

COAST TO CAPITAL LOCAL GROWTH FUND OUTLINE BUSINESS CASE

Project Title:	The Quarry Building at the Aldingbourne Country Centre
Lead delivery organisation:	The Aldingbourne Trust
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Version No:	1
Issue Date:	21 December 2016

This document provides a template for an Outline Business Case (OBC) in support of Coast to Capital's investment in a project to be funded through the Local Growth Fund.

The main purpose of the OBC is to put forward the case for change and the preferred way forward identified in an internal Strategic Outline Case (SOC); which establishes the option which optimises value for money; outlines the deal and assesses affordability; and demonstrates that the proposed scheme is deliverable.

In practice, you will find this entails updating the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, with supporting benefits and risk registers.

Please note that this template is for guidance purposes only and should be completed in accordance with any guidance issued by Coast to Capital and the guidelines laid down in HM Treasury's Green Book which can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

The OBC should cover the 5 cases – the Strategic case, the Economic case, the Commercial case, the Financial case and the Management case.

The amount of work and detail put in to a Business Case should be proportionate to the scale of the project or programme, and the expenditure involved.

Coast to Capital Disclaimer

There shall be no expectation of grant payment unless and until a funding agreement is signed by both parties. All the Applicant's costs and charges incurred as a result of making this outline application shall be for the Applicant's account and cannot be claimed as part of the project except where feasibility funding has been prior awarded.

1. Executive Summary

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

This application relates to capital funding contribution for the Quarry Building – a new multi-space commercial and community building at the Aldingbourne Country Centre, near Chichester in West Sussex. The building will provide larger conference facilities, a café, retail area and offices than the current facilities available. The building is part of a site master plan which will lead to business growth, savings to the state and added economic output. We are ‘shovel ready’ – we have planning permission, the design and project team in place and are currently out to tender for the build. The build time is planned to be 12 months. We would therefore be able to achieve the proposal within the next 15 months.

The existing Country Centre has been consistently increasing visitor numbers to our existing facilities over the last 5 years – in the last 12 months we have welcomed over 60,000 people to the site. The Country Centre uses a social enterprise model – providing opportunities for start up and existing businesses and enterprises to develop and expand and reinvesting the income from these activities to support the Aldingbourne Trust’s social aims. We are the 6th largest employer in the Arun District and will be able to create more jobs as a result of this project. We intend to build on our successful model, and have reached capacity with buildings on our current site – and our need to increase the range and quality of enterprises in order to continue to grow.

The Aldingbourne Trust is a charity that supports people with disabilities. Revenue funding is used to support people who are often excluded from the labour market to gain experience and jobs, reducing dependency on the state. The number of people with learning disabilities is predicted to expand, whilst social care funding is under enormous pressure. The social enterprise model is a cost effective means of tackling the challenge of demand increasing and funding reducing, as it leverages in private funding and improves positive outcomes for people with disabilities and their families.

1.3) Please choose the theme in which the LGF funding will invest in directly (*please choose only one main theme of relevance*)

- | | |
|--------------------------|-------------------------------------|
| Infrastructure | <input type="checkbox"/> |
| Housing and Regeneration | <input type="checkbox"/> |
| Skills and workforce | <input type="checkbox"/> |
| Business and Enterprise | <input checked="" type="checkbox"/> |

1.4) The fit with the Strategic Economic Plan and Devolution Deals

We note the aims & objectives of the Three Southern Counties (3SC) emphasise the principles in the Coast to Capital's Strategic Economic Plan. Our proposal reflects these by the strategic fit via:-

Jobs: the project will enable us to directly create & safeguard 73 jobs in the Arun area. This is based on our successful strategy to date – we have created 58 new jobs since 2010, a 33% increase over that period. We are now the 6th largest employer in the Arun District. One of our objectives is to provide more opportunities for carers to enter/remain in the employment market. Research has shown that carers would like to work more and can have high skills, representing a source of untapped economic output if their dependents can be better supported.

Tourism: the project will enable us to build on our success at the Aldingbourne Country Centre as a significant tourist attraction. Our target customers are families with young children across the south of England and our objective is to grow visitor numbers from 60,000 to 100,000 per year, increasing trading income and supporting further growth. The map below shows our visitor home locations cover the whole South East region, with the proposed Quarry Building marked by the green house. (Key: the darker the colour, the more visitors who come from the area.) The Coast to Capital area is marked in black.

Employment space: there will be an additional 1,158m² of employment space. We note that Arun District Council has recently approved a housing development for 400 dwellings within 1 mile of our Country Centre, plus other major developments with close commutable distance (the emerging Local Plan suggests the need for 12,500 new homes over the next 15-20 years) – we expect to offer local employment opportunities for these communities.

Business start-ups: we note the Arun District has lower numbers of new businesses in the Coast to Capital area. Our Centre actively supports and facilitates the growth of small business in the area and will host a range of enterprises, including 'Hawking About' – birds of prey experiences and displays; Laundry Services – a horse rug wash and repair business and duvet laundering service. Our own social enterprises on the site will expand due to increased capacity. These include a café, conference venues, furniture restoration, horticulture, an open farm and wood recycling. Our project meets the Coast to Capital Strategic Economic Plan's intention to promote social enterprises as an effective form of business for a wider group of potential entrepreneurs than has normally been considered and the Plan's statement to work with third sector and community based organisations to build the enterprise aspiration and capability to ensure there is a better understanding of the social enterprise model.

Digital improvement: we are making a significant investment (£50,000) in upgrading access to fast broadband (100Mb) which will be needed to service the new building, till points, our on-site enterprises, conference users, and other business start-ups on site who require internet access.

Work skills: we fully endorse the Skills Strategy and are willing and able to work to achieve the vision, particularly regarding the reference to an inclusive balanced economy. Our project directly meets the Plan's intention to introduce people who have never worked into the workforce, who are excluded from work/learning, who are not provided for by current programmes and who may experience 'false starts'. We note Coastal West Sussex has the least qualified workforce. Indeed, most of our workforce join us without qualifications. We support them to gain appropriate vocational qualifications and will be able to support more people to enter the workforce. The new building will directly provide more training places for inclusive, applied learning. We have held Investors in People Gold status and have a proven track record of investing in employee development. We are able to attract and retain a quality workforce, and have won awards and commendations for this – including 2015 & 2016 West Sussex Partners in Care Best Practitioner Awards, 2015 Skills for Care Accolades, Supported Employment Practitioner of the Year, 2016 Staff Wellbeing Award and the Training & Development Award from the Arun Business Partnership. Our training and development programme results in people gaining vocational qualifications, both at entry and higher levels.

Due to our size and growth we are able to offer career pathways. We develop in-house talent and recruit from the local area. This project will enable us to support more apprentices into the workplace. 80% of the people who leave the Aldingbourne Trust tend to stay within the health and social care sector – including private providers, the NHS and the County Council. We support learners who are furthest from the employment market. 12.5% of our workforce have a disability, compared to just over 2% in comparable organisations in our sector.

This project's emphasis on skills development will enable us to support more people into employment – we have passed our 1,000th milestone in supporting people who have disabilities into work and we will continue to develop and enhance this service. Please see attached endorsement from **ILG**, one of the companies we support.

This project will offer more professional placements and work experience – linking with the University of Sussex and the University of Chichester to offer social work placements (10 per year).

Carbon Reduction: our proposal has been designed to make use of low carbon technology and infrastructure, which results in a high performance and sustainable building. As part of our development we plan to run a shuttle bus from our local rail station. We actively encourage cycling – both across our workforce and to visitors – we are well supported by local cycling groups who use us as a destination for sportives and leisure riding. We are planning a bicycle hub at the Centre, to repair and sell used bikes and encourage cycling for all ages.

Co-investment: the project has already attracted over £1.55M from the private sector, in addition to us reinvesting our funds from our revenue surpluses to take this step forward and prior investment in securing planning permission.

Sharing resources & knowledge: we link to local and national learning and development networks and host professional visitors from across the UK and Europe. Many of these visitors are interested in using enterprise to support sustainable models of support during challenging economic times. We have been a centre of excellence for Social Firms UK, hosted professional visits, including guests of the local authority and other organisations from UK and Europe, the USA and Japan. The Aldingbourne Trust was a 2016 finalist for Enterprise in the Third Sector awards. Senior managers have spoken at national and international conferences. The new project will be robustly evaluated by HACT (a research organisation) and information disseminated to relevant umbrella groups.

Supporting the local economy: the Aldingbourne Trust was an original signatory to the Bognor Regis Development and Partner Charter, promoted by Arun District Council – the project enables us to be able to procure and spend money in the local economy and develop local skills and new jobs. Senior Managers also support the development of smaller organisations and companies, eg, with mentoring and governance advice and support.

The aims of the devolution proposals to increase **productivity and economic growth** outline the Government's position on the drivers of productivity being a dynamic, open, enterprising economy supported by long term public and private investment in infrastructure and skills. We are leveraging in major amounts of private investment for the capital aspect of our project, evidenced by our ability to obtain planning permission and raise almost 50% of the remaining project costs to date. Looking to the long term, the project enables us to build upon the substantial potential for revenue streams from our tourism and enterprise activities at the site. We attracted **60,000** visitors last year – this exceeds other local attractions (**Amberley Museum 41,500 visitors, Bignor Roman Villa 15,000, Pallant House 50,000**).

The devolution prospectus refers to the **added pressure on public services**, including social services. We support the transformation of public services, reducing reliance on the state and promoting independence and wellbeing by being more financially secure and independent and being rooted in local communities. This project supports the need to work differently to meet the increasing demand for social care. The Aldingbourne Trust has a track record of doing things differently, including consortium working and working across the public, private and third sector to achieve savings and deliver agreed outcomes. (**For example, a recent project with the Department of Work & Pensions supported people furthest from the workplace to become work ready; working with the South East Coast Ambulance Service to improve communication and liaison with people who have a disability**).

We are able to lever in substantial in-kind support through our enterprises and asset based ways of working, which include volunteering and time-banks. The message we are promoting is to raise individual and community expectations and positive outcomes, focusing on what people can do, giving them opportunities to live, learn and become more independent and improve their wellbeing. Our project will reduce reliance on public services and is a model to demonstrate how enterprise can be used to change people's lives.

We note the prospectus refers to the **labour market being very tight**. We also note reference in the prospectus to areas of acute deprivation along the south coast, which presents further employment challenges. Our project will employ and train people from areas of deprivation in Arun. It aims to address the pressure by ensuring we use a sustainable economic model which can continue to attract and reach people across the area, provide excellent workforce skills training and employment.

The devolution prospectus also comments on the need to **keep more skilled workers in the area**: "we have major demands for skilled people to work in schools, nurseries, social and health care... to ensure the area continues to provide the necessary social infrastructure". Our project supports this head on. Most of the staff who join us are unqualified – we induct, train and support them to attain vocational and professional qualifications and our growth plan will increase our capacity to extend these areas.

We support the proposal to **devolve skills and employment programmes for people aged 14 – 25** and fully endorse and support the devolution proposal relating to the **employability framework** that supports all young people to be work ready on leaving education or training, including the transferable skills that employers demand. We have close links with local schools and colleges. We support the aim of improving access to apprenticeships and will continue to actively offer these at the Aldingbourne Trust.

Our project supports the 3SC **transformation dividend** – including preventative work/support which results in savings to the state, such as lower welfare costs through supporting people with complex needs into work and working with young people in transition to offer real work experiences which match their skills and aspirations to the need of the local economy. **Research commissioned by Kent County Council suggests the average person with learning disabilities costs local government around £16,000 per year. With employment support that can be reduced by £1,000 per year, representing around £1million in extra economic output and savings to the state.**

The site of our project hosts one of our County-wide teams which **supports people furthest from the employment market into work**. We are skilled in using work based learning to ensure people gain employment skills – **in the past 7 years we have supported 854 people with disabilities into work**. The project enables us to increase the number of people we support into work. This accords with the devolution proposals of supporting individuals and families with complex needs with a pathway into

work. Please see the attached letter of support from Shelagh Legrave, OBE, Principal & Chief Executive of Chichester College, which confirms the necessity to support our proposal.

The 3SC objective of **supporting sites for existing and new businesses to grow** and develop so that people can live and work in the area, ie, providing opportunities and support for productive firms to scale up is also met by our proposal.

We have been applying a successful business model for the past 3 years and can evidence that our trading has increased to just under £1M in the last 5 years, we are employing 58 more staff and we will train more people, including apprentices. There is significant house building which will be taking place within 1 mile of our site and across the Arun District. We will be supporting, training and recruiting people from these areas, enabling them to work locally. We have reached capacity at the site – our proposal and support from the Local Growth Fund will enable us to scale up.

The devolution outlines the South Downs National Park facing challenges regarding **poor internet and capacity**. Our site adjoins the Park and our project meets the aims of improving digital networks across the area - we are investing in digital improvements to the rural area in Arun: from our own resources we will be providing fast broadband services to the Centre **at a cost of over £50,000 in the first 3 years.**

The Aldingbourne Trust was a founding signatory to the Bognor Regis Developer & Partner Charter and actively employs local labour, **using local supply chains** whenever this offers best value. This includes members of the design and delivery team for our proposal.

1.5) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet.

	Amount £	% of Total Cost
Total Project Cost	4,184,000	100%
Applicant own funds	340,205	8%
Other public funds	-	
Private sector funds	1,883,795	45%
Funding requested from Coast to Capital LEP	1,960,000	47%

1.6) Expected tangible core outputs/outcomes: Please also complete the outputs tab of the supporting spreadsheet

Output/outcome	Metric	Number to be delivered
Employment - created and/or safeguarded	No.	73
Businesses assisted - financial and non- financial	No.	39
Skills - new learners and/or apprentices	No.	10
New housing unit completions	Units	0
New floor space constructed/refurbished- learning	Sq mtr	738
New floor space constructed/Refurbished- Commercial	Sq mtr	1158
Length of new roads/cycle ways	km	0
Improvement to journey times	Minutes per mile	0
Carbon reduction	Tonnes of CO2	605

1.7) Main risks and issues the project will need to manage? A full risk register will also need to be submitted as an annex.

Please find enclosed a copy of the project risk register. The risk register considers area of risk, nature of risk, the owner, the risk response and residual response. Each risk is scored out of 25 and a traffic light system is used to highlight the major risks, with items scoring 15 – 19 points or more highlighted in yellow and risks scoring 20 or more highlighted in red, thus enabling easy identification and tracking. Our risk register considers risks across 7 categories. The main issues relating to each area which we are managing are:-

Pre contract: we have dealt with all the planning & statutory conditions and are currently out to tender. See below for construction regarding market capabilities. There are no major risks in this category.

Organisation: the project requires excellent communication and decision making. Regular design team meetings are held, co-ordinated by our appointed Project Manager. Decisions are recorded and actioned. There are no major risks in this area.

Physical: ground conditions in the build area. One major area to manage carefully is the condition of the existing drainage infrastructure to ensure it is adequate. This is due to the long drain runs which are pumped across the fields and the A27. All surveys have been undertaken to explore this. The building and access to it have taken ground conditions into account, eg, we will use a piled solution to minimise any risk.

Existing services: capacity of existing services to work with the new building. Surveys have been undertaken and we have structural and mechanical engineers who are part of our design team. We have upgraded to a fibre line to service our broadband requirements.

Construction: Risk of antiquities found during excavations which may then delay the build. A total investigation survey has been carried out and the history of the site researched. Another construction issue would be market conditions resulting in a lack of contractor response to our tender. Our project manager has been testing the market and we have 6 contractors who will be tendering. We are also mindful of phasing, and the need to ensure we have funding to allow us to undertake the works in one phase. Health and safety is being carefully considered, we will manage this to ensure all contractors, users and visitors at the site are in a safe environment and safe working practices are used.

Funding: we have worked hard to raise the funding required and are liaising with a number of grant making Trusts to secure the balance of the funding. We are keeping our current funders informed of progress and will continue to update them throughout the project. Issues of risk and cost have been assessed by our Board of Trustees, who have agreed a traditional form of tender with detailed bill of quantities. We have invested in the detailed surveys and works, and specified details. It is a transparent way of approaching cost control and maintaining quality and design specifications.

Design: we have invested in a great deal of time and resources to finalise the design, to ensure that there are no costly alterations required post-tender award. This has involved us in active and ongoing consultations with users and stakeholders to ensure the design is fit for purpose.
Implementation: the build area will be out of use during the construction phase. We have already installed additional parking and are planning our events for 2017 to smooth visitor numbers. We have developed a robust, professional relationship with the design team and have an effective communication plan in place to ensure people are aware of their roles, responsibilities and informed of progress/challenges.

DOCUMENT STATUS**REVISION HISTORY**

Revision Date	Version No.	Summary of changes	Author/editor

DOCUMENT AUTHOR

Name	Title	Organisation	E-mail address	Telephone

DOCUMENT OWNER

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DISTRIBUTION LIST

2. The Strategic Case

2.1) Describe the compelling case for change. Detail the problem or opportunity the project is intended to address, in terms of market failure or demand and the contribution the project will make to the delivery of the Coast to Capital Strategic Economic Plan and any other relevant plans and strategies. Why public funding is required?

Demand:- The 3SC and Coast to Capital Strategic plans refer to the need to address demand in social care which continues to increase year on year. This proposal directly addresses demand through an innovative model which has been tested over the past 5 years. There is a need for public intervention to build upon the model being adopted by the Aldingbourne Trust. For example, more value will be realised due to the significant support the Trust receives as a local, well regarded charity which has social and economic objectives. The Trust already has the assets which will be used to realise the Coast to Capital plans.

One area in the Coast to Capital Strategic Economic plan related to the need for more conference/meeting areas. We commissioned a feasibility study for site growth (undertaken by f3 – specialist rural consultants) and followed this up with surveys of local conference centres in 2012 and 2014, which confirmed a lack of spaces, especially those that could accommodate more than 90 people. Indeed, current clients include Arun District Council and West Sussex County Council, who have both committed to use our expanded conference space.

Of the 1,037,720 people inside Aldingbourne Trust's main catchment area, around 25,918 have learning disabilities. Currently, Aldingbourne Trust only has capacity to work with 1,000 people per year. At a time when other service providers are struggling to transition to trading models and local authorities are scaling back support, this represents a major deficit. Local Authority budgets are set to decline, restricting service capacity. Whilst the number of people with learning disabilities is increasing, there are other demographic changes likely to have a bigger impact on services. For instance, the population aged 65 and over in the Coast to Capital region is 18.7% whilst the UK average is 17.6%. This will likely mean reduced budgets relative to demand for learning disability support services.

Compared to the wider Coast to Capital area, the catchment area (defined by staff and client home postcodes) of Aldingbourne Trust is more deprived and has more people working for more than 50 hours of unpaid care a week. The 2012 Employers for Carers and Department of Health Task and Finish Group encouraged government to "work with Local Enterprise Partnerships (LEPs), Health and Wellbeing Boards, Chambers of Commerce, local business and other stakeholders in their area to support carers to remain in employment."

We acknowledge more could be done to understand local need through the project duration. To address this, Aldingbourne Trust will be working with HACT (a research organisation) to further understand local context and the impact of this project.

Meeting demand: Local Authority income is set to decline further over the next 5 years limiting service delivery at a time when local needs assessments (using PANSI estimates on prevalence of learning disabilities) are predicting an increase relative to population growth of people with learning disabilities.

This represents a significant risk to Local Authority services as well as a limiting factor on economic growth as carers are burdened by their dependants. Our forecast suggests that of the £3,030,413.42 (NPV) in economic benefit that growth brings, £2,057,537.16 is derived from savings to local government and public services.

Therefore, it is fair to say that this could be a cost to local government and wider services in the west Coast to Capital area if Local Growth Funding was not available, at a time when the numbers of people with learning disabilities is increasing and budgets available for local authority service provision across the region is in decline.

Aldingbourne Trust has reached delivery capacity and feedback from service user consultations confirmed spaces are not flexible enough for different activities, have poor acoustics and lack accessibility. In a business with less robust values and investment in its staff, this might prove a major risk; staff turnover could increase and skills critical to efficient operation could be lost. As Gold Investors

in People certification illustrated, the Aldingbourne Trust has managed to keep staff skills and satisfaction high.

The market: Successive governments have tried to address the sustainability of the health and social care sector. The most recent major review, The Commission on Funding Care and Support (2011), was set up by the Government to make recommendations on how to achieve a fair, affordable and sustainable system for funding adult social care in England. A number of recommendations were made, which have subsequently been put on hold. In the meantime, the social care market has changed considerably – there are few directly provided local authority services (less than 10%: Kings Fund), due to reductions in funding and an emphasis on procurement to encourage ‘any willing provider’ to be active across health and social care services. One of the outcomes of the need to tender for services and focus on cost has been the emergence of large operators.

In 2011, a large private sector provider, Southern Cross, responsible for 31,000 older people, collapsed, due to a range of factors including the remote ownership of the company – a complex mix of creditors, property investors, bondholders, banks, shareholders and landlords. It was noted investors can have a wide-ranging portfolio of diverse international business interests of which care provision is marginal. Many large providers are carrying substantial debt structured in complex arrangements.

The Southern Cross problem focused attention on the highly vulnerable nature of the care market more generally. The Care Act, 2014 introduced a requirement on local authorities to help develop a market that delivers a wide range of sustainable high-quality care and support services. Local authorities have been experiencing the failure of mostly small, care providers each year, but the size and scale of some providers makes it difficult for an individual local council to ensure people continue to receive safe care.

Data from the Care Quality Commission highlights the scale of this problem, with eight English local authorities having a single care home provider responsible for over 25% of places in their area, and with the concentration even higher in more specialist areas such as nursing care (Department of Health, 2012). The Care Quality Commission commissioned a report entitled ‘The Stability of the Adult Social Care Market and Market Oversight in England’ in 2014 from the Institute of Public Care to research market failure in the social care sector. Key findings highlighted that debt is a critical issue for some large care providers and the link between quality of care and financial sustainability are crucial factors in the social care market. The report identified key factors that affect market stability, which include:

- Recruiting a trained and well paid workforce.
- Lower levels of local authority funding may lead to providers exiting the social care market.

In 2015 the Kings Fund highlighted concerns which relate to the inter-relation of the NHS and social care, referring to growing concerns that the majority of NHS providers are sliding into deficit – arguing this should raise alarm about social care providers.

The social care sector is complex and extensive – including more than 12,000 independent organisations, ranging from large corporate chains to small family-run businesses, charities and social enterprises. Our health and social care system is highly dependent on residential care, nursing homes and home care services.

The King’s Fund & LaingBuisson point to increasing concern relating to the fragility of the social care market. The widening gap between the cost of care and the amount local authorities can afford to pay, which has fallen by almost 5 per cent in real terms over the past five years, has seen local authorities freezing/reducing provider fees for several years, but analysts **LaingBuisson** calculate an average annual increase of 2.5% is needed simply to keep up with inflation.

The introduction of the national living wage is projected to **add at least £1B to** providers’ pay bill by 2020. There is concern across the sector as to how this will be funded, and the impact upon smaller operators facing cost pressures but without economies of scale. **56% of directors of adult social care report that providers are facing financial difficulties now.** Three of the country’s top five home care providers are planning to pull out of publicly funded home care or have already done so; many more have handed uneconomic contracts back to local authorities and are indicating they will continue to withdraw (eg, the Mears Group, citing unworkable pay and conditions).

Many care homes are charging higher rates for people who pay for their own care – as much as 40% higher in one study – in order to compensate for or ‘cross-subsidise’ the lower fees paid by local authorities. Inadequate local authority rates are prompting new investment to be targeted at self-funders in affluent areas. 24% of members of the National Care Association have indicated they are considering exiting the market in the next 5 years due to increasing costs and reductions in funding.

The risk of failure is greatest among very large providers who are heavily dependent on local authority funding. The new market oversight regime introduced by the Care Act should ensure these are spotted, but options to rescue them remain limited. Along with the withdrawal of some providers from the publicly funded market, the cumulative effect of these responses will be to make it much harder for people reliant on public funding to get the care they need at a rate local authorities can afford.

The recent Autumn Statement did not refer to funding for social care but following pressure from across health, social care and local representatives, an announcement has recently been made regarding uplifting the Council Tax precept to bring forward more funding for social care. There is however, concern that this will not cover the costs and is not sustainable.

The regulator of social care, the Care Quality Commission, states in its 2016 report ‘The State of Health Care and Adult Social Care in England’ “The fragility of the adult social care market and the pressure on primary care services are now beginning to impact both on people who rely on these services and on the performance of secondary care. The evidence suggests we may be approaching a tipping point”.

The King’s Fund is undertaking a major research project, in partnership with the Nuffield Trust, to understand the effects of public spending reductions on social care services over the past five years and consider options for the future.

2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes. The objectives should be stated in clear and measurable terms with a specified time frame.

Objective policy area	Output	Outcome	Timescale
Increasing employment	73 jobs created & safeguarded, 6 indirect jobs created	Job growth in the Coast to Capital area. Carers joining the labour market	2018 - 2021
Assisting SME’s to develop & grow	38 businesses assisted	Increased economic activity	2018 – 2021
Increasing work skills	10 new apprentices	Young people entering the labour market	2018 - 2021
	175 new learning opportunities	Reduction in dependency on paid services, people furthest from the labour market becoming work ready	2018 - 2021
	30 work experience placements	Trained & qualified professionals, including police, social workers	2018 - 2021
Increasing economic activity by refurbishing floor space	738m ² floor space refurbished	Addressing market failure re social care funding. Leveraging in private sector funding.	2018 - 2021
Increasing economic activity by constructing commercial floor space	1158m ² floor space constructed		2018
Reducing carbon	605 tonnes of CO2 reduction p.a.	Sustainable buildings	2018

2.3) How does the project fit with national, sub-regional and local investment plans and strategies?

Project outcomes	National: our project fits with a number of national investment plans & strategies, as outlined below	Sub-Regional: our project meets the Coast to Capital's Strategic Economic Plan, the Three Southern Counties (3SC) plans & the European Investment Funds (ESIF) Strategy, as outlined below	Local: our project meets many of the strategies & plans outlined in Arun's Local Draft Local Plan 2013-2028 & the Economic Strategy for Arun <i>Open for Business</i> , as outlined below.
Creating & safeguarding jobs.	European Structural & Investment Plans; HM Government's Productivity Plan; HM Government's Productivity Plan; HM Government's Backing the Tourism Sector; HM Government's Valuing People; HM Government's Carers Strategy; HM Government's 'Employment Gap'. The project also supports job retention, by supporting employers and employees who have disabilities, to maintain their employment, as part of our ongoing support.	Coast to Capital's ESIF plan references the importance of the care sector in the area – our project increases capacity for supporting the care sector. The ESIF plan highlights the problem of employment in the area declining at a faster rate than other comparable areas.	Arun's Draft Local Plan 2013-2028 has determined that economic growth for job creation is its number one priority. It wants to enable residents of working age to be able to work within Arun, which our project does. This increases 'job density' and it is the central theme of this plan. Our projects supports the Local Plan's objective by diversifying the range of employment sites available to investors; protecting existing viable employment land from other forms of development, encouraging employment growth in manufacturing, cultural, office, leisure and retail activities. There will be more jobs available to increased number of local residents due to housebuilding in the area, addressing Objective 1 in Arun's Economic Strategy.
Increasing tourism	HM Government's Productivity Plan; HM Government's Backing the Tourism Sector	The Coastal West Sussex ESIF plan emphasises the importance of tourism to the area. Our project fits by improving the quality of the visitor experience to the	Meeting Objective 2 in Arun's Open for Business aims to increase the quality of the visitor experience. We are number 2 on Trip Advisor for the District and aim for high ratings to be

		area, and increasing visitor numbers from 60,000 per year to 100,000.	maintained due to investment to improve infrastructure.
Increasing employment space	HM Government's Productivity Plan	We will increase employment space by new build & consolidating use of existing space, meeting CWS EDRF Investment Areas 1& 2. This includes using the model of social enterprise. We are also improving the profile of successful enterprise within a rural environment, which is a theme in the ESIF Strategy	Our project increases the amount of employment space, meeting Objective 4 in Arun's Economic Strategy.
Supporting business start ups	HM Government's Productivity Plan	Our project promotes entrepreneur activity – meeting CWS EDRF Investment Areas 2 & 3, aims of supporting new social enterprises in the region.	The project enables us to increase our capacity to support more business start-ups in the Arun area – meeting Objective 2 from Arun's Economic Strategy.
Digital improvements	HM Government's Productivity Plan; HM Government's Backing the Tourism Sector HM Government's Digital Economy strategy	Our investment in a fibre line to the project site meets the ESIF strategy with reference to reliable, fast broadband connections.	We have upgraded our digital connectivity as part of this project, meeting Objective 4 in Arun's Economic Strategy.
Increasing work skills	HM Government's Productivity Plan; HM Government's Apprenticeship Policy HM Government's Skills for Sustainable Growth strategy	We have a good fit with improving employability of people outside of the labour market, in accordance with the ESIF aim of inclusive labour markets. Our project meets the Intervention Area 9 regarding vocational work training, experience and apprenticeships and provides a qualification route,	Our project fits with Objective 1 in Arun District Council's Economic Strategy, by addressing the low skills base via the training, qualifications and apprenticeships we will provide.

		particularly for people who have no qualifications – a challenge highlighted in the CWS ESIF plan, with CWS having the least qualified workforce across the region.	
Carbon reduction	HM Government's Productivity Plan;	The project has been designed to have good sustainability credentials, meeting the requirements of CWS ESIF's Investment Area 4, eg, Investment in biomass fuel systems. The creation of local jobs fits with demand arising from significant housebuilding in the area – thus reducing out-commuting. The travel plan for the site includes the promotion of more cycling & use of public transport.	By creating more local jobs, our project helps to meet Objective 6 in Arun's Economic Strategy to reduce levels of out-commuting. The building has been designed to reduce carbon emissions.
Co-investment	HM Government's Productivity Plan;	The project has raised £2.1M to date, from our own resources & the private sector. Our plan will raise 45% from the private sector to complete the project. This co-investment meets the ESIF Strategy to develop growth and ambition for SME's in the region and to lever in non-structural funding.	Our project meets Arun's Economic Strategy aims of increasing the level and rate of new investment as evidenced in the blended nature of income for the capital and revenue costs.
Sharing resources & knowledge	HM Government's Productivity Plan;	We work with employers across West Sussex to promote best practice & action in	In supporting new and developing businesses on our site, our project meets the objectives of

		<p>employing long term unemployed people, meeting the ESIF aim of inclusive labour markets.</p> <p>Senior Managers also support the development of smaller organisations and companies, eg, with mentoring and governance advice and support</p>	<p>Arun's Economic Strategy. Sharing resources & knowledge: we link to local and national learning and development networks and host professional visitors from across the UK and Europe. Many of these visitors are interested in using enterprise to support sustainable models of support during challenging economic times. We have been a centre of excellence for Social Firms UK, hosted professional visits, including guests of the local authority and other organisations from UK and Europe, the USA and Japan. The Aldingbourne Trust was a 2016 finalist for Enterprise in the Third Sector awards. Senior managers have spoken at national and international conferences. The new project will be robustly evaluated by HACT (a research organisation) and information disseminated to relevant umbrella groups.</p>
Supporting the local economy	HM Government's Productivity Plan;	<p>As above, we will be increasing economic activity locally, by creating jobs, increasing skills. The project enables us to be able to procure and spend money in the local economy and develop local skills and new jobs.</p>	<p>Our project attracts local and regional visitors – these feed into local supply chains which will increase as a result of our project's activities, particularly in retail and catering, this supports Arun's Economic Strategy. We are signatories to the Bognor Regis Development Charter, which intentionally supports local supply chains.</p>

2.4) What stakeholder consultation has been undertaken? What stakeholder consultation remains to be undertaken? What stakeholder support has been received? Have businesses been engaged and will continue to be engaged throughout the life of the project?

We have undertaken consultation from the early days of planning this project. This has included:-

People with disabilities who are the prime beneficiaries of the Aldingbourne Trust and their carers – working groups, design sessions, 6 forums a year, surveys, visiting other projects, meetings with potential users at college. There is strong support for the enterprise model – as a means to achieve positive outcomes in developing their skills & confidence and as a route to more independence. Support from the people we support has included active promotion of the scheme at talks, forums, promoting the scheme on social media, fundraising for the project - skydiving, abseiling, organising and helping at events and attracting private donations. The people we support are enthusiastic about the design and implications of the project – they will continue to meet with our trustees every 2 months to be informed and involved as the project progresses.

Staff and volunteer consultation has also been ongoing and has helped shape the project. Staff also promote the project by fundraising, using social media, meeting and hosting visitors to the Centre. Staff are actively engaged and involved with planning the detail and next stages of the masterplan. Local schools: we have a strong relationship with local schools, they actively support the marketing of our educational learning events. One school has a weekly booking for our facilities to use as a 6th form resource and welcome the improvements the project will provide. Primary schools, pre-schools and parent groups support our aims to provide buildings fit for purpose, more facilities, eg, more toilets!

Chichester College: we have consulted with students and staff. Please see attached letter of support from Shelagh Legrave, OBE, Principal & Chief Executive of Chichester College, which confirms support for our project.

Specialist disability organisations: we have arranged visits and spoken with specialist organisations, who have supported us with funding applications – please see letter from **Paradigm**, which supported a successful grant for £250k towards the project.

WSSC: We have consulted with a range of people from the County Council, including the Senior Adviser for Special Educational Needs, Strategic Commissioning Managers, Growth Lead, Arun (Economy, Planning & Place). Louise Goldsmith, Leader of the County Council, has visited the Centre and discussed our plan. We are a regular host for the County Council's national and international guests who visit to see social enterprise working in practice. The County Council is a frequent user of our existing conference facilities. The County Council have provided some support with funding applications. Commissioners: in Adult Social Care are aware of the project. The Aldingbourne Trust works closely with the County Council to provide good support services on the County's behalf. These are guided by comprehensive framework agreements.

Arun District Council: we have discussed the project with Nigel Lynn, who as Chief Executive of Arun District Council has a good working knowledge of the Aldingbourne Trust, and is supportive of our application – please see attached letter. The Head of Economic Regeneration in Arun District Council has provided information and guidance and supports the scheme, suggesting it is deliverable. ADC also use our facilities for their Management Development Programme information. We have extensively consulted with the planning department, who have confirmed we have met all necessary planning consents at this stage of the project.

Members of Parliament: local MP's have visited the site. Please see Nick Gibb, MP's, letter of support.

Coastal West Sussex Partnership: We have discussed the project with Caroline Wood, Director of the Coastal West Sussex Partnership. Caroline has visited the Centre and provided information on applying for funding. Please see attached endorsement from Kirk Brown, Chairman of the Coastal West Sussex Partnership Board.

Local Economic Partnership: We have also discussed our project with Steven Allen, Vice Chair of the Local Economic Partnership, in outline terms. Steven works in the social care sector and knows our Chief Executive professionally. We discussed this project's suitability for LEP funding under the Growth

Deal and Steven advised us to ensure that our project deals boldly with GVA uplift and jobs creation – but also that it should cover the tourism upside and address social care deficiencies. Steven explained that he could not endorse the project but would be prepared to visit the site to enable him to explain the merits of it in due course, if appropriate, to LEP colleagues. We have also met with Anthony Middleton, Chief Operating Officer and Hayley Shepherd, Growth Deal Project Manager, from the Coast to Capital LEP and outlined our project. We were informed of the current call for bids.

Visitors: over 2,000 visitors have been consulted, mainly by on-site surveys. There is strong support for our ethos and continuous drive to improve the offer at the Centre.

Funders: we have had financial support from a range of donors/grant making trusts. Many of them are taking an active interest in the project, have visited, and require updates. They have a responsibility to their own organisations to ensure their funds are used in accordance with their own governance. Details are in the spreadsheet referred to in section 1.5.

Neighbours: we have met with neighbours to outline our plans and provided clarification. We have good support from most of our immediate neighbours. We border the South Downs National Park, and have met with them to discuss our plans. They are supportive of our enterprise approach, particularly regarding our promotion of cycling, and have offered support for feasibility assessments.

Businesses engaged:

Design & delivery partners: we have consulted with a range of professionals to ensure the scheme is fit for purpose and represents good value for money. We will continue to work closely with them to completion and expect to show case the project to the industry and potential customers.

We link with local tourism operators – both tourism information centres and our ‘visitor destination’ businesses in the region. We have received positive support relating to industry information and networking. We will continue to attend tourism forums **as this is such a key part of our strategy.**

The Trust attracts good levels of corporate support: **eg, Southern Water, Body Shop, American Express, Mercers,** who provide in kind and financial support, sponsoring events, providing equipment. **Henry Adams** are working closely with us to raise awareness and attract funding for the project.

Local businesses have been very positive about the development, seeing this as an exciting development, which will also benefit them. One area of particular interest is in using the larger conference facilities when they are available – current feedback continues to support our market research on the need for more meeting and conference facilities in the area.

We work with over **51** businesses we directly contract with in our supply chain, and an additional **191** businesses to provide support for people furthest from the labour market to get jobs. Please see attached a letter of support from **ILG**. **ILG** also attend **staff planning** days and promote the work of the Trust to other employers, encouraging more supported work placements.

We intend to continue to work with local employers to increase awareness of our Centre and as potential employers for people who are new to the labour market. The nature of our supported employment projects means that ongoing engagement with businesses is essential and we invest time and resources in obtaining and maintaining positive relationships and opportunities for co-working. We have given talks to local business networks about the development and receive positive feedback, particularly regarding providing more employment networks for employers supporting people who have a disability.

Our discussions with local businesses regarding our project have already led to some new opportunities for commercial activity, for small and existing businesses, **eg, Pink's Vintage Ice Creams and Regis Removals.**

HACT: are a research organisation we have commissioned to robustly evaluate the impact of the project to ensure we maintain a focus on the project objectives. We have consulted with **HACT** to design the evaluation. The information will be disseminated to relevant umbrella groups.

2.5) List the key stakeholders and their interest areas.

Stakeholder	Interest area
Donors – including grant making trusts	Funding the project, facilitating value for money.
HACT	Research, evaluation.
Commissioners	Meeting statutory obligations for people who have a disability.
Arun District Council	Planning compliance, creating jobs, skills and improving wellbeing of the local population.
West Sussex County Council	Economic and social approaches to a strong local economy.
Trustees	Strategic direction and governance of the Trust.
Local businesses	Additional business activity, supporting employment of people who have a disability.
Design Team & contractors	Delivering the project.
People with learning disabilities & their families/carers.	Beneficiaries of the project. Respite support to enable carers to work.
Staff & volunteers	Employment, training & meeting the aims of the Trust to improve the lives of people we support.

2.6) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

Our project is at an advanced stage, and has therefore dealt with the major strategic challenges to get it to this point of being 'shovel ready'. We have met planning conditions, undertaken extensive surveys, research and consultation and invested in detailed design. Our risk register deals with current risks which we believe have been carefully considered and mitigated. As we are about to go live with our tender we will be able to confirm the market position regarding availability of contractors and price certainty by February 2017. As we have a project manager in place we have been able to closely monitor and discuss any threats to the project and put plans in place to manage the project on time and on budget.

Our fundraising target is being achieved. We are in touch with a range of donors who are keen to see the project happen as planned. Our fundraising strategy is on target. An award from the LEP will unlock the balance of the funds to be raised and ensure the works are completed in one phase. In terms of the Aldingbourne Trust, we have a number of senior managers who are fully briefed and involved with the project and we have clear governance routes to ensure good decision making and communication is in place.

2.7) Summarise any project dependencies that the project has or if there are other projects that are dependent on this delivery (either LGF funded or not) and state the impact to the project if these are not met.

Excluding this application, the project has a further £351k of funding to secure to meet the total target. We have a fundraising strategy and plan to obtain this amount and are confident we will do so during 2017. We have listed the sources of support on the attached Breakdown of Funding. We have additional sources we are liaising with to ensure we achieve the target.

There are no other project dependencies or projects dependent on this delivery.

2.8) Please explain the disruption to the local area during the period of project execution and how you are looking to minimise these disruptions.

Site disruption will be minimal – we can isolate the building area during the build period. We have undertaken enablement works for additional parking areas to prepare for the works. We do not have any immediate neighbours – our new building is surrounded by our own land and is adjoined by fields.

There will be periods when the contractors are delivering materials to the site – this will result in some additional traffic to the site. We have improved the access road to include adequate passing places for all vehicles.

The major deliveries and groundworks will be during our quieter period. We are planning our events calendar to smooth visitor numbers during the build.

3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal. This should include a minimum of 3 options:-

- **Do nothing, do minimum or status quo**
- The **proposed option** (as set out in the executive summary)
- An **alternative option** (which may be based on changes to the scale, scope and cost of the proposed option)

Box 1:

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
Do nothing, minimum or status quo	The Aldingbourne Trust has reached delivery capacity with existing commercial space – the Country Centre & regional delivery sites. To increase the space available for service delivery, buildings have been extended where possible and management, staff and support functions have moved into increasingly small spaces with poor facilities, including into temporary buildings.	£1.1M loss of revenue. £50k cost of portacabins.	0	No change
Proposed option	The Trust commissioned a masterplan to develop a growth strategy, based on additional enterprise activity. This centres on a new building, to include larger areas for a new café, retail and offices.	£4.184M	£1.96M	73 jobs created & safeguarded 39 businesses assisted 10 new apprentices 738m ² floor space refurbished 1,158m ² commercial space constructed 605 tonnes carbon reduction per annum
Alternative options:	Larger scale:- in the planning stage the Trust explored the feasibility of developing a larger building, to include a larger	£7M	0	The core outputs for jobs safeguarded, businesses assisted,

	conference facility.			apprentices and floor space refurbished were likely to be the same as the proposed option.
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Box 2:

Option Name:	Advantages:	Disadvantages:
Do nothing, minimum or status quo	None.	<p>Service user consultation feedback confirmed spaces are not flexible enough for different activities, have poor acoustics and lack accessibility.</p> <p>Staff turnover likely to increase.</p> <p>Limits economic activity, co-investment and business growth, leading to fewer jobs being created.</p> <p>This option would not meet demand, or the needs of our current stakeholders. We have temporary fixes due to temporary buildings – the site would not be attractive to more visitors and users.</p> <p>We would need to build more capacity at a later stage, which would result in higher costs.</p>
Proposed option	<p>The Aldingbourne Trust would maintain our growth trajectory with more investment in staff and more economic activity in the area. The proposal forms part of the Trust's masterplan for the site, which builds on the Trust's successful incremental growth to date, and ultimately aims to develop the site to its maximum potential.</p> <p>We are leveraging in over £2M from co-investment to meet this option. By putting up the new building we unlock the site and use existing land and buildings to further increase capacity for growth.</p> <p>A new fibre internet connection has been installed as part of this</p>	Short term disruption to the site.

	project, and will support new SME's. The Trust owns and controls the land and buildings at the Centre – valuable assets which are available to support growth and innovation. The Aldingbourne Trust has further phases of development planned. These have been carefully considered, bearing in mind the use of the site and its environment.	
Alternative options:	Potential to increase income from conferences.	Setting an unrealistic target and using resources to raise £7M on one part of the site's masterplan would not be appropriate for strategic and operational reasons. This would delay additional co-working space for SME's.

3.2) Specify the preferred option, with supporting justification for selection.

Developing a multi use commercial and community space, known as the Quarry Building. We have been building incrementally towards this option and can demonstrate that our visitor numbers and trading income has grown due to our strategy of increasing and improving facilities. This gives us assurance and evidence there is a healthy demand for this type of project in this area.

We have undertaken significant consultation and reviewed the costs and benefits of the preferred option.

We have benchmarked the project and consulted with many grant making trusts and specialist fundraisers and are satisfied that the capital element of the building represents good value for money. Professional advisers recommended that the proposed option has a realistic target, and that our project is achievable and affordable – we have raised over £2M towards this project so far, and have developed positive relationships and support from potential donors.

We have considered ongoing running costs and factored these into our plans to ensure the project is sustainable.

The project has a strong strategic fit with national and local priorities in terms of the core outputs and added value.

We have obtained planning permission and met planning conditions for the preferred option.

We will be using some existing infrastructure to support the building's services. This is making best use of current resources, such as our biomass boiler.

Our project also enables us to unlock the rest of the site and use existing buildings to support our growth strategy. Reuse of existing buildings will contribute to further carbon savings.

3.3) Are there any issues to be resolved before this option may proceed?

None.

3.4) What are the top 5 risks of this option? A full risk register should also be sent as an appendix which includes quantification, ownership and mitigation for each.

Please see risk register attached.

The top 5 risks of this option are:-

Cost control: Our project manager has been testing the market and we have 6 contractors who are tendering. We are also mindful of phasing, and the need to ensure we have funding to allow us to undertake the works in one phase. We are keeping our current funders informed of progress and will continue to update them throughout the project. Issues of risk and cost have been assessed by our Board of Trustees, who have agreed a traditional form of tender with detailed bill of quantities. We have invested in the detailed surveys and works, and specified details. It is a transparent way of approaching cost control and maintaining quality and design specifications.

Ground conditions in the build area: One major area to manage carefully is the condition of the existing drainage infrastructure to ensure it is adequate. This is due to the long drain runs which are pumped across the fields and the A27. All surveys have been undertaken to explore this. The building and access to it have taken ground conditions into account, eg, we will use a piled solution to minimise any risk. Risk of antiquities found during excavations which may then delay the build. A total investigation survey has been carried out and the history of the site researched. Another construction issue would be market conditions resulting in a lack of contractor response to our tender.

Capacity of existing services to work with the new building: Surveys have been undertaken and we have structural and mechanical engineers who are part of our design team. We have upgraded to a fibre line to service our broadband requirements.

Impact on users of the site and visitor numbers during build: the build area will be out of use during the construction phase. We have already installed additional parking and are planning our events for 2017 to smooth visitor numbers.

Site management: Health and safety is being carefully considered, we will manage this to ensure all contractors, users and visitors at the site are in a safe environment and safe working practices are used.

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) How does the project positively affect the level of economic activity in a given area?

As this project creates significant economic and social benefits, over and above commercial considerations, the Net Present Value model in section 5.3 includes some assumptions about how the project will impact on the economy. Notably, these include economic values taken from a Kent County Council study into the benefits of supporting people with learning disabilities into employment, an Age UK study into the economic value of supporting people's carers and the economic value of supported living.

The project supports the local economy by creating more jobs and safeguarding existing jobs. By providing more support for people with disabilities, the project will provide more capacity for their carers/families to enter/increase their activity in the labour market. West Sussex has a challenge to attract and retain more working age adults into the labour market. The project also supports job retention, by supporting employers and employees who have disabilities, to maintain their employment, as part of our ongoing support.

Our business model, of using enterprise to support and develop SME's, means that funding is reinvested to increase turnover, which will result in local supply chains benefiting from increased economic activity in Arun and the surrounding districts, eg, Chichester. We are rated 2nd on Trip Advisor for 'A Great Day Out' in the area – we are providing an affordable visitor experience which attracts more visitors to the area, from 60,000 per year to 100,000. These visitors will bring their spending to our local area, by the use of public transport, taxis, local hotels, campsites, bed and breakfasts and visiting other local attractions, such as museums and our coastal towns and using local

restaurants, cafes, etc.

We are also supporting professional work placements and increasing work skills, which will result in increased pay rates for people to spend in the local area, rather than needing to commute out of the area.

The project increases our capacity to further develop local enterprises, as it enables us to increase visitor numbers who will use these enterprises.

We will need to increase the volume of business undertaken in our supply chain to service these additional visitors, and we will provide more sales and marketing opportunities through our event days and conference facilities.

3.6) What are the environmental consequences, both positive and negative of the project?

We are a local employer – we note that there is significant house building planned in the area – we will be able to offer jobs to more people which will result in less travel time and carbon emissions due to car use if people have to travel out of the area to seek employment.

The building itself has a low carbon footprint. We will educate people about the design elements of the building to raise awareness and promote low carbon design and lifestyles. This project will enable us to re-provision existing buildings with subsequent savings in carbon.

We are in a rural setting, with events running through the year which support learning for pre-school children, local groups and schools and the national curriculum in terms of conservation and the natural environment.

We are promoting cycle use – we are already well used by local cycle groups, and we will be developing a bicycle hub to encourage more cycling locally.

We will be offering a shuttle service to and from our local rail station to encourage people to use public transport when travelling to us.

This is a new building, so will initially increase our carbon footprint – we have designed the building to invest in measures which will save carbon during the lifetime of the building – efficient energy systems, a higher performance envelope and renewable energy production have been incorporated into the design (rainwater harvesting, extending the use of our biomass boiler, photovoltaic panels, thermal insulation), thus reducing energy use by 42% per year compared to a baseline Part L compliant building.

3.7) What are the social consequences, both positive and negative of the project?

The project's social consequences are explored further in section 4.4, which covers the project's response to the Social Value Act, 2012. This Act asks those undertaking procurements of a significant size to consider the social, economic and environmental benefits of the proposed scheme.

We have a strong track record in developing people with disabilities to make positive changes to their lives, increasing their independence and improve their health and wellbeing. The impact of this project will be additional routes for self development and learning – providing the social enterprise framework results in all the work and activities at the Centre being real and we see the following results:-

- **People becoming work ready.** We will support more people into work and routes into work. The project also supports job retention, by supporting employers and employees who have disabilities, to maintain their employment, as part of our ongoing support.
- **Work skills.** People are supported to attain key skills to apply in everyday life. These include literacy, handling money, dealing with correspondence, health and safety awareness. We see people develop and use these skills at the Centre, but also in their homes. This results in less dependency on paid staff and people living more ordinary, less controlled and institutional lives and is a protective factor from potential abuse.

- **Housing.** Building on the confidence and skills people develop with us, we will support more people to obtain appropriate housing, to reduce dependency on paid support and family carers, which will enable more carers to enter the labour market and improve their own wellbeing.
- **Physical and mental health:** our social enterprise framework promotes improved health and wellbeing – due to the types and range of activities at the Centre, we have examples of people coming to us who have been almost immobile, depressed, anxious, overweight, engaging in harmful behaviour who then respond well to expectation and responsibility, leading to positive changes to their physical and mental health and a reduction in their need to access health services.
- **More training and employment opportunities** for people who have a learning disability to develop and maintain social and practical skills. We promote a ‘can do’, ‘step out of your comfort zone’ environment, which encourages people to develop confidence, self esteem and mutually positive relationships. The feedback we get from people we support at the Centre (who have learning disabilities/mental health issues/physical disabilities) is consistently positive – by providing the right space and facilities we know we support people to become more independent and improve their quality of life. This results in less demand on other services, such as health and criminal justice agencies and reduces dependency on paid sources of support.
- **More vocational training** - we are able to offer more vocational training to professionals as part of their professional careers, including police, social workers, nurses. We get feedback that as a result of their experiences on the site they gain skills in communication, understanding and supporting people who have a disability. For example, police trainees have given us feedback that they would previously have assumed that if an individual had language/mobility difficulties that this person may be under the influence of alcohol or have challenging behaviour – by working alongside people they are able to adapt their approach, improve their observation and listening skills and offer more appropriate support.
- **More volunteering opportunities** for the local community. This can be a route into work and increases the health and wellbeing of people who are undertaking the volunteering.
- **Social inclusion** - more awareness of the needs and a higher profile of people who have a learning disability – challenges stereotypes, increases opportunities for natural support and connections. Increased independence and confidence for people who have a disability – leading to more ordinary lives in their communities.
- **Co-investment** - we receive in-kind support from businesses, often in staff time to maintain the site/decorate/develop new attractions. These interactions often lead to corporate sponsorship, fundraising and volunteering relationships.
- **Promoting networks**, by providing more facilities for people to use. These include local groups, eg, churches, fostering networks, cyclists, Duchenne Support Group, Arun Art Society, Alzheimer’s Society, WI, West Sussex Growers’ Association.

We have worked hard to ensure the impact on the people we support is positive. Our trustees meet with people we support regularly to obtain feedback on the impact of additional activities and visitors to the site. This feedback is very positive, with people welcoming new people to the site and having the chance to get involved in a range of activities. Where people are sensitive to noise and busy situations, we have designed in areas on the site where they can have more private places to work/rest in.

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

People: 100,000 visitors a year. 1,500 people who have a learning disability, 3,000 carers and families. 330 staff. 190 volunteers. During the build period, 500 people working on the construction and delivery of the project.

Businesses: the build period will provide jobs and additional economic activity. Following project completion we estimate the 51 businesses in our current direct supply chain will benefit, together with a multiple effect cascading through the supply chain to 250 other businesses. During the build period, a

100 businesses will be directly impacted. In addition to this are the supported 39 businesses we have included on the outputs matrix. The project also supports job retention, by supporting employers and employees who have disabilities, to maintain their employment, as part of our ongoing support: 191 employers.

3.9) Does the project have any follow on investment potential?

The project will free up existing buildings which will be used to expand economic activity on the site.

3.10) Skills projects only- How does this project increase the employability of learners, what sectors will the project impact and does this demonstrate the employment needs of the area?

Not applicable.

3.11) Business and enterprise projects only- How does this project address business growth in terms of a 20% increase in turnover and jobs over the next 3-5 years.

We are predicting 72 additional jobs, a 29% increase, over the next 3 years.

Our turnover is projected to increase at the Country Centre as follows:-

Yr 1 99%

Yr 2 132%

Yr 3 178%

Yr 4 191%

Yr 5 199%.

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?

Not applicable.

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

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when
Learner sessions	990	2016	1165	2021
Volunteers	135	2016	190	2021
Broadband speed	3Mb/0.7Mb	2016	100Mb/100Mb	2017

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route. Will your procurement trigger the OJEU process?

The project is using a traditional procurement route. The design team have designed the project up to RIBA Stage 5, fully detailed design with some specialist sub-contractor design portions. The quantity surveyors have produced a fully measured Bill of Quantities. It will be subject to a competitive tendering exercise on a single stage tendering basis. We have issued pre-qualification questionnaires prior to tender to eleven prospective tenderers. Nine questionnaires have been received and scored against agreed criteria. Six contractors have been selected to tender. Procurement will be in accordance with the government's Public Contracts Regulations, although the estimated value of the project is under the OJEU threshold of approximately £4.1M. Throughout the life cycle of the project, we will engage with best practice around socially responsible procurement, in effect acting as a public body in terms of the rigour we will apply to procurement and contract management.

4.2) If private development partners will be required to deliver the project, at what stage are discussions/negotiations?

Not applicable.

4.3) Outline the procurement plan and timescales, including statutory and other consents.

The Board of Trustees has considered procurement options and agreed to follow a traditional model for

the remainder the project.

As outlined on the attached project plan, procurement is as follows:-

The procurement plan has been agreed and confirmed by the Aldingbourne Trust's Board.

Tender documents have been developed and approved.

Our project manager has been undertaking market analysis and engagement, liaising with potential contractors to brief them on the project requirements and keeping them informed of our timescales. This is planned to ensure we have an appropriate number of returned tenders to make a judgement based on value, skills, knowledge, meeting insurance & industry qualification requirements, experience and ability to deliver.

Tenders for the project build are now out to the market. We are currently dealing with clarifications from contractors.

Tenders are due to be returned by 03/02/17. Interviews with contractors and evaluation of the tenders will take place during 06/02/17 to 17/02/17 with key members of the design team, including trustees. Subject to the LEP decision, contracts will be awarded on 17/02/17 – either for phased works or 1 phase of work.

Contractors will start work in February 2017 and complete by March 2018.

Planning conditions have been met.

Building Control – an approved inspector has been appointed, the project is registered and all drawings have currently been approved. The building inspector will be involved throughout the project, overseeing the design as it develops and the construction on site – they will issue a certificate at completion.

4.4) How will the project contribute towards social value?

Social value is at the heart of Aldingbourne Trust's approach. We aim to create long term benefits in every part of society we can reasonably influence, all supported by a sustainable self-sufficient business model. We have engaged with the emerging field of impact measurement to ensure these claims are backed up with real evidence: we have previously produced social accounts alongside our financial accounts. This reporting has made clear the variety of outcomes we help service users achieve whilst highlighting the primary outcomes stakeholders have identified: such as employment support.

With this capital investment, we will be able to do even more to deliver social value and understand the social value of our activity. We will receive training and support from **HACT**, who have developed an approach to measurement recognised in the **Treasury's** Green Book and **Lord Young's** recent review of the Social Value Act. A conservative forecast with this model suggests that just in employment services, **£1 million** of value could be added, through an uplift in people's wellbeing that would otherwise have to be driven by an increase in wages.

Local Growth Funding will enable us to secure additional:-

- **Social & health benefits:**

Reaching more people who are furthest from the labour market, who are often dependent on others and who experience multiple disadvantages. We will be able to support more people to gain and maintain essential work, social and independence skills.

We will be able to prevent more people from developing higher needs due to our links with preventative services and by increasing their wellbeing there will be less demand for public services such as the NHS & criminal justice agencies.

Additional enterprises will enable us to further challenge perceptions of disabled people and promote their inclusion in society. Inclusion is a powerful hygiene factor in keeping people healthy and safe. We will provide more respite for carers, which will lead to enhanced wellbeing for carers and the

individuals we support.

We will provide more volunteering and work experience opportunities to increase job skills and work readiness - volunteering has been demonstrated to improve people's health and wellbeing.

We will offer more employment and volunteering opportunities to people aged 65+. This will have a positive impact on their health and wellbeing.

- **Community impact:**

Growth Funding would enable us to offer 40,000 more people a year the opportunity to learn about and enjoy their local environment and have access to local conference and meeting rooms. This includes more local schools visiting the Centre as part of their curriculum.

It will also provide more opportunities for 73 people to work locally, thereby reducing travel time and improving the local economy.

Building on our approach of asset based community development, we will grow our in-kind, private and community support. This will increase connections for the people we support and lead to more opportunities for employment, volunteering and independence.

Growth Funding will provide more capacity to enable us to work in deprived communities and regenerate derelict shops.

- **Economic and fiscal benefits which arise out of social change:**

Growth Funding will enable us to provide additional training, development and career opportunities. - please see the attached endorsement from a local employer evidencing how our support has led to a positive corporate social responsibility programme.

We will share our learning across the public, private and voluntary and community sector to demonstrate how enterprise can be an effective method of addressing increased demands for health & social care support and inform future commissioning and funding.

- **Environmental impact:**

Encouraging more use of public transport by providing a shuttle service to and from our local train station. The train mileage represents a 74% reduction in carbon emissions.

Offering local employment to people, thereby reducing carbon emissions.

Developing a cycling hub, reducing carbon emissions by 90% compared to car use.

Increasing our wood recycling activities will save 'waste' wood from landfill.

Re-use of existing buildings following project completion will save new build carbon input.

We will not just limit the scope of our social value analysis to our immediate activities. Our supply chain is already aligned with our core values, and using best practice approaches emerging around the Social Value Act, we will create effective agreements to ensure we are getting maximum benefit. With this work we hope to lead the region in implementing the Social Value Act, even though we technically fall outside of its scope.

4.5) Please provide a detailed explanation of how your project is State Aid compliant and how you came to that opinion?

We have taken legal advice and understand that our project is State Aid compliant. In March 2013 we sought legal advice from Latham & Watkins Solicitors, who concluded that a grant from government sources would amount to State Aid due to the source of the grant but that the aid may benefit from the protections of the GBER and therefore not require notification as long as the aid does not exceed the EUR 10 million notification threshold.

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.**

Year	Total project cost	LGF
16/17	1,224,000	1,224,000
17/18	2,960,000	736,000
18/19		
19/20		
Total	4,184,000	1,960,000

5.2) Please set out the project costs using summary spend areas in the table below. LGF will only fund capital expenditure.

State date of this estimate- 1/4/16

Projects costs (delete as appropriate)	Total cost (£)	LGF (£)	Match funding (£)
Land Acquisition	Pre - 2016		
Planning and Feasibility studies	Pre - 2016		
Surveys	3,655		3,655
Construction, inc-materials, equipment and labour	3,366,791	1,808,000	1,558,791
Fit out (inc. equipment and furnishings not included in construction)	152,000		152,000
Project management	23,400	2,000	21,400
Consultancy	292,758	150,000	142,758
Other (please specify)			
Contingency*	174,852		174,852
Total Net Cost	4,013,456	1,960,000	2,053,456
VAT (170,544		170,544
Total Gross Cost	4,184,000	1,960,000	2,224,000

***Note-Contingency:** where an element of contingency has been added on of individual cost elements it is assumed that there is a significant level of doubt about the future costs (the level of contingency is influenced by the extent of the doubt)

5.3) Please provide a Net Present Value cash flow analysis for each of the options. Workings should be included as an appendix.

Options	NPV
Do nothing, minimum or status quo	£0.0M 5 years
Proposed option	£3.8M 5 years
Alternative option	£2.6M 5 years

Please see attached appendix on our calculations.

5.4) Please detail how the project offers value for money. You should look to address the following. Cost per job, cost per home, deadweight, displacement, benefit cost ratio and any other evidence of value for money.

Growth in services

The new delivery model sees a 1,158m² building being built to house key services and management staff to support service growth and create a new retail, café and conference area for businesses in the west Coast to Capital area. This will also drive greater visitor numbers to the enterprises on site. In creating this new space at the Country Centre, two other buildings are able to be refurbished and used for service delivery. Modelling suggests this would add £4.89m in fiscal, economic, and social value over just 5 years. The counterfactual in this case assumes no growth as we have reached service delivery capacity. We would be able to directly employ 72 people as a result of this investment, which represents value for money when the economic benefits of reduced public service costs and unlocked economic output from carers is included. These benefits are explained in more detail below.

With capital grant from Coast to Capital matched by other funds, we would see immediate growth in our Venue / Room hire capacity. Market research in 2012 and 2014 suggested that there was a lack of local supply of larger conference venues. As the new conference space and meeting rooms would be near to the Café and other on-site businesses, an increase in sales is also projected in these operations with a combined Fiscal value of £2,022,660.44 over 5 years. This is over and above the existing value Aldingbourne Trust creates.

The Aldingbourne Trust has innovated in the supported employment market and uses its on-site businesses as training centres. This represents an efficient form of supported employment intervention as costs are partially covered by the surplus generated by businesses and service users gain experience of a real business environment. Applying research on the economic value of employment support for people with learning disabilities in Kent shows added economic value here with little displacement effect. Previous evaluations on supported employment and displacement have proved the effects to be less important than was previously believed, and smaller for supported employment than the general labour market (Kilsby and Beyer, 2011, p. 22).

This sort of intervention also adds substantial economic value as the primary carers of service users, usually family members, are often under-employed. Research collected as part of the 2012 Employers for Carers and Department of Health Task and Finish Group found that the £5.3 billion per annum is lost to the UK economy in this way. Indeed, across the parts of the Aldingbourne Trust that support people with learning disabilities, a conservative estimate suggests that over 5 years an Economic value of £972,876.27 is indicated.

The new centre is not just targeted at constrained demand in the hospitality and supported employment parts of the business. The Aldingbourne Trust manages a number of supported living sites across the west Coast to Capital area that would be better supported with new management space. To grow this high value part of the business, large upfront investment is needed to locate suitable sites and negotiate contracts with the relevant Local Authority. New management space would support this business model and conservative projections suggest that over 5 years a combined NPV of £3,889,743.67 is indicated. Research has shown that the state also receives around £3.41 for every £1.61 spent on Supported Living services. For people with learning disabilities that means a net benefit per person of £22,770 per annum. (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/16136/1274439.pdf). For our growth plans, this indicates a conservative saving to the state of £2,028,841.49. To take just one case example from our current supported living service, the saving to the local authority was £81,000 per annum, not taking into account some of the wider economic and social costs. As this model often takes underused and poor quality housing supply and improves it, little or no displacement effect is assumed.

Construction costs

Working with our quantity surveyors, we have benchmarked the Quarry Building project costs across other

schemes and are satisfied that the relative costs represent value for money. We have been mindful of the need to ensure value for money throughout the project and have kept the building to a basic timber and concrete frame construction. It is also important to note that this investment will save us running costs during the lifetime of the building. Efficient energy systems, a high performance envelope and renewable energy production have been incorporated (eg, rainwater harvesting, biomass boiler, ground source heat pump, photovoltaic panels, thermal insulation). These systems will reduce energy use by 42% per year compared to a baseline Part L compliant building. We considered BREEAM accreditation, but could not find sufficient added value and have decided to highlight the design features via educational messages in the building.

We took into consideration the costs of building in the Quarry as part of a masterplan for the site. This now incorporates areas which we have already developed, rather than reinventing them, changing the carefully planned layout radically, and incurring additional expense by re-routing existing infrastructure/facilities. Surveys of the site have confirmed the quarry bank is stable and enables us to avoid excessive excavations and retaining structures. The design uses cost effective materials such as timber cladding and self-finished soffits.

The Aldingbourne Trust is an innovative, entrepreneurial organisation. We attract significant amounts of private sector support – through trading in our enterprises, grants and in kind activities/services. This is largely re-invested in the local economy. To date we have raised over £2m to support our growth strategy, including £1.55m towards the current target.

The Local Growth Fund would enable us to commission and complete the quarry building in one phase. If we do not raise all the funds the project costs would increase by approximately £100,000 due to contractors having periods off the site.

5.5) Please confirm the VAT status of the delivery body that would be in receipt of LGF. If VAT is irrecoverable on this project please state why.

The Aldingbourne Trust is VAT registered. Due to the range of activities we provide as an organisation we are partially exempt. This has been budgeted into our costs.

5.6) How will the project be sustained financially after the investment of LGF is completed?

We have budgeted an increase in income and expenditure, carefully assessing the costs and benefits of this project, based on our lived experience of increasing enterprise and visitor support at the Country Centre over the last 5 years. The project will be sustained financially due to the increased capacity and activity at the Centre as a direct result of the new building.

6. The Management Case

6.1) In which financial year do you expect your project to commence?	2016/17
6.2) What is your expected on-site start date?	February 2017
6.3) In which financial year do you expect your project to complete?	2017/18

6.4) Please set out the key milestones related to the project in the table below, adding more rows if necessary. **Please attach a project plan as an appendix if one is available.**

Milestone	Expected start date	Expected finish date
Obtain project funding	Current	July 2017
Preparation of Bill of Quantities & tender documents	October 2016	December 2016
Review & selection of tenderers	November 2016	December 2016
Publish tender	December 2016	December 2016
Tenders received	February 2017	February 2017
Review tenders	February 2017	February 2017
Appointment of Principal Contractor	February 2017	February 2017
Start on site	February 2017	
Water tight		June 2017
First fix M&E	June 2017	August 2017
Second fix M&E	August 2017	December 2017
Finishes	November 2017	January 2018
Practical completion		February 2018
Fit out works	February 2018	February 2018
Project completion		March 2018

6.5) Please set out the project management arrangements that will be used to successfully manage the project to time and budget.

We have appointed Selway Joyce Cost Consultants as the project manager for the scheme.

We have a design team in place and have appointed a project manager who has the relevant knowledge and track record to deliver the project on time and on budget. Regular design team meetings will be scheduled with all relevant contractors. The Trust's senior managers attend the design team meetings.

The Trust's senior managers report to an internal Development Group, which includes the Chair of the Aldingbourne Trust, Chair of the Finance Committee and an additional trustee.

We have agreed a delivery plan with the project manager.

It is the responsibility of the PM to co-ordinate design team meetings, which involves all relevant contractors at each stage. The PM reviews & updates action plans and liaises with all parties to ensure timescales are met.

The PM is also our quantity surveyor and works closely with the Principal Designer, and has prepared detailed financial forecasts to inform our planning and budgeting.

6.6) Please set out the project roles and responsibilities.

<u>ROLE</u>	<u>DETAILS</u>	<u>RESPONSIBILITIES</u>
Client	The Aldingbourne Trust	Ensuring the Client brief is correct; ensuring any queries are answered quickly; ensuring all members of the team are appointed; adhering to the role of the Client under the CDM Regulations
Project Manager	Selway Joyce Ltd	Set out clear project programme; to ensure the team adhere to the programme; chair & minute meetings; to resolve any problems as they occur; to guide the Client through the procurement process
Contract Administrator	Selway Joyce Ltd	To administer the building contract in accordance with English law; to ensure all parties are aware of their roles under the conditions of the contract
Quantity Surveyor	Selway Joyce Ltd	To manage the construction budget for the project; to produce cost plans and cost reports during the project so the Client is aware of the financial situation of the project at all times; to carry out valuations in accordance of the building contract
Architect / Lead Designer / Principal Designer	HNW Architects	To carry out the detailed design of the building to enable the contractor to build the building; to act as lead designer to ensure all the design is co-ordinated with the structural and services design; to act as Principal Designer under the CDM Regulations; To ensure the design meets all necessary statutory approvals such as planning, building control and the like
Structural Engineer	Campbell Reith	To carry out the detailed design of the sub-structure, superstructure and drainage elements of the building to ensure it is structurally sound; To ensure the design meets all necessary statutory

		approvals such as planning, building control and the like;
Services Engineer	Michael Popper Associates LLP	To carry out the detailed design of mechanical and electrical services of the building to ensure the building performs as required; To ensure the design meets all necessary statutory approvals such as planning, building control and the like;
Landscape Architect	Lizard Landscapes	To carry out the detailed design of external landscape works of the building; To ensure the design meets all necessary statutory approvals such as planning, building control and the like;

6.7) Please explain what governance, oversight and accountability arrangements will be put in place if your project is awarded Local Growth Funding.

The Aldingbourne Trust is a registered charity and company limited by guarantee. It has trustees/directors who form the governing body. The trustees meet as a board at quarterly board meetings, quarterly finance meetings and on an annual review day. Many of the trustees also have specific duties which mean they have regular contact with senior staff.

For this project, we have created a development group which includes the Chair of the Trust and two trustees who work in the commercial sector. The Managing Director, General Manager and Head of Finance also sit on the development group. All members of the group have experience of developing major capital projects. The development group provides updates and makes recommendations to the board.

The development group has received reports and made recommendations to the board on phasing, fundraising, cost planning and meeting planning conditions. The development group's purpose is to ensure the project stays within budget (arranging stage payments, reviewing fundraising and cash flow, agreeing finance options); ensuring fit with our governing documents; to deliver the project on time (agreeing and signing off tenders); ensuring the project is fit for purpose by sense testing each stage; monitoring phasing of the works and ensuring the site is able to continue to function safely during the build and ensuring the end use of the facilities is as agreed.

The development group meets quarterly, this is being reviewed as the project moves forward and frequency can be increased. If any decisions need to be made outside of the scheduled meetings the members of the group are available and able to function effectively.

We have also developed a design team, which currently includes our project manager, quantity surveyor, architects, service engineers and structural engineers. Our Managing Director, General Manager and Head of Finance are part of the design team, which is meeting on a monthly basis. The design team discusses detailed designs, operational issues, tenders, phasing, payment amounts. The project manager and Head of Finance maintain financial records to track and monitor the project costs. These are reported to the board.

The Trust has robust financial regulations, to ensure contracts and payments are correctly authorised, allocated and audited. Detailed management accounts are discussed at the finance committee and board each quarter.

6.8) Please set out the strategy and plan for communications and stakeholder management?

We agreed a communications management plan at the outset of the project to help guide our planning and

communications. This identifies and defines the roles of people involved in the project, including a communications matrix which maps the communication requirements of the project. A guide for conducting meetings details both the communications rules and how our meetings are conducted to ensure successful meetings. A project team directory is included to provide contact information for all stakeholders directly involved in the project.

6.9) Please set out the strategy and plan for dealing with the management and delivery of benefits.

We will continue to work with Coast to Capital for monitoring the management and delivery of benefits until the project is completed and benefits are realised.

6.10) Please set out the arrangements for a post project evaluation.

The Aldingbourne Trust will evaluate our activity with **HACT**, an independent research organisation dedicated to producing robust evidence to support sustainable business. To ensure the findings from the evaluation create positive action, the Aldingbourne Trust will be trained to understand the research process and start to build the research skills necessary to continue evaluation themselves.

Recommendation/ Declaration

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

Contribution to capital costs for the construction of a multi use commercial and community space at the Aldingbourne Country Centre.

Declaration:

I certify that the information provided in this Outline Business Case is complete and correct at the time of submission.

Signature:



Print Name:

Sue Livett

Title:

Managing Director

Date:

21 December 2016

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
- Any other Supporting documents and evidence required