

Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

Applicant & Bid Information

Local authority name / Applicant name(s)*: [Leicester City Council](#)

**If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

Bid Manager Name and position: [Brendan McGarry-Programme Manager](#)

Name and position of officer with day-to-day responsibility for delivering the proposed scheme.

Contact telephone number: [01164542139](#) Email address:
brendan.mcgarry@Leicester.gov.uk

Postal address: [Leicester City Council, City Hall, 115 Charles Street, Leicester LE1 1FZ](#)

Nominated Local Authority Single Point of Contact: [Brendan McGarry](#)

Senior Responsible Officer contact details: Andrew Smith, Director of Planning, Development and Transportation. Tel. 0116 4542801. Email andrewl.smith@leicester.gov.uk

Chief Finance Officer contact details: Alison Greenhill, Chief Operating Officer & Section 151 Officer. Tel 0116 4544081. Email: alison.greenhill@leicester.gov.uk

Country:

England

Scotland

Wales

Northern Ireland

Please provide the name of any consultancy companies involved in the preparation of the bid:

Summers Inman, Cambridge Econometrics, Cushman & Wakefield, Envision, SGP Architects, BWB Consulting

For bids from **Northern Ireland applicants** please confirm type of organisation

Northern Ireland Executive

Third Sector

Public Sector Body

Private Sector

District Council

Other (please state)

PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

1a Gateway Criteria for **all bids**

Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22

Please ensure that you evidenced this in the financial case / profile.

Yes

No

1b Gateway Criteria for private and third sector organisations in **Northern Ireland bids only**

(i) Please confirm that you have attached last two years of audited accounts.

N/A

(ii) **Northern Ireland bids only** Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)

N/A

PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

A joint equalities impact assessment for all three projects has been undertaken using the Council's standard template. This will continue to be a live document throughout.

Protected characteristics:

'Race' and 'age' (specifically young people) were identified as being positively impacted by these proposed schemes:

Race: (Positive impact)

Leicester has one of the most diverse populations in the country. With a total population of 354,200 in 2019, 50.5% identify as White British, 37.1%, Asian British (including 28.3% of Indian origin), and 6.2% as Black British.

The council's current Estates portfolio occupancy reflects this diverse mix.

A new canal bridge to Pioneer Park from the adjacent Belgrave Ward will open-up the opportunity for jobs within these proposed schemes. Belgrave has a high BAME population-84% are from Asian backgrounds of which 75% are Indian and 9% other Asian groups. Employment opportunities on these sites will be open to all applicants subject to meeting the role criteria.

Age: (Positive impact)

Leicester's growing, young population presents the challenge of ensuring there are sufficient jobs with skills progression and earnings growth needed to boost economic performance. With a total population of 354,200 in 2019, Leicester has a much younger age profile than nationally, with 39.1% of the population aged under-25 (GB=30.5%), and a high degree of ethnic diversity, as 51.6% of the Adult (16+) population is BAME (GB=12.7%).

These proposed schemes will ultimately create jobs which will be open to all applicants subject to meeting the role criteria.

No protected characteristic groups were identified that would be disproportionately negatively impacted if the schemes were to be delivered.

Further details can be found at Appendix 1 in the City Council's EIA for the project.
[500 words]

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own

website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to. Please specify the weblink where this bid will be published:

<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/planning-and-development/>

PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words).

Pioneer Park (combined projects).

Our Pioneer Park project is an ambitious workspace scheme that will drive forward the rapid expansion of businesses in the city, supporting the fast-growing space and satellite technology sector, for which Leicester is gaining a leading reputation. Enterprise Zone status supports this growth.

We have been working with the University of Leicester (UoL), National Space Centre (NSC), and others to create a now burgeoning innovation and technology park based around the NSC. The Council opened its first innovation workspace centre (Dock) 8-years ago and it was fully let within a few months, Dock 2 opened early 2021 and was 50% occupied on completion. At the same time, the UoL Space Park opened its doors, bringing industry and academia together for commercialisation of research in this sector. Space Park is a Department for International Trade High Potential Opportunity Zone.

It is already apparent that Space Park will provide a ready supply of businesses who want to develop advanced manufacturing in Leicester, including satellite design and manufacture. The Dock schemes continue to thrive with a need identified for more office and advanced manufacturing/R&D workspace.



Our project will provide accommodation and serviced land to support accelerating sector growth. There are three linked elements:

Cleared and serviced land next to the Council's Dock 1 and Dock 2 site will be developed for more office workspace and advanced manufacturing. The **Dock 3** scheme has the benefit of planning consent, a developer partner is in place, and we can mobilise construction within months. Enterprise Zone retained rates funding is providing match funding for this element.



Our second intervention (Council-owned), is **Abbey Court**, currently accommodating outworn (although fully-let) small industrial buildings. This site has potential to contribute significantly to the success of Pioneer Park. Located between Space Park, the NSC and Dock sites, it currently has a severing effect.

Clearance and new infrastructure to create a development opportunity for businesses growing out of Space Park and Dock will:

- Augment existing facilities by giving their tenants confidence there are immediate grow-on opportunities; and,
- Stitch together Space Park and the NSC/Dock sites, building critical-mass and create conditions for agglomeration and clustering.

The industrial sector is buoyant, demand for space is high and supply constrained. To redevelop Abbey Court without detriment to our economy, this stock must be replaced elsewhere.



Abbey Court-Existing



Abbey Court-Proposed

Our third intervention-the former **Ian Marlow Centre** Council depot, will do this. This site can be immediately redeveloped to replenish and expand industrial stock with zero carbon workspace, preserving and increasing jobs in this sector.



Former Ian Marlow Centre-Existing



Former Ian Marlow Centre-Proposed

Our projects are at an advanced stage of readiness and delivery partners are aligned. We have a unique collection of space industry assets and world class research, education, and outreach in the University of Leicester and NSC that, with the City Council as proven delivery partner, will drive economic opportunity in our City. This project will be transformative for our economy through creation of jobs demanding high skills, in highly productive businesses.

[491 words]

Appendix 2 provides a more detailed **scheme overview**.

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:	£19,433,000	
3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	100%
	Cultural	%
	Transport	%

PART 4 STRATEGIC FIT

4.1 Member of Parliament Endorsement (GB Only)

See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.

4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.	<input checked="" type="checkbox"/> Yes – please see Appendix 3 <input type="checkbox"/> No
---	--

Liz Kendall MP– Leicester West. Endorsement letter attached in Appendix 3

4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

The council convened two briefing/Q&A sessions in June led by the City Mayor to outline the three levelling up bids. This was attended by around 100 city leaders including MPs and councilors, key employers from all business sectors (such as IBM and Mattioli Woods), the Leicester and Leicestershire Enterprise Partnership (LLEP) and business representative organisations including the Chamber of Commerce (CofC) and Federation of Small Businesses (FSB), both universities and city FE colleges, community organisations, representatives from the retail sector/BID, and cultural and sporting facilities including the NSC, Curve, Leicester City Football Club. The sessions were very enthusiastically received, and several letters of support have been received.

The University of Leicester (UoL) has been an active partner for over 5 years supporting the development of Pioneer Park and specifically the space sector. In 2018 the council remediated and serviced a 6 acre brownfield site enabling the development of Space Park. The UoL is a world-leader in space research and through Space Park Leicester, a national hub for space research and industry at Pioneer Park, has nurtured a pipeline of space-enabled businesses seeking to expand their activities and capitalise on opportunities in the sector. AST Space

Mobile UK is one such example (letter at Appendix 4E noting a need to grow beyond their current satellite design operations here into a satellite manufacturing facility).

The Vice Chancellor's letter of support goes on to note "*The bid also complements our plans to develop an Institute of Technology on Pioneer Park, which will address skills gaps and fulfil the government's ambition for HE and FE providers to work together to develop inclusive technical skills pathways for local people to access training and highly-skilled jobs.*"

The NSC, located at Pioneer Park, is a key stakeholder and partner and has been engaged in the ambition to create a hub for space and related technologies. Their role as educators and promoters of the STEM subjects alongside the University has a key role in helping us to deliver the opportunities for skilled and high value jobs.

Letters of support from the LLEP and the East Midlands Chamber of Commerce recognise the growth and importance of the space and satellite technology sector, and the potential to consolidate a hub for businesses, academia, and innovation, creating high-quality knowledge-based job. In his letter of support the LLEP chairman confirms that "research and industry insight has identified a need for small high quality manufacturing and R&D units and the UoL has a strong pipeline of demand for high quality production accommodation linked to Space Park. The LLEP has therefore agreed to invest retained Enterprise Zone business rates to the Dock 3 development which forms part of this proposal."

Formal priority support is confirmed from constituency MP Liz Kendall.

Letters of support are included as Appendix 4:

Name	Appendix
University of Leicester	4A
The National Space Centre	4B
Leicester & Leicestershire Enterprise Partnership	4C
East Midlands Chamber of Commerce	4D
AST Space Mobile UK Limited	4E
Leicestershire Business Voice	4F
De Montfort University	4G

[464 words]

4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

The three projects are not considered to be controversial in nature and previous developments at Pioneer Park have been supported. The sites are within areas identified for regeneration, and commercial redevelopment. Pioneer Park has a long-held strategic vision (over 15 years) for the development of a science and technology

park which has influenced past delivery and future schemes for continued growth. The sites are also within a science and technology Enterprise Zone which has been in place since 2017.

The sites are considered 'shovel ready'. The Dock 3 site is the next step forward for workspace construction, following the recent successful delivery of Dock 2 workspace. The site is already vacant and serviced. The former Ian Marlow Centre provides a unique opportunity to provide nearby relocation space for the tenants of Abbey Court.

A relocation strategy will be prepared as Abbey Court redevelopment area includes the relocation of tenants from two council houses on the site periphery. The Council has a significant portfolio of houses from which to offer alternative accommodation. Tenants would receive the required statutory home loss and disbursement costs along with any additional support identified through needs' assessment.

Existing commercial tenants in Abbey Court will be offered suitable new replacement units within the proposed new industrial development on the former Ian Marlow Centre site. The size/scope of units can be flexed to meet requirements of known incoming tenants. New units on the IMC will be retained in Council ownership, therefore leases are offered by the same landlord.

[250 words]

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
For Northern Ireland transport bids, have you appended a letter of support from the relevant district council	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

4.3 The Case for Investment

See technical note Table 1 for further guidance.

4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)

Leicester's growing, young population presents the challenge of ensuring there are sufficient jobs with the skills progression and earnings growth needed to boost economic performance. Leicester's population growth (source: Mid-year Population Estimates, ONS) was 23.9% growth between 1999 and 2019 (GB=13.9%). With a total population of 354,200 in 2019, Leicester has a much younger age profile than nationally, with 39.1% of the population aged under-25 (GB=30.5%), and a high degree of ethnic diversity, as 51.6% of the Adult (16+) population is BAME (GB=12.7%).

There is a need to ensure jobs growth can address the pay and skills gap faced by Leicester workers. Gross weekly pay of FT workers, at £481.60 in Leicester (2020) is far below the GB average of £587.10. 28.5% of Leicester's workers earn less than the Living Wage (GB=20.1%), 16.9% of residents are unskilled (GB=7.7%), and 19.0% of working-age residents in Leicester have no qualifications (Leicestershire: 4.8%; England: 7.8%). 36.3% of working-age residents hold NVQ4+ qualifications compared to 43.1% for GB. A lower share of jobs are in high-skill occupational categories, representing 38.1% of jobs in Leicester compared to 50.2% for GB.

Cambridge Econometrics Spring 2021 Economic Forecasts suggest that Leicester and Leicestershire's employment in professional and financial services will increase by 10,000 jobs between 2020 and 2040, and that the ICT sector will increase by 4,000 jobs. Manufacturing is forecast to lose 5,300 jobs by 2040.

Leicester has growing young workforce, and there is a need to provide jobs in line with environmental sustainability principles and goals i.e. within reasonable travel distance by public or sustainable transport. There is also a need to grow more skilled, higher-earning jobs, in the ICT, professional and scientific industries that have a projected growth of +14,000 jobs over the next 20 years.

However, a critical barrier is the significant shortfall in employment sites and quality employment premises to accommodate these jobs. Cushman & Wakefield's May 2021 Demand Study – Space Park & Pioneer Park Leicester concluded that strong occupier demand coupled with the record high levels of take up and the relative lack of supply caused the vacancy in Leicester to drop sharply over the past few years to virtually full occupancy. Limited new supply of business accommodation has been delivered over the past 3 years, with any speculative developments let quickly before practical completion. The full report is attached in Appendix 5.

Leicester has suffered from the longest Covid-19 lockdown period of any city in the UK. Covid-19 caseloads per residents were 54.1% higher than the UK average; and a rate of deaths per residents 2.2% higher. At its peak, 50,900, or 21.7% of Leicester's population was furloughed (Coronavirus Jobs Retention Scheme) in June 2020 (UK=22.5%). Claimant unemployment rose from 3.4% (8,020 claimants) in March 2020 to 7.4% in June 2020 (17,405 claimants) – with total claimants increasing by 218%. The unemployment claimant count peaked in Leicester at 7.4% in August 2020 (UK=6.4%) and stood at 7.2% in January 2021 (UK=6.2%).

[490 words]

4.3b Explain why Government investment is needed (what is the market failure)? (Limit 250 words)

The market failure case rests on the track record of jobs growth in Leicester, and the need to accommodate a share of the further +14,000 jobs growth forecast for 2020-2040. Despite impressive growth over recent years in ICT jobs (+37.5%, or +1300 jobs between 2015 and 2019) and finance and insurance (+12.5%, +500 jobs).

There is a lack of employment land and premises to support these growth sectors. Cushman & Wakefield's May 2021 Demand Study – Space Park & Pioneer Park Leicester concluded that strong occupier demand coupled with the record high levels of take up and the relative lack of supply caused the level of vacancies in Leicester to drop sharply over the past few years to virtually full occupancy. Limited new supply of business accommodation has been delivered over the past 3 years - despite the depth of demand from occupiers, growth in office and light industrial jobs, and occupiers moving elsewhere due to lack of suitable accommodation.

The risk is that there is insufficient capacity to accommodate new knowledge-based jobs. For example, if jobs and demand for premises grows as a result of the Space Park development, there is nowhere to locate to in Leicester - no accommodation for move on space, satellite manufacturers, or ancillary services.

The Economic Needs Assessment (June 2020) commissioned to support the Local Plan further evidences the City's economic needs specifically in the Exec Summary:

xi) Local firms require units up to 500 sqm, including some workshop options of 100 sqm or less

[250 words]

4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

In summary, we propose to invest in advancing development of two further sites at Pioneer Park. The first (Dock 3) will be developed for office and advanced manufacturing workspace. The second (Abbey Court) will be cleared and serviced as a development opportunity site to meet a forecast pipeline of demand arising from our burgeoning clusters of high growth businesses already at Pioneer Park; and inward investment enquiries. A third intervention (former Ian Marlow site) is, in part enabling of the second, it will be redeveloped for light industrial units, as a decant site for Abbey Court and provide a 50% net increase in space to increase competition and choice in a very supply-constrained market.

The rationale to invest in this location is to support accelerated growth and agglomeration at Pioneer Park. The investment will build critical mass and connect Pioneer Park and UoL Space Park together as a coherent whole.

The former Ian Marlow site location will deliver modern industrial space in an established and popular industrial area. It will be a successful trading location for tenants searching for this type of accommodation.

With respect to the reasons why the investment will address the barriers identified; the market has failed to respond to previous stimulus in providing quality science and tech, R&D employment spaces at Pioneer Park. From the council's own experience at Dock strong demand for such spaces does exist but remains unmet with regular enquires at Dock for available space. There are many possible reasons for why the market isn't delivering these spaces. Considering this, the council is able to intervene to facilitate the delivery of further space.

Reasons for supply-side failure vary from site-to-site but common themes are viability, land assembly, that industrial/commercial schemes may lack an investable-exit strategy for a developer, and that when employment land does come forward it is often driven by the logistics sector, limiting competition and choice in the market for other sectors, including R&D and manufacturing, whether advanced or not.

The LLEP Strategic Economic Plan identifies a need for intervention, the need to increase the area's share of knowledge-based employment to improve resilience, drive up GVA and earnings. However, it also recognised that development has not come forward at the rate expected, availability of assembled land and the cost of required infrastructure for access and servicing are prohibiting further market development.

The council has previously intervened to stimulate the market at Pioneer Park through the delivery of Dock. Jointly funded by the European Regional Development Fund (ERDF 1.87m), Leicester City Council (1.8m) and the Homes and Communities Agency (294K), opened in autumn 2013 Dock was a new workspace and business development centre for knowledge economy, high-tech, low carbon businesses. Dock has been around 98% occupancy since it opened in 2013. Dock 2 opened in March 2021 and was 50% occupied on day one.

[466 words]

4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)	<input type="checkbox"/> Yes	N/A
	<input type="checkbox"/> No	

4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced *Theory of Change*. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#). (Limit 500 words)

The following table summarises how the results in terms of tangible **outputs**, short to medium-term **outcomes** and longer-term **impacts** flow from the **inputs** identified.

INPUTS	OUTPUTS	OUTCOMES	IMPACTS
£19,433,000 LUF Funding £5,250,000 Local Authority Funding of which £3.5m from LLEP EZ rates 3.8 ha of land over 3 sites	1.6 ha acres of land prepared for development at Abbey Court. 8584 m2 (GIA) new premises comprising: <ul style="list-style-type: none"> • 3778 m2 (GIA) offices 	393 gross jobs, comprising: <ul style="list-style-type: none"> • 356 new jobs • 37 retained jobs. 	267 net new jobs 27 net retained jobs £112.2 million in GVA over 10 years £255.5 million in GVA over 20 years

Internal LCC resources, Development Team procurement, legal, highways, Planning	<ul style="list-style-type: none"> 4806 m2 (GIA) Mixed B class studio light industrial / mixed use premises 		
	Removal of incongruous outworn industrial area, replacement with opportunity site, new site infrastructure and public realm	More legible, better-quality connections through the site assist in movement, business clustering	Further agglomeration benefits, higher productivity and GVA
	Additional office workspace and advanced manufacturing accommodation	More businesses, more business-to-business interaction	Further agglomeration benefits, higher productivity and GVA

POTENTIAL FUTURE IMPACTS (NOT COUNTED AS PART OF LUF IMPACTS)

Although not included as part of these LUF-funded impacts, site preparation on the Abbey Court Site could potentially lead to 8224 m2 (GIA) of new office premises, which would support 581 gross jobs, and 436 net local jobs – which could generate an extra £116.5 million in GVA over 10 years, and £375.4 million in GVA over 20 years.

Full details are included in Cambridge Econometrics summary of Present Valuation and Benefit Calculations in Appendix 6.

4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

The project aligns with several of the ‘innovation’ strands in the LLEP Covid-19 **Economic Recovery Action Plan**, including building on opportunities for knowledge exchange and supporting sector focussed accelerator programmes.
<https://llep.org.uk/app/uploads/2020/12/Covid-19-Economic-Recovery-Action-Plan-FINAL.pdf>

Following the short-term Covid recovery plan, the emerging **Leicester and Leicestershire Economic Growth Strategy 2021-2030** sets out longer-term aims

and objectives that support this LUF project: Its vision is “Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports healthy people and a healthy planet.”

Specific current economic priorities and objectives relating to this LUF project, include:

Productive – provision of support and sites to grow and attract businesses and jobs in the key growth sectors of Life sciences, Space and earth observation, Sports and sport science, Advanced engineering, ICT, Food and drink, Logistics and professional and financial services. Relevant objectives include:

1. Entrepreneurial, resilient and high growth businesses
2. Attract and grow international business and economic activity
3. World class business locations – providing sites for new premises to support 10,000 new knowledge-based jobs

Innovative – supporting the region’s outstanding R&D strengths, broadening out innovation amongst the wider SME base and the application of new technologies. Relevant objectives include:

1. Global innovation leadership – by providing move-on and expansion space to leading innovative businesses
2. Increase and broaden innovation activity amongst businesses – by further building the local entrepreneurial and innovative ecosystem around Space Park Leicester and the Dock I and Dock II developments
3. Successfully pioneer and apply emerging and new technologies – by providing the sites and premises for businesses to expand and grow

Inclusive - Create a resilient, adaptive workforce where all residents can have access to skills and career progression. Relevant objectives include:

1. Improve incomes, reduced economic exclusion and poverty – this project will link job opportunities and progression pathways for Leicester residents and utilising new transport links to the deprived Belgrave area.

Sustainable - a leader in low carbon solutions, with sustainability principles built into everything we do. Relevant objectives include:

1. Sustainable places, city and town centres – this project will support more local job opportunities and progression routes for city residents, reducing the need for travel, as well as providing zero carbon buildings

Within the March 2020 **Leicester Local Plan Consultation Draft**, Pioneer Park is described as “12.29...Pioneer Park is to be an innovation/technology park... (Use Class B1b. It is Leicester’s hub for knowledge economy businesses and the creation of high added value jobs” with a mix of Use Class B1a, b and c development allowed within specific innovation growth buildings, to provide grow-on space for start-up and local high growth users. https://consultations.leicester.gov.uk/sec/draft-local-plan/supporting_documents/Draft%20Local%20Plan.pdf

The site is within, and a focus of, the **City's Enterprise Zone** and the project will support the zone's aims of jobs and productivity growth.

<https://lep.org.uk/investments/loughborough-and-leicester-science-and-innovation-enterprise-zone/>

Space Park is a Department for International Trade **High Potential Opportunity Zone**. Our project provides a supply and choice of buildings and development land to maintain rates of business growth here.

[495 words]

4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

The project contributes to the UK Government's plan for growth-**Build Back Better**, in the following ways:

Helping to build a new district that is a hotbed of innovation within Leicester, expanding and connecting the employment sites and premises adjacent to, and joining the Space Park site with Dock 1 and Dock 2 sites.

- Connecting people to opportunities, tackling geographic disparities; and supporting struggling towns to regenerate – by providing investment in sites to host industries and jobs that will result from future growth, in Leicester City, where there is a significant need to provide access to high skilled jobs.
- Ensuring every region and nation in the UK has at least one globally competitive city – by encouraging the growth in international knowledge-based industries in Leicester.

The Prime Minister is clear that he wants the UK space sector to thrive and grow internationally – and this project helps to ensure that the UK Space Sector COVID Support Plan will succeed, helping to deliver the UK Government's Prosperity from Space Strategy (2018), by:

- Enhancing the site functionality, amenity and attractiveness of the Leicester Space Park development, which has been prioritised by the UK Government as the Leicester Space Park High Potential Opportunity – priority 6 in the Intervention Pillar: Investment Promotion.
- Providing a physical link with sustainable transport (which does not currently exist) between Space Park Leicester, the National Space Centre, and Dock 1 and 2 business incubator and premises.
- Providing sites for grow-on space for space and earth observation related firms, including satellite manufacturers.

Working with the consultant Envision, the Council has looked at various options available to meet the Government's Net-Zero agenda, to address both operational and embodied carbon in buildings.

The options considered are laid out in a Net Carbon Zero paper in Appendix 7. To address carbon arising from the development's operation, we will seek to implement an ambitious 'Net-Zero Carbon Pathway' for each site, utilising high levels of fabric performance, low energy building services and significant levels of on-site renewable energy generation. We will seek to follow a 1.5°C global warming scenario pathway for each development site, in line with the Carbon Risk Real Estate Monitor (CRREM) tool, which provides the real estate industry with transparent, science-based decarbonisation pathways aligned with the Paris Climate Goals, as signed by HM Government.

For developments being leased for fit-out by tenants, we will develop Green Lease agreements to ensure that tenant-installed items align with our Net-Zero commitments.

The Council also recognises the importance of addressing 'embodied carbon' in buildings. We will implement the UK Green Building Council's (UKGBC) 'Net-Zero Construction' framework for each development site, ensuring a significant reduction in embodied carbon, before offsetting the balance through offsetting frameworks recognised by the UKGBC.

The project delivers against the Council's own Climate Emergency Action Plan, which, amongst other steps, specifically requires low-carbon redevelopment of the Ian Marlow site

These are the most ambitious set of Net-Zero targets the Council has ever set and shows our commitment to the Government's low carbon agenda.

[497 words]

4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

Over a 20 year period the Pioneer Park area, which once included a water treatment plant, alongside corporate depots and a former school, has been transformed to become Pioneer Park, centred around the initial NSC, funded through the Millennium Fund, and other public funding it has become a hub for space technologies, knowledge and other high-tech industry.

Since 2014 managed workspaces Dock [1] (funded through ERDF), and Dock 2, funded by Local Growth Fund (LGF) and the Council's own capital funding programme, have been delivered.

Funding from LGF also enabled the remediation and servicing of the former school site, which has now been developed as the Space Park by UoL. The University also secured LGF and other government monies to deliver the first phase of development recently completed.

LGF funded wider infrastructure to ensure that the junctions accessing Pioneer Park can support further development on the site. This has been matched with Transforming Cities Fund monies as part of a wider upgrade along the A6 corridor. In addition, LGF has supported public realm and connectivity improvements onsite.

The high levels of occupancy and success of existing workspaces delivered in an increasingly attractive and accessible location will grow as more accommodation is added. Redevelopment and new infrastructure provided with Levelling Up Fund investment will build critical mass, connections, and foster agglomeration, further improving the economic performance of the whole area.

[227 words]

4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

The proposed developments within this bid sit within a series of phased transport infrastructure schemes previously delivered and currently underway. Previous local infrastructure works have included upgrading of the canal side towpath improving access and connectivity for pedestrians and cyclists from Pioneer Park onto National cycling network route 6. This infrastructure work has been further enhanced by the installation of foot/cycle bridges over the river and canal connecting Pioneer Park and its economic opportunities to deprived communities towards Belgrave, into existing north, south routes. In addition, the recent Ellis Meadows cycling infrastructure and associated works with the delivery of Loughborough Road culvert have contributed towards improved connections into communities in the North of the city to Pioneer Park and the City Centre to the south.

Recent successful transport bids to the Transforming Cities Fund (TCF) have kick-started the delivery of widespread commuter corridor improvements in this part of the city including significant upgrading of the adjacent A6 and associated junction capacity which provides direct access to Pioneer Park. Improvements include the enhancement of walking/cycling provision and connectivity to encourage modal change towards sustainable transport options, in turn improving air quality. Bus priority measures will reduce the journey times of public transport options and an increase in attractiveness of Park and Ride facilities which stop at Pioneer Park. Electric buses have recently been introduced on this route funded through TCF.

The Council has recently delivered an e-bikeshare scheme funded through TCF. Pioneer Park benefits from multiple docking stations.

[245 words]

PART 5 VALUE FOR MONEY

5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

As discussed earlier in this document, in summary:

- Sectors such as ICT have grown (+37.5%, or +1300 jobs between 2015 and 2019), as evidenced by Business Register Survey (ONS) employment data.
- Cambridge Econometrics UK MDM economic forecasting model forecasts +14,000 jobs for 2020-2040 in skilled, higher-earning jobs, in ICT, professional and scientific industries in the county.
 - There is a need to provide jobs for a growing population and young workforce. Leicester has a high rate of population growth (source: Mid-year Population Estimates, ONS) of 23.9% growth between 1999 and 2019 (GB=13.9%).
 - 39.1% of the population aged under-25 (GB=30.5%)
 - 51.6% of the Adult (16+) population is BAME (GB=12.7%) (Source: Annual Population Survey, ONS).
- There is a need to ensure jobs growth can address the pay and skills gap. Gross weekly pay of FT workers, at £481.60 in Leicester (2020) is far below the GB average of £587.10 (source: Annual Survey of Hours and Earnings, ONS).
- There is insufficient property supply to accommodate these new jobs within Leicester. Cushman & Wakefield's May 2021 Demand Study – Space Park & Pioneer Park Leicester (Appendix 5) concluded that limited new supply of business accommodation has been delivered over the past 3 years, and that businesses seeking premises for expansion or relocation have had to look in other cities, outside of Leicester.

Leicester has suffered from the longest Covid-19 lockdown period of any city in the UK. There is a need to provide the means for the economy to bounce back quickly and restore confidence in potential growth sectors.

[253 words]

5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

Most of the statistics quoted are from official (Office for National Statistics) sources including the Annual Population Survey (employment, unemployment, labour market participation), Business Register and Employment Survey (employee jobs), Subregional GVA estimates (economic output/ GVA), Claimant Count (claimant unemployment), Mid-year Population Estimates (demographics), and UK Business Demography (business population).

Economic forecast data is sourced from Cambridge Econometrics's UK MDM economic model (<https://www.camecon.com/how/mdm-e3-model>), which has been established for 20 years and is updated annually, with the latest forecasts sourced from the Spring 2021 revision. This is an objective economic model based on Office for Budget Responsibility GVA projections, official statistics, and econometric formulas and calculations.

Covid-impact data and insights have been provided from analysis conducted by Cambridge Econometrics for Leicester and Leicestershire LEP, and from business surveys such as the monthly Covid-19 survey of space businesses conducted by Space UK.

Data and analysis has been quality assured by Cambridge Econometrics, whose quality management system for economic modelling and consultancy has been approved as complying with the international standard ISO 9001:2015 (LRQA number 10260702).

[173 words]

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

Data for the Leicester City Council area is quoted, as are other comparators (Leicestershire, East Midlands) where these provide useful insights. All of the data relates to socioeconomic characteristics and dynamics directly relating to the economic challenges and opportunities facing Leicester and the development sites which are proposed.

Data on employment trends and forecasts by the industrial sector have been provided – as these directly help to understand future employment demand, and demand for future employment sites and premises.

[78 words]

5.2 Effectiveness of proposal in addressing problems

5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

Economic forecasts suggest that there will be an additional 14,000 jobs in professional, scientific, technical, ICT, finance and business services industries in Leicester and Leicestershire by 2040. This is reinforced by recent growth trends over the past 4 years (2015 to 2019) in Information and communication, financial and insurance activities, real estate activities, and professional, scientific, and technical activities of +2,500 jobs (+14.0%).

Cushman Wakefield have provided analysis of the local commercial property market, including a SWOT analysis of the proposed sites and developments, which concluded:

Strengths:

- Central urban location within close proximity to the University
- Excellent arterial road links
- An extremely buoyant market demand for sub 5,000 sq ft space
- Proven demand: success of the Dock development

Weaknesses:

- Logistics occupiers are the dominant force in take-up
- Occupiers require built units – these are very rarely pre-let

Opportunities:

- Very few competing properties of modern specification on the open market (constrained supply)
- High level of demand from occupiers
- Growth in the sector
- Capture current momentum of the economy and occupier demand

Threats:

- Market uncertainty once furlough ends
- Potential lack of finance moving forward
- Occupiers moving elsewhere due to lack of suitable accommodation in Leicester

The overall economic prognosis is of significant jobs growth in knowledge-based industries. The property market analysis concludes that demand is high, but the supply of quality premises is very constrained. The proposed net internal area (NIA) floorspace for the proposed developments and sites have been allocated as 8,758sq m if Office based accommodation, and 2,973sq m of Mixed B class studio and light industrial / mixed accommodation. Homes and Community Agency floorspace densities (from guidance 3rd edition) have been applied (12sq m per job for Office based accommodation, and 20sq m per job for Mixed B class studio and light industrial, and the proposed developments would accommodate 730 office-based jobs and 140 Mixed B class studio and light industrial / mixed jobs. This would help to meet some of the future demand for office and light industrial / mixed accommodation.

The Abbey Court site clearance and preparation is included in this LUF project. Anticipating this being built out in future years, this could create 6970sq m NIA office premises, supporting new 581 office jobs, or very high productivity advanced manufacturing facilities.

[373 words]

5.2b Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words)

The economic forecasts which project jobs by sector and help to frame the context around demand for premises, are sourced from Cambridge Econometrics's UK MDM-E3 forecasting model, which is capable of forecasting employment and GVA by 45 sector definitions for the UK, regions and local areas. As one of Cambridge Econometrics's E3 (environment-economy-energy) models, MDM-E3 is maintained and developed by Cambridge Econometrics (CE) as a framework for generating forecasts and alternative scenarios, analysing changes in economic structure and assessing energy-environment-economy (E3) issues and other policies. MDM-E3 provides a one-model approach in which the detailed industry and regional analysis is consistent with the macroeconomic analysis: in MDM-E3, the key indicators are modelled separately for each industry sector, and for each region, yielding the results for the UK as a whole. MDM-E3 is one of a family of models which share the same framework, general design, methodology and supporting software; the scope of the E3ME model is European; that of E3MG is global. Cambridge Econometrics's quality management system for economic modelling and consultancy has been approved as complying with the international standard ISO 9001:2000. The certifying body is Lloyd's Register Quality Assurance, who re-assess CE every nine months. The certificate number is LRQ 4002030.

The economic impact model uses a standard approach, that has a track record in use by many consultants for local economic impact appraisal. The floorspace densities used are from a standardised Homes and Communities Agency (HCA) guidance document. NIA floorspace has been calculated from architects' concept drawings of the proposed developments on the sites proposed. The GVA per job is sourced from ONS statistics of productivity by industrial sector. The rate of inflation applied is 2%, as specified by MHCLG Appraisal Guidance. The calculation of additionality uses HCA and MHCLG appraisal guidance benchmarks and practice.

[297 words]

5.3 Economic costs of proposal

5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have

been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

All costs have had the HM Treasury discount rate of 3.5% per annum from year 2 of spend has been applied, as per MHCLG Appraisal guidance. The present value of costs has had this discount rate applied annually. This is presented in the table below.

Present value of costs in 2021/22 £	21/22	22/23	23/24	Total
Leicester City Council	170,000	2764,251	207,460	5,005,711
LUF Grant	630,000	10,230,918	7,667,857	18,528,775
Total public costs	800,000	12,995,169	9,739,317	23,534,486

Note 3.5% discount rate applied annually from 2022/23 onwards

	Base build cost £	Inflation period	Inflation applied	Total inflation applied £
IMC	5,633,872	Q3 21- Q3 22	2.99%	168,679
DOCK 3	11,448,131	Q3 21- Q3 22	2.99%	342,159
ABBNEY CT	3,982,880	Q2 21- Q2 23	6.3%	250,921

Jobs and GVA estimates have been made based on costed construction plans, which are a reasonable allocation of gross internal and net internal areas on the development sites, and follow reasonable assumptions about building layouts and occupation. They are not based on any business surveys or opinions, subject to optimism bias.

All benefits claimed in BCR are net benefits that consider the local additionality of impacts, and take into account deadweight, displacement, leakage, substitution and multiplier effects, using MHCLG and HCA guidance. Sufficient consideration for optimism bias has been taken account of through this method.

In addition, cost risks have also been identified in the cost plan by Summers Inman and BWB. IMC has a 7.5% contractor contingency; Dock 3 has a 5% developer contingency and Abbey Court 10% contractor contingency. These are explained in more detail in the Financial Position Summary in Appendix 9.

The bid has a 5% client-side contingency to cover contingency on abnormals uncovered within the pre-development site investigations, compensation events on site once construction has started. There are also events outside our control like material and staff shortages creating build inflation outside our control. This client-side contingency amounts to £1,175,500 over the 3 projects.

Both BWB and Summers Inman have provided a cost risk register. BWB on Abbey Court have not quantified the register with additional costs but have shown that there are many high and medium risks such as ground contamination and

electricity supply. Therefore, on top of the 10% contract to contingency they have confirmed in the narrative of the cost plan that a 5% client-side contingency it's not unreasonable in these circumstances.

Summers Inman Have provided quantified cost risk assessments for both IMC D and Dock 3. the show that the full cost of risk on IMC is £455,000 and the adjusted for probability is £317,000. On Dock 3 they have concluded that the cost risk is £670,000 and when adjusted for probability is £440,000. These quantified cost risk Assessments are included in Appendix 11 A-C. The two figures for adjusted for probability amount to £757,000 which when Abbey Court is added show a client-side contingency of £1.175m is appropriate.

These estimates show that it is prudent to include the client-side contingency of 5% across the project is appropriate.

[500 words]

5.4 Analysis of monetised costs and benefits

5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

The economic benefits, apart from the land value uplift, have been calculated using jobs densities derived from Homes and Community Agency Guidance (3rd edition). The net internal area (NIA) for each of the sites has been estimated from architectural plans; which has been used to estimate total jobs – detailed as follows: Office-based jobs (12sq m per job) and Mixed B class studio light industrial/mixed use (2sq m per job).

Using the Net Internal Area floorspaces from the concept designs for the sites (of 3778sq m if Office based accommodation, and 4806sq m of Mixed B class studio and light industrial / mixed accommodation) and Homes and Community Agency floorspace densities (from guidance 3rd edition) have been applied (12sq m per job for Office based accommodation, and 20sq m per job for Mixed B class studio and light industrial. The proposed developments would accommodate 188 office-based jobs and 204 Mixed B class studio and light industrial / mixed jobs. This would help to meet some of the future demand for office and light industrial / mixed accommodation. These are the jobs resulting from the permanent occupation of the sites and premises redeveloped from the Levelling Up fund contribution. They are not construction jobs, nor do we estimate construction jobs as part of this application.

GVA per job at the East Midlands geography has been derived from ONS NUTS2 productivity estimates and updated to 2021 values by applying GVA growth estimates of 2% as per MHCLG appraisal guidance. The best fit between buildings and industry occupiers was made in terms of standard industrial classifications (comprising a mix of employment by sector from the categories of: professional, scientific & technical, ICT, manufacturing, and all industries).

The phasing of each building plot completion was factored into a discounted value model over 10-, and 20- year benefits, estimating total jobs and GVA impacts in 2021 values.

Net additionality rates have been calculated, using MHCLG guidance, as 75% additionality at the local level, 50% additionality at regional (East Midlands), and 25% at national (UK) level. Deadweight, leakage, displacement, and substitution values were taken from similar project categories from the Homes and Communities Agency (HCA) 2014 Additionality Guide. Multiplier (type I) values are from ONS SUT tables analysis. The combined additionality factor was rounded up to 75%. HCA and MHCLG guidance was used to assume 50% regional and 25% national additionality rates.

It has been assumed that 730sq m of accommodation on the former Ian Marlow Site are for retained jobs from businesses relocated from the Abbey Court site, and the remaining 1671sq m will host new jobs.

The final job and GVA impacts have been calculated as follows:

	10-year	20-year
Net local Impacts (75% additionality rate)	2022-31	2022-41
GVA (£m) – 2021 present values	£112.2m	£255.5m
New jobs	267.0	267.0
Jobs retained / safeguarded	27.4	27.4

No inflationary assumptions have been applied to GVA benefits, so therefore no discounting has been applied to calculate the net present value of GVA benefits.

In addition, the same methodology was used to calculate the potential jobs and GVA benefits from the build-out of the LUF-funded site clearance and preparation on the Abbey Court site – for NIA 6970sq m of new office premises. Whilst not claimed as part of this LUF bid, these are classified as potential additional benefits.

[546 words]

5.4b Please complete Tab A and B on the **appended excel spreadsheet (Appendix 10)** to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

5.5 Value for money of proposal

5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated in a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words)

In current values, expenditure over 4 years- 2021/22-2024/25 will be:

• Local Authority contribution of	£5,250,000
• LUF grant contribution of	£19,433,000,
(Current) Total:	£24,683,000

The net present costs over 10-, 20- and 30- years (discount ratio of 3.5%pa on public costs), have been calculated below, along with net present benefits (GVA in 2021/22 values). This allows calculation of benefit-cost ratios.

Over 10 years, with net present benefits of £112.2m in GVA and net present public costs of £23,534,486, the overall 10-year public cost BCR is 4.77. The LUF grant BCR (calculated on the NPV of LUF funding only) is 6.06.

	10-year	20-year	30-year
	2021/22- 2030/31	2021/22- 2040/41	2021/22- 2050/51
Net present benefits and costs			
Net Present Benefits (Total Benefits x 75% additionality rate) GVA	112,220,199	255,452,131	398,684,064
Net present public costs (LUF + LA)	23,534,486	23,534,486	23,534,486
Net present grant costs	18,528,775	18,528,775	18,528,775

All public costs

BCR: Net present benefits / net present public costs	4.77	10.85	16.94
--	------	-------	-------

Levelling-up fund grant

BCR: LUF grant only (net present benefits / net present grant costs)	6.06	13.79	21.52
--	-------------	--------------	--------------

[173 words]

5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

The main non-monetised impact of this project relates to the redevelopment of the Abbey Court site to create a development opportunity alongside high-quality public space and route between the NSC, Dock 1 and Dock 2 workspaces.

Abbey Court is an incongruous legacy of the site's past, severing Space Park from the wider site. Clearance and new infrastructure will foster connections, clustering, and agglomeration benefits.

Certainty of the availability of grow-on space at Abbey Court will de-risk and accelerate decisions to lease the space already provided in Space Park or Dock. Many of the businesses moving into the existing centres are immature, with plans to design, prototype, and then move into manufacturing. They need to know the space will be available when they need it.

The new workspace proposed at Dock 3 increases competition and choice in the market driving more lettings and more clustering of highly productive businesses demanding highly skilled staff in professional, scientific & technical, ICT and manufacturing roles – helping to boost the skills and earnings profile of Leicester's jobs and providing progression pathways for young people and graduates.

This is aligned with proposals for an Institute of Technology here, sponsored by the University, NSC, Leicester College and private sector partners, it will aim to showcase careers in science and engineering and guide young people into STEM academic choices to take up these opportunities.

Finally – this development will help to build a coherent cluster of business and R&D activities around space and earth observation industries, which will help to increase the global competitiveness of the wider UK space industry.

[255 words]

5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

Construction costs are the main risk and uncertainty on all three projects. None of the three projects are tendered and with current market circumstances reflecting both shortages of construction materials and construction material inflation, particularly relating to timber and steel prices there is a risk of overall project cost

inflation. Contracts will not be entered until funding is secured and therefore there is a relatively high risk that construction costs will increase between the preparation of cost estimates at bid stage and the award of contracts. We have sought to mitigate this risk through the inclusion of an allowance for cost inflation within the bid. Additionally, we will seek, through the design process, to consider the availability of materials as well as consider options which will inform an economic design and cost solution.

With respect to the redevelopment of the former Ian Marlow Centre and Abbey Court, both sites require demolition and currently have unknown ground conditions. As no ground investigations have yet been undertaken a suitable allowance has been made within the costings for abnormal costs associated with demolition and remediation of the land. Intrusive ground surveys will be commissioned at the earliest opportunity following demolition however, similarly, there are potential cost risks associated with ground conditions.

Remediation works have already been carried out on the Dock 3 site and it therefore provides a clean serviced site ready for development.

[231 words]

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.

PART 6 DELIVERABILITY

6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

The financial ask of the LUF for this project is £19,433,000. Leicester City Council will provide £5.25m of match funding, from two source:

- £3.5m from the Leicester and Leicestershire Enterprise Partnership (LLEP) Waterside Enterprise Zone retained rates, which was approved by the LLEP on 4 August 2020 (letter of confirmation from Chief Operating Officer, report, appendices and minutes attached at Appendix 12 A-D)

- £1.75m has been committed by the Council provide from its own resources set aside for post-Covid economic capital investment. This amounts to a match funding contribution of 21.5%

There are no other contributions from third parties.

A detailed description of the Financial Position of Pioneer Park Workshop Project is outlined in Appendix 9

[91 words]

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet (appendix 10)**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

The table appended at Appendix 10 to the spreadsheet is below, this summarises the costs and spend profile of the project.

Total current costs £	21/22	22/23	23/24	Total all years
Leicester City Council	170,000	2,861,000	2,219,000	5,250,000
LUF Grant	630,000	10,589,000	8,214,000	19,433,000
Total	800,000	13,450,000	10,433,000	24,683,000

6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an independent valuer to verify the true market value of the land.

YES

Leicester City Council will provide £5.25m of match funding, from two sources. Firstly, £3.5m from the Leicester and Leicestershire Enterprise Partnership (LLEP) Waterside Enterprise Zone retained rates, which was approved by the LLEP on 4 August 2020 (report, appendices and minutes attached). Secondly, the Council has committed to provide £1.75m of funding from its own resources set aside for post-Covid economic capital investment. This is provided in Appendix 12A-D

6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)

The bid asks for all funding required. There are no other contributions sought

[13 words]

6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)

The approved LLEP funding of £3.5m is referenced above in 6.1c. The City Council is the accountable body for the LLEP and as confirmed by the Chief Operating Officer this money is available.(Appendix 12A).

[35 words]

6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)

MARGINS AND CONTINGENCIES / PROFIT LEVEL

The Cost Plans including these contingencies are in Appendix 8A-C

Dock 3 - This project will be procured via a development agreement with a fixed maximum price (developer has a 5% contingency). It carries the least cost risk to the Council.

This project will be delivered by a developer, Brackley Property Developments Ltd (Brackley). Brackley will operate on an open book basis with a guaranteed fixed price.

IMC - this project carries more risk than Dock due to the site conditions and includes a 7.5% contractor contingency. Site conditions include multiple old buildings to be demolished, there is asbestos on site, there are basements to be filled on, the ground conditions are yet to be investigated. A contingency of 7.5% was recommended by our cost consultant given the site characteristics. The main contractor margin of 7.5% is standard and included by Summers Inman

Abbey Court- this project, characterised by multiple workstreams on a site of known contamination carries proportionately more risk, therefore a contingency of 10% has been set by consultants BWB. Fees and contractor margins are covered in the cost schedule as an all-in price.

All Projects -In addition to the project contingency, the Council will apply a 5% programme level contingency to mitigate against unknown factors at the time of the bid.

[247 words]

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

The main financial risk on each project is construction cost increases. The Council will seek to mitigate this through the procurement strategy and choice of contract for each project.

As identified in the **Dock 3** risk register the route preferred and approved as compliant, is to enter into a development agreement with the developer of the recently completed Dock 2 scheme, on the same basis. The Council, as client, will agree a specification with the developer and, based on the developer securing reserved matters planning approval and procuring a D&B contract the Council will enter into a development agreement based on a fixed price, plus an agreed shared contingency sum. If cost increases are incurred above the level of the agreed contingency sum the liability for the cost overrun will sit with the developer.

The **former Ian Marlow site** redevelopment will be split into two stages: an enabling works contract to deal with demolition and remediation of the site; followed by a main contract for construction works. This allows for the cost of demolition and remediation to be established prior to the award of main contract. It also allows for planning permission to be secured, site surveys and for the design and employers requirements to be established for the tender of a D&B contract, providing a detailed level of information for contractors to bid against within the procurement documents. This should reduce the need for contractor provisional sums and clarifications allowing certainty of tender price. The Council's existing framework allows for a JCT contract with a target cost and Gross Maximum Price (GMP). This allows for greater certainty on the contract sum. The Council will approve a project budget and hold a quantified risk register contingency and a client project contingency budget. This will mitigate the risk of any project cost overrun. The liability for meeting any project overrun would rest with the Council, as client.

The **Abbey Court site** clearance and remediation starts later in the programme to allow time for the IMC redevelopment and the provision of relocation space. Surveys and site investigations will be undertaken in 2022, this detail will inform abnormal costs, and any programme issues in the preparation of tender documents and help establish cost certainty prior to award of tender for works.

Risk registers appended at Appendix 13 A-C. In addition, Appendix 11 A-C provide quantified risk registers.

[384 words]

6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

Dock 3

It is proposed that the Council will enter into a development agreement with a specific developer-Brackley Property Developments Ltd, to deliver this workspace.

The proposed contractual arrangement constitutes the award of a public works contract (PCR). Normally, given the estimated value of the contract, there would be a requirement to use one or other of the procurement routes set out in the PCR. Brackley have the benefit of an option over part of the site. The option gives them a contractual right to acquire the land and bring forward its redevelopment (subject to conditions), until October 2022.

Regulation 32 allows a contracting authority to derogate from the requirements of the PCR and negotiate the award of a contract, without first advertising the opportunity, in exceptional circumstances. This option is only available where (1) no reasonable alternative or substitute exists; and (2) the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement. The Council has obtained legal advice on this, and our advisor has confirmed there is a reasonable basis for asserting that Brackley have either the benefit of an exclusive right and/or technical reasons that would justify their appointment on a direct basis. Full legal advice is included in Appendix 14. Reference to risk allocation is set out in para 6.1g under mitigating financial risks.

A copy of the Brackley Heads of Terms and Brackley Capability Statement is included as Appendix 15 A-B

Former Ian Marlow Centre Redevelopment

The project requires procurement of both demolition and construction contracts. These will be separate contracts. The demolition and enabling works contracts value will be below the PCR level but will be subject to the Council Corporate Procurement Rules. This will require a competitive process. This will then be procured from a compliant framework agreement, such as CCS RM 6088 or the Council's own construction framework (ref. PAN1068). The alternative is an open tender process however this is inefficient in terms of time, and the Council propose to start work on the demolition of the former Ian Marlow Centre before March 2022. A framework procurement through a recognised public framework is therefore deemed the most efficient means of achieving a compliant contract.

The main construction contract for works will involve early legal and procurement advice to identify a suitable construction framework agreement to procure the main contractor (D&B). This removes the need for a 2 stage OJEU style tender. LCC has

a suitable compliant framework agreement (PAN1068) featuring four contractors (£4m+), with the ability for a mini competition. The Council is familiar with this procurement route. The council may also consider alternative framework agreements such as CCS RM6088 for the main contractor.

Abbey Court Redevelopment

The creation of a cleared serviced site will require a demolition and enabling works contract. This will be procured via a compliant framework agreement, such as CCS RM 6088 or the Council's own construction framework (ref. PAN1068).

[495 words]

6.3 Management

See technical note Section 4 and Table 1 for further guidance

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals e.g. Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.

6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

A comprehensive delivery plan is provided at Appendix 16. This details work completed to date, and the plan for the delivery of the schemes. The delivery plan details the resource requirements identified to deliver the projects both internally and through external consultants. For continuity internal project managers and core members of the external teams such as architects and cost consultants will be retained where possible into the delivery stage. Details of how additional resources and contractors will be procured is detailed in section 6.2a.

The roles and responsibilities of the project team have been allocated based on the skills and expertise of internal resources with additional specialist assistance being brought in at a project or programme level to assist. The management of the delivery is set out within Appendix 16 and illustrated within the governance structure in section 7. A series of boards have been identified to support effective governance and regular, transparent reporting of programme, cost, risk and progress. Abbey Meadows Co-ordination Board (AMCB) will oversee the delivery of the three projects meeting on a monthly basis, project managers will furnish the

board with highlight reports, stakeholder registers, communications plans, risk logs and programmes for discussion. AMCB has been in existence since 2017 with membership reviewed annually based on delivery activity. All members of the AMCB and associated Waterside Enterprise Zone (WEZ) steering group are fully supportive of the schemes. Project team meetings for each scheme will be held bi-weekly with relevant disciplines including architects, engineers, and cost consultants. Additional attendees from relevant internal teams to attend as appropriate for the stage of delivery i.e. procurement during tender.

A programme for the schemes is provided in Appendix 17A-D. This has been used to inform the required funding profile Section 4 of Appendix 9.

The **former Ian Marlow Centre** programme shows that ahead of bid determination the council intends to progress the procurement of a full Design Team alongside the preparation of tender documents for a lead site enabling works consultant. The programme indicates that by October 2021 both procurements will have concluded with teams working towards a planning application in January 2022, main contractor appointment in March 2022 and start on site June 2022 with completion expected June 2023.

The **Dock 3** Programme shows a Development Agreement with Brackley agreed by October 2021, submission of reserved matters application targeting November 2021, main contractor appointment April 2022 with a start on site June 2022 and completion expected August 2023.

The **Abbey Court** programme shows notice being served to tenants in May 2022. Design team and lead consultants appointed August 2022 progressing site investigations, detailed design, utilities, and remediation strategy preparation. Planning submission is targeting January 2023, determination expected April 2023 with main contractor appointed May 2023. Start on site anticipated July 2023 with completion in December 2023.

The Delivery Plan includes details of how stakeholders will be identified, managed, and communicated with as part of each scheme as it commences and progresses through design, consultation, planning and delivery.

[498 words]

6.3b Has a delivery plan been appended to your bid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register): <ul style="list-style-type: none"> • the barriers and level of risk to the delivery of your bid 	

- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

This bid promotes a package of 3 separate but interrelated projects. The risks to delivery of each project are different and this is reflected in the 3 separate risk registers are included as appendices 13 A-C. The identification of a delivery programme and strategy helps highlight any barriers which must be addressed to minimise risk to both cost and programme.

Dock 3

Several risks have already been closed on the risk register:

- Cleared, remediated, and serviced site
- Outline Planning approval already secured
- Procurement strategy identified based on earlier procurement of a development partner for Dock 2
- Match funding secured via LLEP from Enterprise Zone retained rates

Main risks will be materials cost inflation and material shortages, with potential impact of delivery programme and project costs.

Legal and Procurement advice has confirmed that a compliant route using the developer-Brackley already procured. Appendix 14 Legal advice. This enables the Council to agree a specification with the developer, secure reserved matters approval and enter an agreement with a set price, with a shared contingency allowance to draw on if required. This is a proven delivery route (used for Dock 2) and enables this element of the bid to start on site by May 2022. Cost risk increase to be shared with the development partner once in contract.

Development of former Ian Marlow Site for workspace.

Risks Identified and strategy to mitigate

- Demolition of existing buildings – asbestos likely. All surveys of buildings, services and ecology to be commissioned prior to bid decision, to inform demolition tender. Enabling works package proposed to allow demolition and site remediation ahead of main contractor appointment. Enables Planning process and main contractor procurement to run concurrently with enabling works contract, which shortens the project delivery programme.
- Main contractor appointed post-Planning on RIBA3/4 design for a D&B contract. Maximum guaranteed price, shares balance of risk on cost increases.
- Delivery Plan to reflect potential delays to sourcing of materials
- Project cost plan to include client contingency, cost inflation (up to tender award) and client held quantified risk allowance following tender award.

Abbey Court Redevelopment

This is a Council owned site which requires vacant possession prior to redevelopment, however this project will be delivered last as it requires the redevelopment of the former Ian Marlow site to provide relocation space. The delivery programme has allowed 2 years to obtain vacant possession. It also includes the reconfiguration of the NSC coach park.

- The Council can obtain vacant possession of the houses by the date required in our project programme.
- 22 commercial tenancies in existing light-industrial units. All are holding-over on periodic tenancies. On confirmation of the scheme funding our proposals provide the grounds to serve a s.25 notice under the 1954 Landlord & Tenant Act, which will deliver vacant possession of these properties by the date required in our programme.
- The Coach Park is on a long lease to the NSC. The proposed relocation is operationally advantageous and the NSC are strong advocates of this project. Letter of supported included in Appendix 4B.

[499 words]

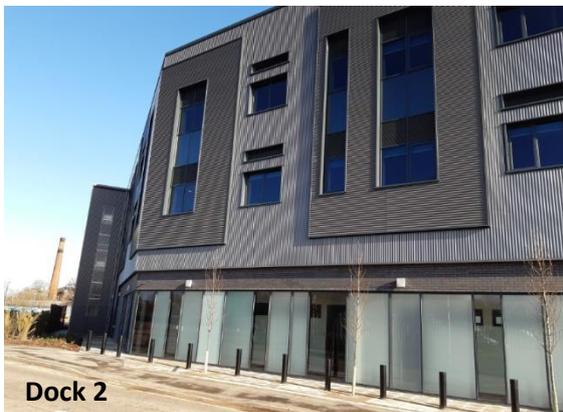
6.3f Has a risk register been appended to your bid? Yes

6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)

The City Council has an excellent track record of delivering new commercial workspace and preparing sites for construction.

The most recent workspace completed was Dock 2 which is opposite the Pioneer Park plot included in this bid. This building consists of managed workspace units and was built by Brackley Property Development Ltd (Brackley) for Leicester City Council. The three-storey building consists of 2,543sq m of gross floor space-a ground floor of six light commercial units and two further floors of office suites. This £5m development was completed on time and on budget in March 2021 and is the template for development proposed opposite in this bid.

This bid proposes that the same developer-Brackley will deliver this scheme with much of the same consulting team retained. Brackley has a good track record of successfully delivering commercial floorspace locally.



In August 2020 the Council secured £10.5M for the redevelopment of St Margaret's Bus station and associated highway works. By April 2021 the enabling works contract for demolition works had been tendered, awarded, and completed. By the end of April 2021 planning permission had been secured and tenders were returned on the main contract. On 9th June 2021 the main contract was awarded, through Council's construction framework. The contractor will mobilise and start on site by the end of June 2021 with a programme to complete by February 2022. This delivery and procurement strategy would be used for the redevelopment of the former Ian Marlow Centre and the redevelopment of Abbey Court.

[248 words]

6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)

In accordance with the Chief Finance Officer's declaration at 7.2, the Council confirms that it has adequate assurance systems in place.

The City Mayor will have ultimate responsibility and accountability for the delivery of the project and for the realisation of benefits.

Responsibility for overseeing delivery of the project will be delegated to the Abbey Meadows Project Coordination Board which will be chaired by the Director of Planning, Development and Transportation, as the Senior Responsible Officer for the project, and attended by the Chief Finance Officer and the scheme Project Manager. Abbey Meadows is the wider regeneration area which Pioneer Park sits within. This is an established Project Board which has overseen the delivery of a number of regeneration projects, including the original establishment of Pioneer Park.

The Abbey Meadows Project Coordination Board will meet every four weeks and will have before it a project progress report, the risk register, programme and financial report. Four weekly Client Commercial and Programming Reviews will be undertaken to inform these meetings.

At key gateway decision points, the City Mayor will chair a Gateway Review to confirm that all items are in place to allow the scheme to move to the next stage. This will be aligned with key milestones identified in the Delivery Plan (Appendix 16)

[213 words]

6.4 Monitoring and Evaluation

See technical note Section 4 and Table 1 for further guidance.

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet** (appendix 10)
- Resourcing and governance arrangements for bid level M&E

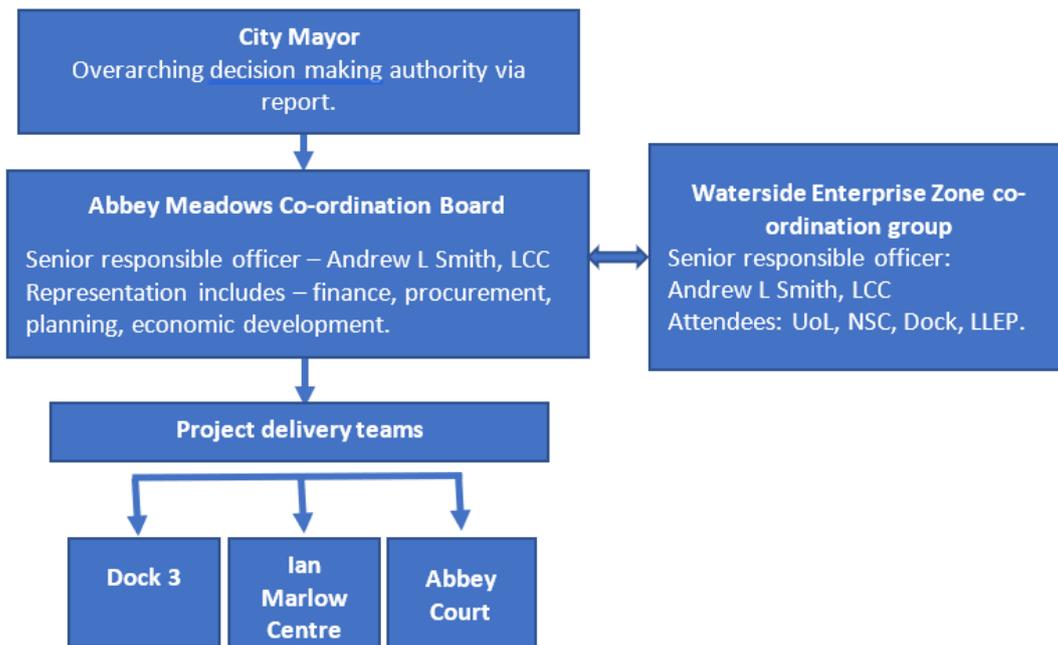
The objectives of the M&E approach on this project are to:

- Ensure value for money is achieved.
- Agree investments within the available budget.
- Make decisions on individual scheme approvals, investment decision making and release of funding, including scrutiny of individual scheme business cases.
- Monitoring progress of scheme delivery and spend.
- Whole project Monitoring and Evaluation.
- Oversight of the budget and programme to respond to changed circumstances, such as scheme slippage, scheme alteration and cost increases.

During delivery

During delivery the monitoring of project delivery will be undertaken using the Project Governance structure described in the Delivery Plan at Appendix 16 and illustrated below. Primarily monitoring will be through the monthly Abbey Meadows Co-ordination Board (AMCB). Highlight reports including progress updates, programmes, costs, risks, stakeholder and communications plans will be circulated as papers to be reviewed at the board. Increased risk, cost or programme slippage

will be reported to the City Mayor as appropriate for noting or a decision.



After delivery

After the project has been completed, continued monitoring of the key data and evaluation of its success against key measures, reflecting the outcomes and impacts, will be undertaken in accordance with the Delivery Plan at Appendix 16. Key output and impact measures for the IMC, Dock 3 and Abbey Court are as follows:

- Land prepared for development (Ha)
- Gross Internal Area of floorspace created (m²)
- Number of jobs retained
- Number of jobs created
- Public realm, cycling and pedestrian infrastructure created (m²)
- GVA (£)

These metrics will be refined during the detailed design stages to ensure that they continue to reflect the key priorities and outcomes of the schemes. A baseline study, capturing the status of the sites and Pioneer Park, will be undertaken providing a comparison and evaluation tool post completion against which to assess the extent to which outputs and impact has been realised. The City Council will prepare summary reports one year and five years post completion of the project. The summary report will highlight the outputs, outcomes and impact of projects and activities funded by the Levelling Up fund.

[342 words]

PART 7 DECLARATIONS

7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for Pioneer Park Workspace Project I hereby submit this request for approval to UKG on behalf of Leicester City Council and confirm that I have the necessary authority to do so.

I confirm that Leicester City Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name:

Andrew L Smith Director Planning, Development & Highways

Signed:

7.2 Chief Finance Officer Declaration

As Chief Finance Officer for Leicester City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [*name of organisation*]

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Alison Greenhill,
Chief Financial (S151) Officer & Chief
Operating Officer

Signed:

7.3 Data Protection

Please note that The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

Annex A - Project One Summary (only required for a package bid)

Project 1	
A1. Project Name	
Pioneer Park new workspace - Dock 3	
A2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>The Dock 3 new workspace is located within Pioneer Park site, a science and technology hub located around the National Space Centre. It will be the first of three interlinked projects to deliver new workspace to focus on the space sector and associated technologies, consolidating the existing workspace offer at this location, and providing the opportunity for co-location</p> <p>This Exploration Drive site has been cleared and remediated in preparation for redevelopment and is available for immediate development. The projects included in this bid will deliver two managed workspace office buildings (3,778sq.m total) and nine advanced manufacturing units (1,981sq.m total)</p> <p>[99 words]</p>	
A3. Geographical area: Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
<p>This is a cleared site of approximately 1.2ha which fronts onto Exploration Drive and is 2km north of the City Centre. It forms part of the Pioneer Park science and technology workspace campus, which takes advantage of its position adjacent to the National Space Centre (NSC). In terms of wider geography, it is in an area called Abbey Meadows which is accessed primarily from the A6. It is a mixed urban area of residential, retail, employment and the NSC. It is approximately 300m from the proposed Abbey Court redevelopment project (Project 3).</p> <p>[92 words]</p>	
A4. OS Grid Reference	SK585 065
A5. Postcode	LE4 5NU
A6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	Leicester
A7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points	Appendix 18 A

of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	
A8. Project theme Please select the project theme	<input checked="" type="checkbox"/> Regeneration and town centre investment
A9. Value of capital grant being requested for this project (£):	£11,040,000
A10. Value of match funding and sources (£):	£2,984,000 -LCC
A11. Value for Money	
<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However, there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment (Limit 250 word)</p>	
<p>The strategic case for the development is to provide an immediate supply of advanced manufacturing and office workspace to meet an identified need. The project benefits include creating jobs which will be highly skilled, and high-paid jobs in professional, scientific & technical, ICT and manufacturing industries thus helping to boost the skills and earnings profile of Leicester's jobs and providing progression pathways for young people and graduates.</p> <ul style="list-style-type: none"> Leicester has a high rate of population growth (source: Mid-year Population Estimates, ONS) of 23.9% growth between 1999 and 2019 (GB=13.9%). 39.1% of the population aged under-25 (GB=30.5%), and a high degree of ethnic diversity, as 51.6% of the Adult (16+) population is BAME (GB=12.7%) (Source: Annual Population Survey, ONS). There is a need to ensure jobs growth can address the pay and skills gap faced by Leicester workers. Gross weekly pay of FT workers, at £481.60 in Leicester (2020) is far below the GB average of £587.10 (source: Annual Survey of Hours and Earnings, ONS). <p>The provision of £14.028m (LUF £11.044m) funding will create new two managed workspace office buildings (3,778sq.m total) and nine advanced manufacturing units (1,981sq.m total). The estimated number of jobs created is 204 (net new jobs with 75% local additionally rate applied). The net cost per job is £65,779 (based on the present value total public cost of £13,418,000 and 204 jobs).</p> <p>The project will bring forward development on a vacant brownfield site creating high-quality development enhancing and benefitting the wider environment.</p>	

[245 words]

A12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

N/a

A13. Where available, please provide the BCR for this project

5.7

A14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.

The consolidation of workspace suitable for space and associated technologies at Pioneer Park and the adjoining Space Park builds on the existing hub space. This agglomeration attracts other businesses who want to co-locate with similar or supply chain companies in their sector. This is evidenced by the letters of support included in Appendix 4, specifically from the UoL and AST, who have already located at Space Park, and wish to look at satellite manufacturing opportunities within Pioneer Park.

This project is in Abbey Ward. Deprivation in the ward is higher than the Leicester average (35%) with 48% of the population living in the fifth most deprived areas nationally. Additionally, fewer people live in the 2/5th most deprived areas (27%) in Abbey compared with 37% overall in Leicester. These proposed projects will ultimately provide jobs within the ward, improving opportunities for employment for local people, along with potentially increasing the spend from workers within the local economy.

A15. Deliverability

Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.

There is an existing outline planning approval for development, which includes approval for access. The other four reserved matters will require approval.

<p>A16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22.</p>	
<p>The COnce funding confirmation is in place an immediate start will be made on the submission of the reserved matters planning application, and preparation of tender documents. Costs incurred in 2021/22 will enable construction work to commence on site in early 2022/23.</p>	
<p>A17. Does this project includes plans for some LUF expenditure in 2021-22?</p>	<p><input checked="" type="checkbox"/> Yes</p>
<p>A18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p>	<p><input checked="" type="checkbox"/> No [Part of overall bid]</p>
<p>A19. Please provide evidence</p>	<p>This project is an integral part of a strategy to consolidate the existing Space and associated technologies in this location, providing a supply of both workspace and light manufacturing space. This will create the environment and opportunities to build an agglomeration of companies within this sector in this location. The scale of the offer will raise profile and create confidence leading to opportunities to attract inward investment. The three interrelated projects provide a scale of investment which will bring confidence and the opportunity for existing growing businesses to be retained, as well as attracting new occupiers because of the pipeline of supply of both land and buildings.</p>
<p>A20. Can you demonstrate ability to deliver on the ground in 2021-22.</p>	<p>No – but fees, and tender preparation costs incurred by March 2022, physical works to start in 22/23</p>
<p>A21. Please provide evidence</p>	<p>The delivery plan and procurement advice demonstrates the immediate appointment of our Development partner Brackley, and the submission of a reserved matters planning application, the preparation of tender documents and fees associated with taking the scheme up to tender stage. There are</p>

	no impediments to an immediate start on this project
Statutory Powers and Consents	
A22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	Outline Planning application 2019/1274 Approved 30/12/2019
A23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	Reserved matters planning application Apply Nov21-consented Jan 22

Annex B - Project Two description and funding profile (only required for package bid)

Project 2	
B1. Project Name	Former Ian Marlow Centre redevelopment
B2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>This project delivers 22 new light industrial units, ranging from 70sq m to 230sq m. Leicester has a shortage of small industrial units. This is fundamentally linked to the whole bid as it provides the relocation space for the businesses displaced from Abbey Court (which is project 3 below) as well as providing new space.</p> <p>[53 words]</p>	
B3. Geographical area: Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
<p>The subject site is a former Council Housing depot which will be vacated by July 2021. It is approximately 1 ha in size and is accessed off Blackbird Road and Ravensbridge Drive, both key roads in the local highway network.</p> <p>The site is located in a predominately commercial workspace area 2 km north west of the city centre. It enjoys good road links out of the western side of the city including the M1 and also has good connections to the nearby city centre</p> <p>[84 words]</p>	
B4. OS Grid Reference	SK579 057
B5. Postcode	LE4 0AR
B6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	Leicester
B7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	See appendix 18B.

B8. Project theme Please select the project theme	<input checked="" type="checkbox"/> Regeneration and town centre investment
B9. Value of capital grant being requested for this project (£):	£4.797m
B10. Value of match funding and sources (£):	£1.296
<p>B11. Value for Money</p> <p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment (Limit 250 word)</p> <p>There is a shortage of small light industrial premises in Leicester and known demand. There is market evidence of this shortage and the Council's own light industrial stock in this size range is over 90% occupied. The creation of this space on the periphery of the city centre near Pioneer Park will both address this shortage and also allow for the provision of re-location space for the businesses to be displaced from Abbey Court. The programme demonstrates that this redevelopment will be completed prior to the closure of the Abbey Court units.</p> <p>One of the critical non-monetised impacts of this project is that it will allow the redevelopment of the Abbey Court site to develop a high-quality public space and route between the National Space Centre, Dock 1 and Dock 2 workspaces, and the jobs that will be created and hosted on the redeveloped sites will, in the main be highly skilled and high-paid jobs in professional, scientific & technical, ICT and manufacturing industries – helping to boost the skills and earnings profile of Leicester's jobs (much needed) and providing progression pathways for young people and graduates.</p> <p>The estimated number of jobs created is 90 (comprising 63 net new jobs and 27 net retained jobs, with 75% local additionally rate applied). The net cost per job is £65,003 (based on the present value total public cost of £5,850,298 and 90 jobs).</p> <p>[230 words]</p>	
<p>B12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.</p>	
N/A	
B13. Where available, please provide the BCR for this project	6.0

<p>B14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p>	<p>The Ian Marlow Centre site is a former housing department depot. It is surplus to requirements and is a vacant brownfield site, which will be returned to full economic use as a result of redevelopment, creating much needed light industrial space.</p> <p>This project is in Abbey Ward. Deprivation in the ward is higher than the Leicester average (35%) with 48% of the population living in the fifth most deprived areas nationally. Additionally, fewer people live in the 2/5th most deprived areas (27%) in Abbey compared with 37% overall in Leicester. These proposed projects will ultimately provide jobs within the ward, improving opportunities for employment for local people, along with potentially increasing the spend from workers within the local economy.</p>
<p>B15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p>	
<p>The demolition of the building requires only a prior notification to the local Planning Authority. This will allow for early demolition as part of an enabling works package. A planning application will be required for the redevelopment proposal, this is programmed for submission in January 2022.</p>	
<p>B16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p>	
<p>Once funding confirmation is in place an immediate start will be made on surveys and site investigations will commence in summer 2021. This will enable the preparation of a planning application. Furthermore, all surveys and requirements for an enabling works package, including demolition will be prepared for tender from summer 2021. Costs incurred in 2021/22 will enable demolition and enabling works to be onsite as early as January 2022.</p>	
<p>B17. Does this project include plans for some LUF expenditure in 2021-22?</p>	<p><input checked="" type="checkbox"/> Yes</p>

B18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?	<input checked="" type="checkbox"/> No [Part of overall bid]
B19. Please provide evidence	Whilst there is demand for light industrial workspace and a stand-alone development could practically be delivered however it would undermine the strategy of this bid, which seeks to create relocation space for the Abbey Court site, which in turn provides the opportunity to deliver land capable of development linked to the Space Park. As a standalone project it would however require public funding to support the abnormal development costs associated with demolition, site clearance and remediation, as part of a wider strategy the redevelopment offers greater non monetarised benefits and improves the business case.
B20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input checked="" type="checkbox"/> Yes
B21. Please provide evidence	The site is vacant and within the Council's ownership. Surveys and site investigations will commence in summer 2021. This will enable the preparation of a planning application. Furthermore, all surveys and requirements for an enabling works package, including demolition will be prepared for tender from summer 2021. Demolition and enabling works package could commence on site as early as January 2022.
Statutory Powers and Consents	
B22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	None
B23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	Prior Notification for demolition - November 2021 Planning permission required - April 2022

Annex C – Project Three- description and funding profile (only required for package bid)

Project 3	
C1. Project Name	Abbey Court Redevelopment
C2. Strategic Linkage to bid:	
Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>The clearance of an existing low-value industrial estate to enable its redevelopment for high-tech, manufacturing workspace for the space and satellite technology sector. Following the completion of the Dock 3 workspace this is the only site left available to redevelop on Pioneer Park which is also in the Council's ownership. Strategically it links the southern Dock hub with the University's Space Park, creating a unified larger scale Science Park. Project 2-Ian Marlow Centre redevelopment-will create units for those displaced from this scheme-this is critical to the success of the bid.</p> <p>[96 words]</p>	
C3. Geographical area:	
Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
<p>This is site accessed from Corporation Road and adjoins the NSC It is 2km north of the City Centre. It adjoins the Pioneer Park science and technology workspace campus, which takes advantage of its position adjacent to the National Space Centre (NSC). In terms of wider geography, it is in an area called Abbey Meadows which is accessed primarily from the A6. It is a mixed urban area of residential, retail, employment and the NSC. It is approximately 300m from the proposed Dock 3 workspace (project 1)</p> <p>[88 words]</p>	
C4. OS Grid Reference	SK588 067
C5. Postcode	LE4 5RD
C6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	Leicester
C7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	See appendix 18C

C8. Project theme Please select the project theme	<input checked="" type="checkbox"/> Regeneration and town centre investment
C9. Value of capital grant being requested for this project (£):	£3.591m
C10. Value of match funding and sources (£):	£971K
<p>C11. Value for Money</p> <p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment. (Limit 250 word)</p>	
<p>The strategic case for clearance and remediation of this site is to provide a supply of serviced land to meet demand for businesses located within the Space Park/Pioneer Park to grow and develop in this location. There are potential benefits from agglomeration and co-location of these businesses. The availability of land at this location is fundamental. The intended project impacts include creating highly skilled and high-paid jobs in professional, scientific & technical, ICT and manufacturing industries thus helping to boost the skills and earnings profile of Leicester’s jobs, and providing progression pathways for young people and graduates.</p> <ul style="list-style-type: none"> • There is a need to provide jobs for a growing population and young workforce. Leicester has a high rate of population growth (source: Mid-year Population Estimates, ONS) of 23.9% growth between 1999 and 2019 (GB=13.9%). And a much younger age profile than nationally, with 39.1% of the population aged under-25 (GB=30.5%), • High degree of ethnic diversity, as 51.6% of the Adult (16+) population is BAME (GB=12.7%) (Source: Annual Population Survey, ONS). • There is a need to ensure jobs growth can address the pay and skills gap faced by Leicester workers. Gross weekly pay of FT workers, at £481.60 in Leicester (2020) is far below the GB average of £587.10 (source: Annual Survey of Hours and Earnings, ONS). <p>The estimated number of jobs created is 436 (new jobs, with 75% local additionally rate applied). The net cost per job is £9,983 (based on the present value total public cost of £4,265,210 and 436 jobs).</p> <p>[250 words]</p>	

C12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.	
N/A	
C13. Where available, please provide the BCR for this project	20.5
C14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.	<p>A fundamental objective of the inclusion of this site within the bid is to enable a consolidation of the recently developed Space Park with the adjoining NSC and Pioneer Park, and so created a larger space and technology hub. The benefits of enhanced public realm and a high-quality environment will increase the attractiveness of the area to inward investors. The presence of a 1980's industrial shed complex in the middle of a Science and Technology hub, undermines the marketing and attractiveness of the Space Park.</p> <p>The creation of serviced land also enhances the offer of the location to new investors looking to relocate or grow businesses in this sector.</p> <p>This project is in Abbey Ward. Deprivation in the ward is higher than the Leicester average (35%) with 48% of the population living in the fifth most deprived areas nationally. Additionally, fewer people live in the 2/5th most deprived areas (27%) in Abbey compared with 37% overall in Leicester. These proposed projects will ultimately provide jobs within the ward, improving opportunities for employment for local people, along with potentially increasing the spend from workers within the local economy.</p>
C15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.	
The programmes schedule two years to gain vacant possession. This will require the following statutory procedures: (1) Commercial tenancies-On confirmation of the scheme funding, our proposals provide the grounds to serve a s.25 notice under the 1954 Landlord & Tenant Act,	

which will deliver vacant possession of these properties by the date required in our programme.

(2) Housing- On confirmation of scheme funding, our scheme proposals provide the grounds to serve a demolition notice on these occupiers, which will lead to them being re-housed elsewhere in the Council’s housing portfolio and appropriately compensated for the disturbance.

Legal advice on obtaining vacant possession and a list of tenancies is provided in Appendix 20A-B

In addition

(3) Prior notification through the Planning process for the demolition of workspace

(4) Planning permission

C16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22

As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22

C17. Does this project include plans for some LUF expenditure in 2021-22?	<input checked="" type="checkbox"/> No
C18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?	<input checked="" type="checkbox"/> No [part of overall bid]
C19. Please provide evidence	<p>The industrial units whilst out of context with the surrounding space park development is nevertheless fully occupied industrial space, with an income stream to the Council. Its demolition and clearance can only be justified if it forms part of a strategy which includes re-location space. The Council’s existing portfolio of similar industrial units is occupied at capacity, and there is a shortage of small light industrial space across the City. Without providing purpose-built re-location space, it would be difficult to justify. The inclusion of this site is a crucial part of the Strategy to create connectivity across the site, a high quality technology park environment. which also allows development of such a scale that it can create a critical mass of industry based around the Space industry. Creating scale through new development links this project to project 1 – Dock 3.</p>

	Without Project 2 there would be little relocation accommodation and it would be much harder to justify ending tenancy agreements, potentially risking closures, job losses or jobs moving out of the area, hence this project is linked to project 2 above.
C20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input checked="" type="checkbox"/> No
C21. Please provide evidence	The delivery plan shows starting on site in Summer 2023 once the tenants have relocated to project 2. Therefore, apart from consultancy costs from mid-2023 there would be no early spend. This would be the final element of the three phases of this bid, and so would see spend towards the end of the programme but includes demolition, site clearance, remediation and preparation for development. The development of new space would follow the end of the programme.
Statutory Powers and Consents	
C22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	None
C23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	<ul style="list-style-type: none"> • Prior notification for demolition • Planning approval.

ANNEX D - Check List Great Britain Local Authorities

Questions	Y/N	Comments
4.1a Member of Parliament support		
MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case?	Y	Appendix 3
Part 4.2 Stakeholder Engagement and Support		
Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?		N/A
Part 4.3 The Case for Investment		
For Transport Bids: Have you provided an Option Assessment Report (OAR)		N/A
Part 6.1 Financial		
Have you appended copies of confirmed match funding?	Y	
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land. Have you appended a letter to support this case?		NA
Part 6.3 Management		
Has a delivery plan been appended to your bid?	Y	Appendix 16
Has a letter relating to land acquisition been appended?		NA
Have you attached a copy of your Risk Register?	Y	Appendix 13 A-C
Annex A-C - Project description Summary (only required for package bid)		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	Y	Appendix 19

Annex E Checklist for Northern Ireland Bidding Entities

Questions	Y/N	Comments
Part 1 Gateway Criteria		
You have attached two years of audited accounts		N/A
You have provided evidence of the delivery team having experience of delivering two capital projects of similar size and in the last five years		N/A
Part 4.2 Stakeholder Engagement and Support		
For transport bids, have you appended a letter of support from the relevant district council		N/A
Part 6.1 Financial		
Have you appended copies of confirmed match funding		N/A
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.		N/A
Part 6.3 Management		
Has a delivery plan been appended to your bid?		N/A
Has a letter relating to land acquisition been appended?		N/A
Have you attached a copy of your Risk Register?		N/A
Annex A-C - Project description Summary (only required for package bid)		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.		N/A