secured by UCL for establishing its expansions in East London which would otherwise not have been possible.

Growth Deal funding will be essential to cover part of the cost needed to launch and accelerate the first phase of the new campus. A total value of £5.6m has been identified for this first phase (19/20) as part of an overall £10m proposed scheme, and the Council is currently identifying loan opportunities and financial schemes to support the following phases of the university partner expansion in Croydon.

2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes.

To recap on our investment objectives over the next 5-10 years:

The ultimate aim of the Growth Deal Funding is to enable the residents and businesses of Croydon and in neighbouring places in the C2C area to access higher level learning and training opportunities.

- **Increase in higher education attainment** - universities have a positive effect on secondary and college education.
- **Improve skills** –
 - To increase the proportion of working age residents in Croydon achieving in-demand NVQ Level 4+ qualifications, meeting levels currently experienced in comparator neighbouring centres in the C2C area (Reigate, Banstead, Mole Valley, Brighton and Hove)
 - To reduce the proportion of working age residents with no qualifications.
 - To improve pay conditions of local residents and reduce in-work poverty by creating higher skilled and hence, better paid jobs.
- **Address future skills gap** -
 - Minimise job losses over the next 5-10 years as a result of automation and technological advances.
 - Create Higher Level Apprenticeships, training and degree courses relevant to current and future core strengths.
- **Enabling greater access and choice to HE** - Decrease commuting times for local residents and residents in the Croydon catchment area (Mole Valley, Crawley, Reigate and Banstead) that want to study locally, i.e. transport costs can be reduced, making higher education more appealing to local residents, especially from lower socio-economic backgrounds.
- **Create high value jobs** – more jobs created in knowledge intensive sectors, skills gap closed, more people progress in employment, moving away from elementary jobs requiring low level skills.
- **Inward Investment** – Increased footfall and spend in the Croydon Metropolitan Centre, resulting from increase in the number of students and businesses.

Other outcomes captured by the project but not included as Growth Deal fund outcomes under this proposal, relate to business growth.

- **Increase in business growth** - Specialist business support for SME's, will help businesses invest in new technologies and practices. This will boost their productivity, generating sustainable growth across the borough.
- **Increase in supply chain activity** - associated with business start-ups and growth.
- **Increase in business start-ups** – more businesses take advantage of untapped opportunity with the support of a university led innovation hub.
- **Increase in business relocation** – as businesses seek to benefit from agglomeration by relocating close to existing clusters.
- **Stimulate the market for new types of co-working spaces and practices** – Evidence across the UK typically shows the growth in co-working spaces needed to meet the demand for co-working spaces / collaborative workspaces and maker spaces stimulated by innovation output.
- **Increase in cross fertilisation of ideas** - The scope of the university offering can progress to other growth areas of Croydon's / C2C economy, pioneering innovation in the expanding creative and retail sectors.

The above will lead to the following anticipated benefits to the Council:

Cost reduction to existing services - The Local Government Association (LGA) have predicted a funding shortfall of £8bn across the Public Sector by 2025. This is due to growing demand for services and increases in population. Social care services are under greater strain with a gap for adult social care predicted to be £3.6bn by 2025 and £3.1bn in children's services. The project will ultimately generate savings to the Council and to the exchequer. As residents become economically resilient, there is less pressure on frontline Council support services such as The Work and Health Programme, Croydon Works and Gateway.

2.3) Stakeholder Engagement carried out.

Invitation to partner – April 2018

A university in Croydon has been a long-term aspiration for the borough, culminating in an invitation to partner to all universities in the South East region. At the time, the Council's long term economic strategy was felt to align well with LSBU's Strategic Plan in terms of widening access to a greater number of students in the borough and across the South London and Surrey belt and the creation of four 'market facing' enterprise institutes, linked to the UK Industrial Strategy (Health and Wellbeing, Sustainable Communities, Enterprise and innovation, Knowledge Exchange).

Further consultation takes place through the Future Places Board – a non-executive function of the Council set up to promote economic growth.

Summer 2018

A series of high-level strategic meetings were conducted over the summer between the senior leadership team at Croydon Council and the Vice Chancellor, Deputy Vice Chancellor and the Deans of various schools to discuss the terms of the partnership and the creation of a 'University Centre' project board.

Feb 2019

The LSBU and the Council formally announce their partnership.

March 2019

Croydon Council launches its Creative Campus at MIPIIM highlighting the growing importance of the knowledge economy in Croydon. The partnership between LSBU and Croydon Council is announced at MIPIIM.

July 2019

The Council identifies the Creative Campus as a future funding requirement in the July Financial Review Cabinet paper.

LSBU formally endorse the partnership at their governance group meeting. The Council facilitates a meeting with Croydon College to develop an integrated Construction and Built Environment offer.

Present - The main platform for stakeholder engagement continues to be the University Centre Steering Project Board which currently consists of LSBU and Croydon College. The stakeholders meet monthly. However, as programmes and projects commence, a much wider range of stakeholders will be considered. The following have all engaged with the Council, with some engaging through the Future places Board. More are expected to join the project board as and when projects commence.

Tertiary / Education Sector

- *London South Bank University (LSBU)* – who want to expand into Croydon. The University has developed an integrated skills offer with Croydon College for construction and the built environment.
- *University Centre Croydon* – Sussex University validates degree courses offered by University Centre Croydon.
- *Croydon University Hospital* – the main CHS hospital site, based just north of Croydon town centre, hosts clinical training and teaching for health and social care students from LSBU and King's College London.

- *Schools / FE* – the partner university will seek to deliver school engagement and outreach programmes, promoting core subjects which are aligned to C2C regional industries.
- *Kingston University* – the Council has an established relationship with Kingston University through the South London Partnership. There is potential for collaborative working with LSBU and other research partners for major R&D grants.

Providers of Co-working spaces / incubators

- *Nexus Creative Hub* – a collaborative co-working space that promotes and supports the creative community in Croydon.
- *Matthews Yard* – a collaborative co-affordable workspace and co-working spaces for budding artists and creatives.
- *The Business Xchange Hub, Start-up Croydon, Airport House* – providers of flexible co-working office space.
- *Innovation Croydon (INC)* – a university led accelerator space.
- *Future City Catapult* – a research centre supporting local bodies to drive innovation in urban services.

Businesses and Business Networks

- *Croydon Business Improvement District* – made up of 570 levy paying businesses in the town centre, the BID ensures the town centre remains vibrant and open for business.
- *Chamber of Commerce* – a business network organisation with around 2500 members.
- *Federation of Small Businesses* – a powerful voice in government representing the needs of small businesses.
- *Shaking Hands* – a local business network providing a platform for SMEs to collaborate and share expertise.
- *Develop Croydon* – a private sector led, local initiative aiming to provide events, information and resources to help advance development and economic renewal in Croydon.
- *Croydon Business Network* – the borough's business community provides events, networking, training and lobbying activities.
- *Croydon Partnership Westfield Hammerson* – the partnership will deliver the redevelopment of Croydon's retail centre, supporting the creation of jobs, apprenticeships, training and new business opportunities.
- *Future Place Board* – the board represents the education and employment theme in the Croydon Local Strategic Partnership (LSP). Made up of businesses, voluntary groups, private and public sector organisations, the partnership supports Croydon in achieving the objectives set out in the Community Strategy.

Providers of Business Support – C2C Growth Hub, London Growth Hub and others

Employment Services and training providers – Croydon Works and others

2.4) List the key stakeholders and their interest areas.

Stakeholder	Interest area
Croydon Council	Facilitates and delivers regeneration and inward investment in the borough.
London South Bank University	University partner seeking to expand into Croydon. Future occupant of the University Centre

Future Place Board (under LSP)	Seeks to work collaboratively with wider business and education stakeholders (detailed above) to promote social and economic growth in the borough
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2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

Constraints:

- a) *Timeframe* – Phase 1 of the project must be delivered by 19/20 to enable the London South Bank University to have an operational base in the first year of its planned expansion (20/21). The build project must be complete by 2024 by which time, LSBU will have an established campus in Croydon.
- b) *Scope* – LSBU's space requirement is limited to a site in Croydon Metropolitan Centre, as this was the most cost-effective option for the university as they lack the capital investment needed for expansion. Match investment in land and buildings from the Council has helped to augment and bring forward expansion plans.
- c) *Affordability* – The capital limit on the project is £10m for both phases 1 and 2. This has been approved at cabinet.

Strategic Risks to the project:

- a) *Regeneration plans are delayed* – this will impact on the delivery of housing targets which drives population growth (and hence student numbers) in the borough. Anticipated economic and social benefits will be slow to materialise.
- b) *Local government elections* - local government elections will be held in 2022 in London. The university campus is a priority scheme and a manifesto commitment under the current administration. This cannot be guaranteed under future administrations which may impact on the delivery of phase 2 of the scheme.
- c) *Public spending Review* - If the outcome of the public spending review leads to tighter budgetary pressures, this may lead to the claw back of current asset expenditure commitments.
- d) *No Deal Brexit* – universities may experience shifting priorities in the event a no deal Brexit scenario materialises. This may result in affordability issues in relation to the take up of the The proposed site lease etc.

Service Risks to the project

- a) *Design, Build, Financial and Operational (DBFO)*. These are in 1.6 detailed above and cover for example, cost overruns.

2.6) Project Dependencies

Regeneration

The success of the project is dependent on ongoing regeneration activities in the Metropolitan Centre. This is considered on two fronts:

Housing led population growth which is necessary to generate the student numbers needed to make the University Centre viable. A number of schemes are currently underway in the metropolitan centre and across the borough leading to a housing trajectory of 13,200 new homes over the next five years. Larger schemes such as the Fairfield and College Green site (1000+ new homes) Queens Gardens (513 new homes), Queens Square - Phase 1 (290 New Homes) and 101 George St (546 new homes) are currently on site.

Growth Zone – Transport Infrastructure Improvements which are needed to improve accessibility and make the location of the University Centre viable.

The Growth Zone is a partnership between Central Government, Croydon Council, the Greater London Authority and Transport for London to finance and deliver a major regeneration programme, at a cost of £500m. This will facilitate growth in central Croydon. A suite of 46 projects will be delivered over the next 3-5 years including a number of critical transport and public realm measures (bus measures, Brighton Mainline Upgrade, tram link extension, corridor improvements, new cycling routes and station rebuild) designed to improve connectivity and ease congestion.

Ensuring the metropolitan centre is amenity rich

A number of complementary measures are in place to ensure that Croydon Metropolitan Centre has a vibrant offer, commensurate to the scale of its physical regeneration. This is needed to attract and retain residents, visitors and workers. These are detailed below:

Growth of the Evening and Night Time Economy (ENTE) - Croydon has the potential to become a thriving 24 hour cultural and economic hotspot. A draft ENTE Action Plan has already been reviewed by scrutiny and is expected to go to Cabinet in November 2019. The plan has a 1-4 year delivery timeframe and proposes a range of initiatives to make Croydon accessible, safe and vibrant at night. Croydon has recently applied to become a Night Time Enterprise Zone Pilot under the GLA.

Culture Strategy - The borough is beginning to deliver key objectives of the [Culture Plan 2019-2023](#). Culture is inextricably linked to creating an ENTE destination status for Croydon through the delivery of cultural activity. Key initiatives include [Croydon Music City](#), the aim of which is to support musicians, writers, street artists and poets to bring vitality and creative energy to borough-wide performance spaces, pubs, high streets, street market and buildings; and the [Creative Enterprise Zone](#) which seeks to nurture and stimulate the growth of the creative sectors that have taken root in the borough.

External Dependencies / Higher and Further Education Funding Structure

The way HEIs and FEIs are funded will impact on the viability of universities in general and therefore will have a direct impact on the University Centre. A recent government commission reviewed the current funding landscape and recommended a reduction in fees; reduction in the number of low value courses and furthermore, an increase in support towards vocational education.

LSBU are mitigating this by offering more university level apprenticeships, which are funded by the employer levy. However, changes to the maximum levy payment for apprenticeships, which is set by government may make an apprenticeship offer unviable. Policy decisions such as removing Levy funding for Level 4+ apprenticeships will have a significant impact on the way universities operate.

Expansion of other universities

The expansion of other universities in the borough is a further possibility which impacts on the student share by HEI. Liverpool Hope is expanding to north Croydon (South Norwood) with a small offer and Spurgeon College is becoming a University with a complementary offer of Theology, Counselling and humanities. This is likely to signal the expansion of other regional universities in the borough.

2.7) Project disruption

The impact of disruption has been accounted for under risks and the mitigation strategies proposed. We may anticipate cost overruns and a disruption in the supply of materials as a result of No Deal Brexit. Other external dependencies (changes in HEI funding) may lead to LSBU seeking a change in the scope i.e. reduction in the number of floors required.

3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.

Box 1:

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
Do nothing, minimum or status quo	The university will not establish a presence in Croydon.	£0	£0	No core outputs achieved
Proposed option	The University Centre site will be refurbished into an efficient and modern university space. LSBU will establish its new university campus in the building and run its faculties offer from Sept 2021.	£5.6 m (Phase 1 of a £10m scheme for the refurbishment of the site and the creation of the new University campus)	£2m	All core outputs listed in section 1.6 achieved.
Alternative options:	LSBU will be located in an alternative building. A new building development could be considered, however this would be a much higher investment that is unlikely to be financially sourced and would not happen in the short term.	>>£10m	>>£2m	No core outputs achieved in the short term.
Alternative options:	LSBU will not create a new campus in Croydon, however LSBU and Croydon Council could sign a MoU to work together in supporting businesses in the area.	£0m (no capital costs, however there will be revenue costs associated to this option)	£0m	Only business support outcomes achieved.

Box 2:

Option Name:	Advantages:	Disadvantages:
Do nothing, minimum or status quo	No cost incurred	No outcomes achieved

Proposed option	This option will achieve positive outcomes that will benefit residents, businesses, and the whole local economy.	-
Alternative options:	-	There are no other existing buildings nor new sites identified for the development of the new university campus. These may become available in the future, but this option will not happen in the short term and not achieve value for money, as costs will overtake benefits.
Alternative options:	No capital costs incurred.	Only “businesses supported” outcome expected. There is no evidence of this happening without the physical presence of the university in the area.

3.2) The preferred option

Alternative Options

No alternative options are considered in this business case. The reason is that these are unlikely to happen in the short term, their benefits will be minimal, late and uncertain, and the overall investments would not achieve value for money.

Preferred Option

The preferred option is therefore the only one here outlined as the way forward. If funded, this option will achieve positive outcomes in relation to skills and employment and will benefit the whole local economy.

3.3) Issues with preferred option.

None. Detailed cost benefit analysis has been carried out to evaluate and demonstrate the value for money of this option and its financial sustainability in the long term.

3.4) What are the top 5 risks of this option?

Confidential

Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. **Please also complete the outputs tab of the supporting excel spreadsheet.**

3.5) Economic impact

The impact of the site development is moderate to high. Using the net employment gain and average GVA per workforce job (ONS, 2018), a one-off investment of £5.6m will result in a cumulative additional GVA contribution of £7.9m from the 57,562 sqft over a 4 year period.

In addition, the refurbishment of the proposed site for LSBU presents a huge opportunity to increase the high-skilled individuals and jobs for the local economy, as well as encouraging young people in compulsory education to pursue higher education and apprenticeships.

We have used the Scottish Government Output, Income, Employment and GVA Multipliers 1998-2015 to calculate all indirect and induced GVA. It is noted that construction jobs are not included in the outputs.

Gross Value Added from the office space (57,562 sq ft)

GVA additionality from the 112 direct jobs based on 5347 sqm using the HCA Employment Density Guide 2010 and the HCA Additionality Guide 2014 is £4.9m. This includes a 15% displacement (HCA Additionality Guide 2014). Resulting in a total additional GVA of £7.9m, including the 22 indirect and 45 induced jobs.

Sensitivities

Our jobs outputs estimates are projected on the basis of 30% leakage due to facilities and specialised equipment required and also a 20% conversion percentage (HCA Employment Density Guide 2010).

Economic contribution from student expenditure

It is estimated that on average an LSBU student will have a monthly spend of £400 excluding transport, utility bills and accommodation costs (Which? University, 2018). The economic contribution of the students' expenditure is driven by the increase in turnover and activity in the companies in which they spend their money. Therefore, expenditure is assumed to go on personal items, social activities and study costs (Bigger Economics, 2016).

The focused industries for calculating additional GVA and induced jobs were food, beverage, retail and entertainment. We have used Type II Employment and GVA multiplier average of the related industries, resulting in a 1.5 GVA multiplier and 1.2 Employment multiplier effect. We take into account the ratio of GVA/employment to turnover associated with the commodity (Biggar Economics, and ONS Annual Business Survey 2015). This results in a monthly additional GVA of £1,688 and 0.06 FTE jobs per student enrolled at LSBU.

Economic contribution from LSBU staff expenditure

It is estimated that on average the take-home pay for university lecturer is £2,700 per month (Prospectus UK 2018). The median salary for a university lecturer equates to £43,000 (Prospectus UK 2018). From this, it is estimated that 50% of take-home pay is spent on fixed costs, thus leaving behind £1,350 per month to be spent on leisure activities. Using the same methodology used for student expenditure, this results in a monthly additional GVA per month of £5,697 and 0.23 FTE induced jobs per month for each LSBU lecturer. It is noted that the focus was on the university lecturer profession as this will be the most common profession in the University Centre.

Overall impact

The economic impact of the LSBU University Centre will ripple not only through the local Croydon economy, but also the wider C2C region, with the opportunity to bring an international presence through attracting international students and talent. This would substantially supplement our local offer to residents in Croydon through knowledge exchange with the international presence.

3.6) Environmental Impact

The environmental impact directly connected to this intervention results in 884 tons of CO2 emissions being saved from the Croydon students not having to travel to London to pursue their studies. Reduction in CO2 emissions will also be indirectly achieved through other programmes and interventions that will support the university centre success. These include:

- Increase in walking and cycling routes in the town centre.
- East Croydon station upgrades.
- Improved traffic and pedestrian flows as a result of the building and roads upgrade in the town centre.

3.7) Social Impact

There are a number of studies that evidence how the presence of a University will generate benefits not only to the local economy and the job market but also to the wider community:

- Increasing access to higher education for lower income families. ESRC research shows that the majority of young people stay relatively local for university. Moreover, it highlights that those from socially disadvantaged backgrounds and some ethnic minority groups are much less likely to travel out of their local area for university. A university provision in Croydon will fulfil the local demand for a higher level education that is not currently present in the area, targeting Croydon / C2C catchment residents that currently travel further afield to pursue their studies. Moreover, it will stimulate further local demand and potentially reach those residents from ethnic minority and lower income families that won't be able to commute or move away from home for studies (estimated 1000 students enrolled within three years).
- Increasing residents' wellbeing. Graduate jobs are estimated to provide a salary that is £10k higher than a non-graduate position. An expected higher income will impact positively on the health and mental wellbeing of the individuals.
- Collaborating between education institutions and businesses and community organisations. A University will have a key role in strengthening links between higher education institutions and local businesses and organisations to create more work opportunity locally. This again will contribute to save costs for the individuals and will have a positive impact on their wellbeing.
- Increasing cohesion and social interaction between young people.
- Offering advice and consultancy to local residents and businesses.
- Helping to shape local policies and strategies.
- Connecting various research streams to local priorities that benefit local residents.

3.8) The number of people and businesses positively impacted by the intervention?

It is reasonable to argue that a project of this scale will impact on all the residents (385,346) of the borough as well as on the residents of the wider C2C region, providing them with improved access to high quality university provision, with modern study and work spaces, and business support services.

More specifically:

- 32,950 young population in Croydon aged 18-25 (ONS, 2018) will partake of local access to higher education, with 4% of them each year being able to pursue their university studies locally.
- 2290 businesses in the knowledge intensive sector will have the opportunity to benefit from the university presence, 2% of which will receive non-financial support and 1% of which will establish partnerships with the university to develop innovative research and products.
- 1535 businesses specifically located in the Croydon Opportunity Area / Growth Zone will benefit from the increased number of students through increase footfall and spend in the town centre.

3.9) Follow on Investment

University R&D Funding will be sought to further enhance the university offer.

3.10) Skills projects only- Impact on Skills Provision

The project will make an impact on skills provision in terms of:

- Delivering high quality academic teaching and apprenticeships resulting in high skilled graduates.
- Increasing the percentage of residents achieving higher education or equivalent attainment.
- Dramatically decreasing the skills gap in the borough (currently the highest percentage for low paid jobs in south London) through enabling individuals from lower socio-economic backgrounds to access the university offer.

- Rising income levels to the wider population of the borough through creation of high-skilled jobs.

3.11) Business and enterprise projects only- Impact on business growth

N/A

3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?

N/A

3.13) If your project results in service and other improvements then please provide baseline data below.

N/A

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

The Council will follow its adopted Tenders and Contract Regulations 2019 which were adopted at full Council in July 2019 in this procurement. This is included within the Councils constitution section 4L. These are in line with the Public Contract Regulations (PCR) 2015 and Concession Contract Regulations (CCR) 2016.

The Council will require to procure professional services and the construction/fit out works in line with the requirements of this funding application. The envisaged procurement route for these requirements are:-

Professional Services

The Council will require to procure professional services to include Architects/Designers, specialist surveyors, project managers and quantity surveyors to support the construction. The options for the procurement are:

Options	Benefit	Drawback
Restricted tender & Open Tender	<ul style="list-style-type: none"> • Council to receive competitive tender submissions from national and local suppliers who are specialists in the required works • Social value outcomes can be maximised as local contractors have the opportunity to tender. • A supply chain partnering approach for the provision of design to be included in the Contract. Removing the risk of Contractual disputes and to ensure appropriate quality standards are established. 	<ul style="list-style-type: none"> • Time scales for professional services may not be reduced with this approach. • Council may receive higher priced proposals and / or lack of competitive tender responses due to the requirements for the leading provider to take on additional risks and liabilities.

Existing Council Contracts	<ul style="list-style-type: none"> • Utilise the existing contracts to deliver the requirements. • Time saving as Contracts already established. • Robust Contract Management approach can be applied with one lead provider. • Preferred procurement rates due to increase in buying power and specialist product / service knowledge. 	<ul style="list-style-type: none"> • Difficulty in varying the scope of Contract as could exceed award value and tolerance of 25% to increase the Contract. • Loss of flexibility over the service offered (beyond those stipulated in the Contract) • If service levels are not delivered to a good standard, this can have a knock on result towards awarding new project requirements. • Review of existing contracts shows that we don't currently have this provision in place.
Homes England Framework	<ul style="list-style-type: none"> • Established national framework that the Council has used before. • Wide number of providers. • Varied scope of services provided by the framework that would meet the Councils requirements • Simple and compliant tendering process. • Pre-agreed rates to help with forecasting of costs 	<ul style="list-style-type: none"> • Not many local suppliers on the framework
GLA Framework	<ul style="list-style-type: none"> • Established national framework that the Council has used before. • Wide number of providers. • Simple and compliant tendering process. 	<ul style="list-style-type: none"> • Not many local suppliers on the framework • Scope of services may not meet the requirements of the Council
In house provision	<ul style="list-style-type: none"> • The project associated professional services including project management, commissioning and procurement can be quickly commissioned to support the delivery of the programme particularly those on high priority order. 	<ul style="list-style-type: none"> • Council's limited capacity to manage the delivery of the programme due to business as usual related activities that may be impacted. • Specialist technical input required which is not available in house, for

	<ul style="list-style-type: none"> An appetite to procure furniture in-house has been demonstrated by Council teams. 	example the architectural & design related
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Therefore the recommended option at this stage is to carry out a tender exercise via the Homes England framework. This is subject to further review when the tender strategy is approved by the Council.

Construction Fit Out Works

Options	Benefit	Drawback
Restricted & Open tender	<ul style="list-style-type: none"> Council to receive competitive tender submissions from national and local suppliers, including those who are specialists in providing Library related refurbishment, fixtures and fittings. Minimise the need for orders of change to be applied during the implementation of the Deliverables within its limited budget as variations / adjustments will fall under the responsibility of the lead provider. Social value outcomes can be maximised as local contractors have the opportunity to tender. A supply chain partnering approach for the provision of design to be included in the Contract. Removing the risk of Contractual disputes and to ensure appropriate quality standards are established. 	<ul style="list-style-type: none"> Time scales for Construction and Refurbishment may not be reduced with this approach. Council may receive higher priced proposals and / or lack of competitive tender responses due to the requirements for the leading provider to take on additional risks and liabilities.
SCAPE Major works Framework	<ul style="list-style-type: none"> Savings offered as free feasibility study provided (otherwise would cost circa £70k). The lead Provider awarded this framework is Wilmott Dixon following outcome an OJEU procurement process undertaken by SCAPE consortium body. Lead Provider approach would be adopted due to no requirement for mini-competition to be undertaken. The SCAPE framework has already been reviewed by the Council and therefore is available for the Council to use. 	<ul style="list-style-type: none"> The lead Provider awarded this framework is Wilmott Dixon following outcome an OJEU procurement process undertaken by SCAPE consortium body. However, value for money will need to be conducted by independent QS to verify.

SEC Construction Framework	<ul style="list-style-type: none"> • Good selection of contractors which also offers a flexible procurement route. • This framework has been set up via an OJEU procurement process that has been carried out by South East Consortium. • Lead Provider approach may be adopted via a mini-competition approach which may also enable evidence of value for money being achieved. 	<ul style="list-style-type: none"> • It is unlikely that any local contractors are registered via this framework therefore, would need to determine whether there are opportunities for local SMEs to become supply chain partners of the appointed leading Provider. • Limited social value outcomes may be achieved. • A requirement for legal to review the framework related documents to determine whether the Council is eligible to access the framework in accordance with the PCR 2015.
Southern Construction Framework	Good selection of Contractors which also offers a flexible procurement route.	<ul style="list-style-type: none"> • The framework can only be used when the project value is greater than £4m therefore this option is currently not viable to support the delivery of this programme.
Existing Council Contracts	<ul style="list-style-type: none"> • Utilise the existing contracts to deliver the requirements. • Time saving as Contracts already established. • Robust Contract Management approach can be applied with one lead provider. • Preferred procurement rates due to increase in buying power and specialist product / service knowledge. 	<ul style="list-style-type: none"> • Difficulty in varying the scope of Contract as could exceed award value and tolerance of 25% to increase the Contract. • Loss of flexibility over the service offered (beyond those stipulated in the Contract) • No current contracts identified as being able to be utilised.

Therefore the recommended option at this stage is to carry out a procurement route using the SCAPE major works framework as the most economical solution at this initial stage. This is subject to further review when the tender strategy is approved by the Council.

4.2) Involvement of private development partners.

N/A

4.3) Procurement plan and timescales.

The procurement plan and timescales are shown below. This is split into the two required procurements for professional services and construction/fit out as below:-

Step	Date	Professional Services	Construction/Fit Out
Market Engagement	Sep 19	X	
Invitation to tender issued	Sep 19	X	
Clarification Questions	Sep-Oct 19	X	
Invitation to tender closed	Oct 19	X	
Evaluation	Oct 19	X	
Award letter & Council Approval	Nov 19	X	
Call off and standstill	Nov 19	X	
Mobilisation	Nov 19	X	
Contract Start Date	Nov 19	X	
Market Engagement	Oct 19		X
Invitation to tender issued	Jan 20		X
Clarification Questions	Jan-Feb 20		X
Invitation to tender closed	Mar 20		X
Evaluation	Mar 20		X
Award letter & Council Approval	Apr 20		X
Call off and standstill	Apr 20		X
Mobilisation	Apr-May 20		X
Contract Start Date	Jun 20		X

This is in line with preferred procurement route at this stage.

4.4) How will the project contribute towards social value?

Croydon was one of the first Councils to set social value high on the agenda by going beyond the requirements of the legislation and mandating social value considerations across all commissioned spend. The Council is committed to maximising social value not only through ensuring that social benefits are at the core of the commissioning and procurement activity, but also by encouraging borough-wide responsible business practices through the Good Employer Charter.

The Council's aim is to ensure Croydon benefits from the expenditure related to the contracts procured, changing people's lives for the better in terms of local employment, training, sub-contracting opportunities, community support and environmental initiatives.

The Council wishes to work in partnership with its service, works and goods providers and supply chain partners to achieve social value from all contracted spend, ensuring that its contracts deliver long-lasting and sustainable positive impacts and outcomes for Croydon's communities and businesses.

Social value can take almost any form, ranging from the very tangible, jobs for the long-term unemployed, or sub-contracting opportunities for small businesses, to softer, but equally important benefits, engagement with communities or groups of individuals who might otherwise feel entirely disengaged. This approach also supports the Council in fulfilling its public sector equality and diversity duties.

Partners that deliver social value via contractual arrangements with the Council are expected to report on delivery.

Croydon Council is a London Living Wage employer and has made a commitment to ensure all employees working for the Council directly or through contracts are paid the Living Wage. As such, payment on London Living Wage to employees working on this contract will be a requirement of these procurements.

A key foundation of the Council's approach is the Social Value Framework that aligns the local priorities with the ambition to maximise what we achieve through Social Value. The framework has six themes that represent local social value focus and priorities with example outcomes and measures developed to help consider and embed social value. The six themes are:

- SV1 – local employment;
- SV2 – creating accessible pathways to employment;
- SV3 – supporting healthy lifestyles;
- SV4 – supporting local communities and initiatives;
- SV5 – supporting local business growth;
- SV6 – supporting a cleaner and greener borough.

It is envisaged that this procurement would support as follows:

- SV1 Local Employment- Requirement of the tender for local people to be employed and apprentices.
- SV2 Creating accessible pathways to employment- This will be for work experience, interns and supporting local job fairs.
- SV5 Supporting local business growth- That any sub-contractors are looked to be used locally wherever possible.
- SV3 Supporting local communities and initiatives- Engaging with the wider community in the development of the scheme and supporting local communities from donations either by time in kind or donating equipment/materials etc.

SV6- supporting a cleaner and greener borough- Use of sustainable/recycled materials and a clear transport plan to reduce omissions.

4.5) State Aid Compliance.

State Aid can be considered for the following stakeholders

The Council as recipient of Aid. As the owner of the university centre site, the Council receives Growth Deal Funding to refurbish a property. – compliant (non-economic undertaking)

Applying the four part test;

- Growth Deal funding is a grant and therefore meets the definition of state resources. The Council is a recipient of the grant needed to refurbish an asset under its ownership.
- The Council is not typically engaged in commercial activity as owner of the proposed site and is therefore not considered to be an economic undertaking. Neither is there a selective advantage being conferred to the local authority. The aim of the Growth Deal grant is to stimulate the growth of knowledge intensive jobs and businesses via the presence of a university as an anchor institute. The Council has identified the proposed site as suitable accommodation for a university (London South Bank University) Growth Deal funding will be spent on the refurbishment of 6 floors under Phase 1 of the scheme to provide a base for the university. Moreover, the transfer of funding from the LEP to LBC is deemed to be an intra-state transfer or "closed cycle funding" as the Local Authority will not be deemed to carrying out economic activity using the funds.
- A further point to note is that LSBU will occupy the refurbished space post Growth Deal expenditure in 2021. The rental income accrued will be the Council's main funding mechanism for covering the

cost of refurbishing the remaining floors under Phase 2 of the scheme, which will allow LSBU to operate under full capacity. We therefore do not consider Part 2 of the four part test to be satisfied under this current phase.

- The Council will benefit from an uplift in land values as the result of the refurbishment. The Council's State Aid will need to be revisited if it decides to dispose of the property.
- The support is not considered to distort competition / potential to distort competition as the Council is not operating in the market as a property developer and is unlikely to affect trade between member states.

The university as indirect recipient of State Aid – The university as tenants of the site - Compliant (non-economic undertaking)

- The university is an indirect recipient as the benefit conferred would not have been acquired without Growth Deal Funding. Even though the capital costs of refurbishment will be recouped through higher rents, a benefit is nonetheless conferred.
- To answer this fully, how universities and university activities are treated by State Aid rules need to be considered. As with local authorities, State Aid is designed to regulate competitive market activity and so it does not generally impact upon public functions such as R&D and tertiary education.
- But where Universities become active in the placing of goods or services on a competitive market they need to consider State aid rules.
- The university falls within the definition of a 'research organisation' as its primary goal is to conduct research and development, teaching and knowledge transfer. All profits are almost always reinvested back into further developing these activities.
- The university is State Aid compliant if it engages in non-economic undertakings e.g:
 - knowledge transfer activities e.g. including licensing, spin-off creation, or other forms of management of knowledge, provided they are of an internal nature and where all income generated is reinvested back into the activities of the RO ("internal nature" is defined as a situation where the management of knowledge is conducted by the RO or a subsidiary or contracted to a third party on a commercial basis).
 - Development of land and property for the University's own use. This would cover teaching and research facilities including those which may eventually be used for joint research with private industry or for the supply of commercial services to industry, as long as these purposes are ancillary to the main public functions.

Should the university choose to engage in purely commercial terms state Aid rules apply e.g. where it acts as a consultant to businesses etc. or its activities distort the market.

Businesses as indirect recipients of State Aid – compliant (De-Minimis rule or GBER)

Businesses as indirect beneficiaries of accelerator / incubator space. Businesses may receive support from the university in terms of advice, support to innovate, use of equipment and facilities. In most cases they pay a fee for services.

The support provided has the potential to distort competition in that businesses benefit from innovation and accelerator services. It is too early to consider the market rate at which the benefit is conferred i.e. below market rate / at market rate. If the benefit conferred is below market rate, the De-Minimis rule would apply. It is unlikely that any benefit conferred would exceed De-Minimis but GBER could be relied on to ensure compliance.

5. The Financial Case

5.1) what is the estimated total project cost and the amount of LGF being applied for? **Please complete the funding breakdown tab in the supporting excel spreadsheet.**

Confidential

5.2) Please set out the project expenditure items – **No rounding up.**

5.3) Net Present Value cash flow analysis.

Please detail your project assumptions and discount rate used

Options	NPSV
Do nothing, minimum or status quo	£0
Proposed option	£34,414,978
Alternative option	<£0

Financial assumptions have been chosen consistently with the C2C guidance and HM treasury Green Book. These are:

Construction Period and Appraisal Duration	Construction period (19/20 and 20/21) – Operational period (21/22 – 24/25). This is in line with the LGF monitoring timeframe. The lifetime of the investment is estimated up to 30 years and therefore a 30-year appraisal should be considered when evaluating the NPSV. However, as the project only constitutes the first Phase of a wider £10m scheme, we capped the appraisal period to 6 years and only accounted for the direct benefits produced as a result of the here proposed investment. Further costs and benefits will be incurred after this time that should be taken into account in the overall project evaluation.
Costs and Benefits estimates for the public sector (LBC and LSBU)	<p><u>Costs</u></p> <p>The project costs considered in the NPSV calculation are the capital costs that will be incurred during the construction phase in line with the spending timeline required by LGF. There will be delivery and operational costs incurred by the Council and University during the operation phase that have not been accounted for in the NPSV calculation here as they are sustained beyond the expenditure timeframe considered for this application.</p> <p><u>Benefits</u></p> <p>The Council will generate income from the University through the lease of the site. However, this income cash flow has not been accounted for in the NPSV calculation as this will be reinvested to sustain the following investment phases of the university centre development. Similarly, we haven't accounted for any operational costs sustained and income accrued from the University during the running of the faculties, such as staff costs and students fees, as this goes beyond the aim of this analysis.</p>
Costs and Benefits estimates for the society/local economy and level of additionality considered	<p><u>Costs</u></p> <p>There are no costs for the society.</p> <p><u>Benefits</u></p> <p>We only evaluated the benefits that are incremental to the counterfactual. Different assumptions have been taken into account depending on the type of benefit accrued in relation to:</p> <ul style="list-style-type: none"> • Deadweight (0-50%): costs/benefits for activities that would have happened anyway • Leakage (0-20%): benefits leak outside target group

	<ul style="list-style-type: none"> Displacement (0-20%): activity directly supports that displaces other useful activity
Discounting	As the scheme lifetime is below 30 years, we have discounted all benefits and costs by 3.5% per year as per HM Treasury Green Book guidance.
Level of Optimism bias	We applied a 15% optimism bias, increasing the costs by 15% and decreasing the benefits by 15%.

A summary of the NPSV evaluation is reported here below. Please refer to the impact spreadsheet in the appendix for details on the benefits and NPSV evaluation.

NET BENEFITS TO SOCIETY	
	Total
Costs	
<i>Costs to society (excluding exchequer and public sector costs)</i>	
Benefits (Monetised outcomes)	
<i>Benefits to society (excluding exchequer and public sector revenue impacts)</i>	£47,429,618
Total Net Benefits	£47,429,618
<i>Discounted Net Benefits</i>	<i>£41,822,829</i>
NET COSTS TO PUBLIC SECTOR	
Costs	
<i>The total amount of funding being provided by Central Government and other public sectors organisations</i>	£6,440,000
Benefits	
<i>Benefits to the exchequer and public sector (any projected revenue)</i>	
Total Net Costs	£6,440,000
<i>Discounted Net costs</i>	<i>£6,203,326</i>
TOTAL NET SOCIETAL BENEFITS	
Total Net societal benefits	£40,989,618
<i>Discounted Net costs</i>	<i>£35,619,502</i>
NPSV	£34,414,978
SROI	7.36

5.4) Value for money

On the basis of the benefits assessment and conservative costs estimates which included a 15% optimism bias, we estimate that the project here identified will achieve a SROI of 7.36 over a 6 year period (2 years construction plus 4 years operation). This means that for every £1 pound invested, the project's impact is worth £7.36 for the local economy and therefore achieves value for money.

This result is in line with other Universities' impact evaluation studies in outer London. As an example, the Brunel University impact study in the London Borough of Hillingdon shows that each £1 GVA directly generated by the University generates a total economic impact of £6.60 GVA for the wider economy.

The 6 year period assessment framework has been chosen in line with the monitoring timeframe of the LGF, however, we estimate that the scheme's benefits will continue to be received beyond this period and will be further amplified as a result of further investments in the scheme in following phases.

In addition to the considerable quantifiable GVA and benefits to the local labour market, the University is also expected to deliver further qualitative community/social benefits. These include driving initiatives to support the local and regional community, delivering on the needs of local people, whilst providing world leading research and innovation.

5.5) VAT status

Croydon Council is VAT exempt as a public body but can reclaim VAT on costs that relate to non-business activities as per the VAT Act 1994 and VAT Notice 749 (HM Revenue and Customs)

5.6) Financial Sustainability

Growth Deal funding will be an essential contribution to the cost of launching and accelerating the first phase of the new university centre. The lease of the new fully refurbished building will contribute to the further £5m investment planned for the expansion of the university in the building. The Council is also considering the deployment of financing schemes such as an enhanced rental agreement with the University. This would repay back any additional investment costs needed by the university, such as simulation suites and technical rooms. Alternatively, if the university will incur the costs of these interventions, rent-free periods will be considered.

The University model is assumed to be financially self-sustainable through revenues from student fees and consultancy activities that will cover its management and running costs.

6. The Management Case

6.1) In which financial year do you expect your project to commence?

6.2) In which financial year do you expect your project to complete?

6.3) Please set out the key milestones related to the project. Please include planning permissions, funding secured, PR and events.

Milestone	Start date	Completion date
Negotiation with University	Sept 2019	Dec 2019
Agreement signed with University	Dec 2019	Dec 2019
Ending current lease agreements	Jan 2020	Jun 2020
Procurement of work	Jan 2020	Apr 2020
Refurbishment works	May 2020	Jun 2021
University to occupy the designated floors	Sep 2021	Sep 2021

6.4) Project management arrangements

Managing Delivery - An operational group will report to the LBC-LSBU Project Board (see below). They will meet monthly to review deliverables and milestones against a project plan, developed to track progress. The group will deal with project management, address on-going issues, manage risks, provide quality control and monitor performance in terms of day to day operational issues.

The group will consist of a multidisciplinary team comprised of officers from the Place and the Resources Department. The following teams are integral to the successful implementation of the University Centre Scheme.

Place Department

Economic Growth – Lead accountable team; responsible for delivery of the Economic Development Strategy, Skills and Employment programmes, Business Support and Inward Investment. A project officer is in place to oversee the client management function for LSBU and to service the Project Board. The senior responsible officers for the project are the Director of Economic Growth and the Growth Zone.

The Growth Zone – the proposed site is located in the Growth Zone. Although it is not a Growth Zone project, the University Centre scheme will share dependencies with the Growth Zone projects. A regeneration officer will be present to ensure dependencies are met and disruption is minimised.

Public Realm - The redevelopment will impact on public realm (parking, highways) and construction logistics in the Growth Zone. It shares interdependencies with the schemes being delivered in the Growth Zone in terms of wayleaves and planning.

Spatial Planning and Building control – responsible for potential planning permissions required for the scheme and building regulations.

Department of Resources

Asset Management & Estates – Responsible for delivering the Council's Asset Strategy. The team will be responsible for overseeing the capital delivery of the project; contract management; contract / performance review; management of DBFO risks and issues. The Senior Responsible Officer is Head of Assets and Estates at Croydon Council. The construction contract will be procured via our standard procurement framework and will be project managed by a regeneration officer.

Procurement - Responsible for providing procurement guidance and advice. The lead officer is the procurement lead for the Place Department.

Contractors – A representative from the contracting body will be present on the steering group to update the steering group on progress and DBFO risks and issues.

Finance - Responsible for ensuring the project remains affordable; the project is accounted for and that a financial audit trail exists to support monitoring and evaluation. The Senior Responsible Officer is the S151 officer for the borough.

Legal – Responsible for monitoring legal compliance should risks and issues materialise. An in-house solicitor will represent legal on the steering group.

Croydon Council is a large organisation with a robust support infrastructure in place to deliver a project of this scale. The project will have access to the Council's financial management (Our Resources), legal, IT systems and marketing resources to ensure the effective delivery of the project.

We have a robust project management system in place to ensure that activities are delivered according to time and budget through the **Programme Assurance Office**. All of the above will ensure that an audit trail of the project exists to support evaluation and financial audits.

6.5) Key project roles and responsibilities

Economic Development Officer (Economic Growth Team)

- Contract Management LSBU
- Servicing the project board
- Providing monitoring reports to the board, keeping them up to date with progress
- Liaison with the Project Assurance Office, Assets Management and other teams to collate monitoring data
- Preparing and providing monitoring reports to WSCC

Regeneration Officer (Growth Zone)

- Reporting to the Growth Zone Steering Group
- Maintain liaison at the steering group
- Identify and report on key dependencies with the Growth Zone Programme

Regeneration Officer (Assets Management)

- Contract Management
- Develop project initiation and project plan
- Project management and assurance
- Maintain risks and issues
- Manage disruption
- Reporting to the Assets Board
- Liaise with the public realm and highways team

Legal, finance, procurement, building control will provide compliance support. Spatial planning will provide planning support.

6.6) Governance, oversight and accountability

Governance – Decision Making

From its inception, the University Centre project has been informed and supported by the Council's Leadership Team, LSBU, partners and stakeholders. Furthermore, cross party political support has been common throughout the university expansion journey.

The governance arrangements set out in the diagram below provide strategic leadership and ensure collective governance to inform the coordinated delivery, management and operation of the University Centre project and other funding programmes within the Croydon opportunity Area and the Growth Zone which is key to improving the vibrancy of the town centre, attracting inward investment, optimising employment opportunities, and considering the impact of growth on inclusion and social cohesion and health maximisation.

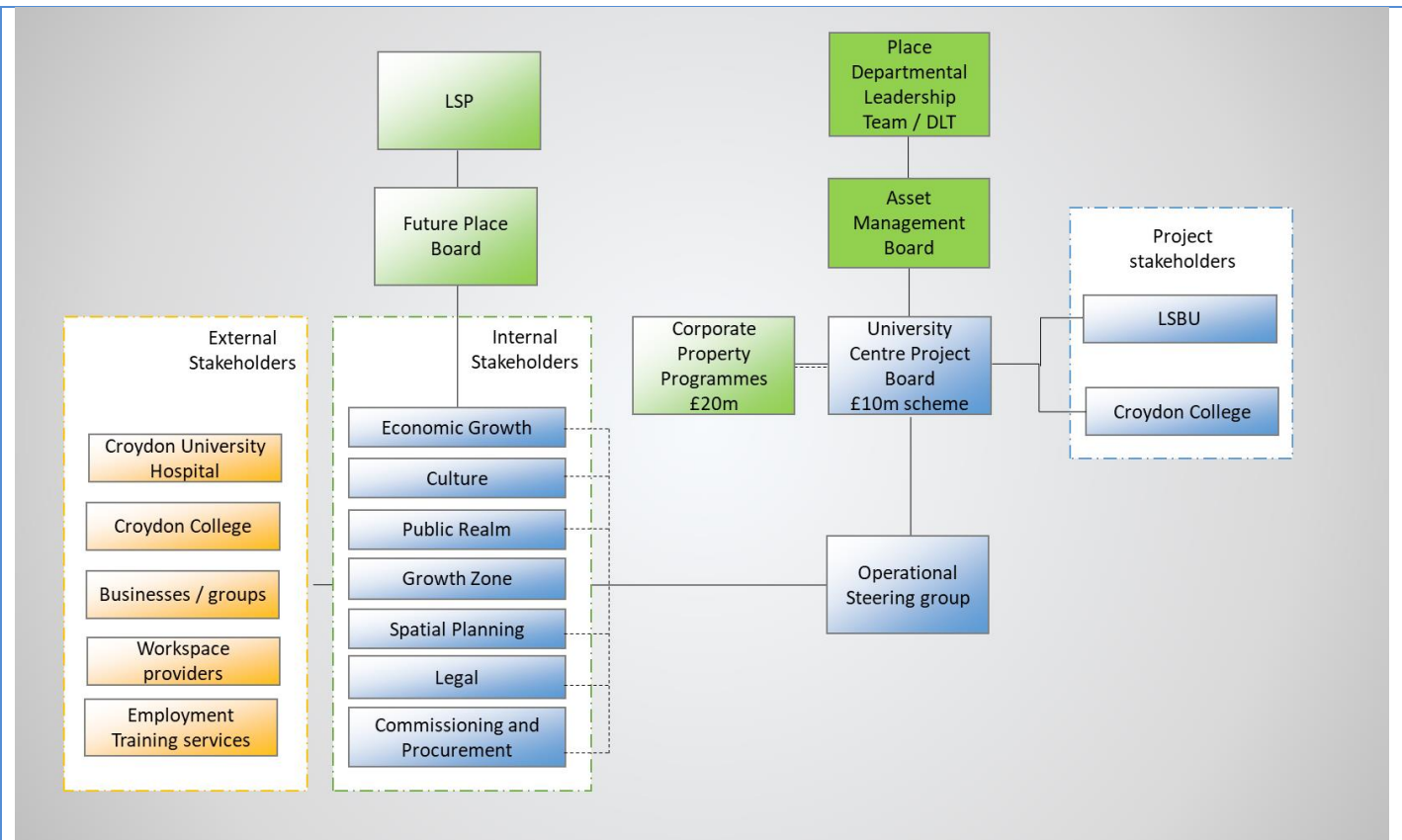


Figure 1 - Governance Structure

The Accountable Body function will be fulfilled by Croydon Council (with regular liaison with C2C / WSCC). Croydon Council has extensive experience of managing externally funded programmes and projects and has previously managed Growth Deal Funding.

The University Centre Project Board, reporting to the Asset Management Board has been set up to ensure control mechanisms are established and maintained throughout the programme. The University Centre Board meets monthly and consists of the following stakeholders:

London Borough of Croydon

- Economic Growth
- Spatial Planning
- Asset Management and Estates
- Standards Safeguarding Learning Access & Inclusion
- Education & Youth Engagement

London South Bank University

- Deputy Vice-Chancellor
- Director of Development and Alumni Relations Office
- Dean of the School of Arts and Creative Industries

The purpose of the project board is to bring London South Bank University's (LSBU) presence to Croydon, work collaboratively on the proposed University Centre Project and develop relevant projects to stimulate economic growth. Specific objectives are to:

- Provide oversight on overall project performance in terms of the property, phasing, tenancy issues and planning considerations.
- Setting direction of travel to inform programme delivery.
- Risk and mitigation controls.
- Procurement sign-off
- Align new activity & changes.

- Identify challenges, prioritise activities and agree key aims and objectives of the proposed University Centre Project to stimulate local economic growth
- To oversee the discussions and negotiations between the parties in connection with the project
- Ensure timely and meaningful consultation with the stakeholders
- Identify and discuss possible partnership opportunities
- To have oversight of the relevant funding bids
- Ensure that the range of projects and activities are developed to promote community cohesion
- Review communications plans and ensure promotion of programme.

There is scope to invite wider stakeholders on a case by case basis.

Relationship with the Council's Place DLT

The purpose of the LBC Place DLT is to review and monitor growth within LBC and provide strategic guidance and leadership for the Asset Management team, allowing for co-ordination of Borough-wide initiatives that impact and relate to the corporate property programmes.

All capital projects are monitored and reported to the Council's Place DLT, chaired by the Executive Director. Monthly reports are produced and presented on a dashboard for review by the Board. Appropriate action is taken should projects indicate any issue, causing this to show as an amber or red status.

The University Centre Scheme will sit alongside other corporate property programmes and report to the Place DLT through the Assets Management Board.

6.7) Communications and stakeholder management

Stakeholder Management will occur through the University Centre Project Board; keeping stakeholders (LBC and LSBU) informed of progress. Data and Information from the project assurance office will be used to prepare monitoring reports to keep the funding body (C2C, WSCC) and other partners informed. All internal parties will have access to the programme dashboard.

The communications plan for the programme will follow Croydon Council's communications strategy which applies to all of the Council's stakeholders.

To keep residents and wider stakeholders engaged and informed we will:

Publish all our plans and proposals, news items and alerts for the The redevelopment of the proposed site Development. This is to some extent already being delivered through the following:

- **Your Croydon** - Your Croydon is a lively, free, full-colour electronic magazine for the residents of Croydon. Produced bi-monthly with a circulation of 42,000 and providing an unrivalled medium to reach all members of the community.
- **E-Bulletins** - the fastest and most convenient way to get news about the Council. These contain alerts on events, road closures, news and issues.
- **Your Croydon newsroom** <http://news.croydon.gov.uk> for all the latest news from the Council.
- **Consultations and customer engagements** – to capture and manage stakeholder issues / views relating to any aspect of the delivery of the North Croydon Activation Scheme we will use the Council's online engagement tool: **Get Involved** <https://getinvolved.croydon.gov.uk/KMS/news.aspx?LoggingIn=tempVar&strTab=Home>

In addition to the above, the Council makes use of social media channels to keep stakeholders informed and engaged (Twitter, Facebook, Flickr, YouTube)

Press releases and Media queries are handled through the Council's **press office**. We aim to handle media enquiries quickly and accurately, ensuring local and national media have the facts to ensure accurate reporting of news issues. **On news items featuring any aspect of Local Growth Funding we**

will liaise with C2C LEP to issue joint press releases.

6.8) Benefits management

Croydon's University Centre provides a unique opportunity to reflect upon the role that universities can play in the social and economic transformation of a locality. As such, we recognise that we will need to track not only the hard outcomes, stipulated in the bid document (space refurbished, jobs created and number of learners) but also business growth outcomes and further longer term impacts on our economy.

The Council's Programme Assurance office, will be responsible for programme assurance for the duration of the project. In terms of monitoring outcomes for the Growth Deal's three year delivery period, the anticipated time-frame for achieving those outcomes is as follows:

Year 1 2019/2020: floor space refurbished

Year 2 2020/21: New jobs created + number of new learners

Year 3 2022/23: Number of new learners

Beyond the outcomes of the Growth Deal programme, Croydon's University Centre is a manifesto commitment and a priority project which is anticipated to make a significant contribution to Croydon's corporate objectives (2018-2022). These are that:

- People live long, healthy, happy and independent lives
- Our children and young people thrive and reach their full potential
- Everybody has the opportunity to work and build their career
- Business moves here and invests, our existing businesses grow

The Council has developed a basket of baseline indicators (qualitative and quantitative KPIs) as part of its performance management framework. A benefits register has been established by the Council to track and monitor outcomes and distance travelled towards the achievement of the above objectives.

The lead regeneration manager under Economic Growth will be responsible for collating and monitoring data needed to report to the corporate performance team. The benefits register will be updated on a quarterly basis and will be used to provide quarterly (subject to confirmation) reports to the Steering Group, University Centre Programme Board and Place DLT.

6.9) Project evaluation – This will be a requirement at the completion of a project.

Post Project Evaluation

This will occur on completion of spend in April 2024.

The overall evaluation of the programme's relevance and effectiveness in terms of the extent to which outputs have achieved the objectives of the programme will be evaluated by an external provider to maintain impartiality.

We anticipate the evaluators to adopt a range of evaluative techniques to assess the extent of change. Working from the start, we expect a review at the beginning of the programme and a final evaluation after programme closure. LSBU has access to expertise and we feel would be better placed to respond to the post project evaluation of the project. Moreover, we anticipate the following to be incorporated as part of the programme.

1) Assessment of the programme's relevance

The evaluators will assess whether the programme's target beneficiaries are being reached i.e. students and whether they are receiving the interventions (courses, training) proposed under the University Centre Scheme. Stakeholders and beneficiaries have already been identified and engaged throughout the consultation and project development phase.

2) Assessment of the programme's impact and effectiveness (outcomes)

The evaluation will measure changes in:

a) People's skills

- Improved uptake of courses
- Improved job outcomes of individuals
- Improved social prospects of individuals

b) Prosperity

- Economic prospects of individuals
- Development of the productivity of small businesses
- Whole area productivity using an appropriate measure
- Changes in the level of social capital in an area and its correlation with productivity

c) Place improvement: Changes in perceptions, outlook and feelings of local people and visitors to the area.

We expect evaluators to adopt qualitative approaches to ascertain changes in perception, outlook and feelings. This may be delivered through surveys/workshops taking into account the diverse nature of local residents, their individual circumstances and life experiences.

We expect the evaluators to establish a counter-factual position against which to measure the added value of our programme. This can be done by identifying other locations and beneficiaries which are not university locations and monitoring these to assess the relative impact of the programme. Recognising the breadth of factors impacting upon area change, appropriate adjustments will be made, in particular displacement, deadweight and leakage. These will be applied in line with the guidance of the HM Treasury Green Book.

3) Assessment of the Programme's efficiency and implementation

This element of the evaluation is an assessment of whether the Growth Deal programme has been successfully completed to time and budget and whether the programme is considered to be value for money.

Recommendation & Declaration

Recommendation- please state clearly the recommended action this business case supports.

Declaration:	I certify that the information provided in this Business Case is complete and correct at the time of submission.
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Signature:	
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Print Name:	Emma Lindsell
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Title:	Director of Economic Growth
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Date:	16/08/2019
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Before submitting your Business Case ensure you have all the required supporting documentation:

- One electronic copy of the business case template, signed and dated
- Excel Spreadsheet (both tabs completed)
- Full risk register

- Any other Supporting documents and evidence required (e.g. letter of support from Area Partnership)
- Written evidence to the satisfaction of the Coast to Capital Accountable Body from a practicing solicitor / Counsel that the project is compliant with the EU state aid rules.
- VAT external advice if applicable.