ERDF Summative Assessment

Grovehill Enterprise Park Phase 2: Business Centre
East Riding of Yorkshire Council

Summative Assessment

July 2022

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1.0 Introduction

In November 2021, following a competitive procurement process, Focus Consultants was appointed to undertake a Summative Assessment of the European Regional Development Fund (ERDF) funded **Grovehill Enterprise Park Phase 2: Business Centre** project on behalf of East Riding of Yorkshire Council.

The Business Centre is a brand-new building providing high-quality, purpose-built workshops and offices with on-site business support facilities.

The business centre is located on the Grovehill Industrial Estate on the southern outskirts of Beverley.

The project was awarded £1.5 million of ERDF funding towards total project costs of circa £4.35 million. The project has created 1,500sqm of new employment floorspace for SMEs – enough space to house circa 70 employees.

This Summative Assessment follows ERDF guidance, and has been informed through consultation with partners, stakeholders, delivery staff, and business beneficiaries. The report sets out an overview of the project including timescales, overarching objectives, funding, outputs delivered, wider impacts achieved, lessons learnt and examples of good practice.

This Summative Assessment concludes by identifying how successful the Grovehill Business Centre project has been at meeting its objectives of:

- Creating jobs in the local area
- Increasing economic growth and GVA in the local area
- Creating quality flexible workspace
- Kick-starting development on the wider Grovehill site and attracting inward investment
- Supporting businesses.

2.0 Methodology and Approach

The table below sets out the methodology used to undertake the Summative Assessment. As requested in the ERDF guidance it sets out why the approach was used, and the key successes and lessons learnt to inform future evaluation studies. Copies of consultation materials are appended.

Methodology and Approach		
Area of Work	**Methodology**	**Why this Approach was Used/ Key Successes and Lessons Learnt**
Documentation Review	The evaluation team reviewed all project data and documentation including the original ERDF application, the logic model, project change requests, contract agreements, progress/ claim reports, audit and compliance documentation, marketing materials and the Getting Building Fund (GBF) application and associated reports. See later sections for details on the GBF elements.	This has allowed the team to develop a good understanding of how the project has operated to date and assess progress towards profiled outputs, outcomes, spend and milestones. The comprehensive documentation review enabled the team to develop a thorough and informed list of questions for the staff and stakeholder consultation element of the evaluation. The project team at ERYC hold a comprehensive library of project data and documentation which was easy for the evaluation team to access. The project team should be recognised for maintaining high administration/data collection standards. This certainly made the evaluation easier to deliver from the consultancy perspective.
Policy Context Assessment and Data Analysis	The evaluation team have established where and how the Grovehill Business Centre project has contributed to key strategic priorities of the area and whether the project is still relevant today in light of any changes in policy and strategy. This summative assessment also analyses recent data and statistics to understand the socio-economic environment that the new facility will be operating in, allowing the evaluation to identify how the project will continue to meet the needs of local people and local businesses as it begins its operational phase.	This approach helped the evaluation team to establish the ongoing relevancy of the project in light of any changes in policy or economic circumstances. It has also helped to understand the impact of the Covid-19 pandemic on the capital delivery, and the potential impact on future demand for the managed workspaces created.
Staff/ Stakeholder/ Partner Consultations	The evaluation team undertook regular catch-up meetings with the project manager and undertook face-to-face virtual consultation with the project stakeholders and staff team. The questions posed to this group have been listed in the appendices. The questions were designed to obtain a comprehensive understanding of the project including the management and governance, impacts, lessons learnt and good practice. Consultation was undertaken with the following: • Austin Lillico - Senior Inward Investment Officer • Jo Dooley - Business Investment & Tourism Services Manager, ERYC • Amanda Hoggart - Business Centre Manager, ERYC • Daniel Li - Quantity Surveyor (recently left ERYC) • Kirsty Barr - Hull & East Yorkshire LEP • Alison Lacey - Hull & East Yorkshire LEP • Emily Tate - Senior Accountant, ERYC • Carl Fahy - Quantity Surveyor, ERYC • Hayley Louise Smith - Assistant Principal Project Manager, ERYC	Some of those who had been closely involved in the project had recently left their positions within the local authority, but due to their close links with the project team they were still happy to engage with the consultation. This also meant that some of the current delivery staff were relatively new in post and were unable to comment on some of the early stages of the project. The evaluation team undertook the consultation at the point where the capital build was just coming to a close. As a result, the project was still at the forefront of the minds of many of the staff we spoke to, meaning that they were able to provide comprehensive and well-informed responses. Due to timescales, this evaluation only considers a short time-period when the centre will be operational and open for use by businesses. The evaluation team suggest that the staff at the centre/ ERYC undertake a short review after one year of operation to assess whether the facilities are meeting the needs of the businesses and whether any changes need to be noted to inform future developments.
Business Consultation	Informal, face-to-face consultations were held with businesses who have based themselves at the centre.	Speaking to business representatives face-to-face helped to develop an insight into the success of the building from those who will be using it on a day-to-day basis.
Economic Impact Assessment and Value for Money	The evaluation team have assessed the economic impact of the Grovehill project in terms of jobs created and the associated GVA impacts. The team have also considered the potential economic impacts of the new conferencing facilities, as discussions with the staff team highlighted that this is a key element of the project, with the potential to bring significant economic impacts to the local area. To estimate the total effect of the project, a wide range of consequential or induced effects as well as the immediate effects have been considered.	Given the size of the project and available evaluation budget it is felt that this approach has given a good insight into the impacts of the project and provided useful information in terms of securing future funds for similar projects. As the centre has recently opened, the evaluation can only forecast the future economic impacts that will be expected from the centre. This will still provide useful information for the project team.

3.0 Project Context

This section sets out the objectives of the Grovehill Business Centre project. It provides additional detail on the economic, policy and environmental context in which the project was designed, including the nature of the market failure that the project was developed to address and the business/economic need that was identified when the project was initiated. This section also considers how this context has changed throughout the project delivery period, including whether there is still a need and demand for business accommodation in Beverley going forward.

3.1 Project Background

£1.5million of ERDF funding was secured by the East Riding of Yorkshire Council (ERYC) to co-fund a new business centre on the Beverley Grovehill Industrial Estate site. The final building is a two-storey development, providing 1,500sqm of floorspace overall, accommodation for circa 70 employees, and associated reception, meeting rooms and conferencing space. The business centre is open to all ERDF eligible sectors.

The business centre will replace an existing facility in the town centre which hosted 18 businesses. This previous business centre was outdated and unattractive, energy inefficient and not built to modern specifications. It lacked suitable conference/ meeting space and faced becoming obsolete in the near future. The workspace provision did not match the requirements of forward-looking businesses, especially knowledge-based and high technology industries that provide the well-paid work which attracts and retains higher skilled employees.

It should be noted that some of the units/ workspaces at the new Grovehill Business Centre have been occupied by businesses who have relocated from the previous business centre. This has been reflected within the impact analysis.

3.1.1 The Wider Development – Grovehill Industrial Estate

The business centre has been built on the Beverley Grovehill Industrial Estate. A demand study had been undertaken which indicated the potential appetite for an enterprise park approach in brin ging forward this site. The report identified the need for a business centre, with this building addressing the demand for managed workspace, but in addition acting as a service hub for the rest of the enterprise park to grow and develop around. Before the Grovehill Business Centre was built, the industrial estate was offering old, post-war, prefabricated units, which, whilst providing inexpensive premises, were also unattractive, and did not appeal to the vast majority of modern start-up SMEs. Business accommodation on the estate was badly located, and generally remained un-let, or was only sporadically occupied.

It was also anticipated that a business centre would demonstrate the local authority's commitment to the site, and act as a catalyst for investment by other neighbouring landowners. When the project was being developed, forecasts suggested that the whole Grovehill site had the potential to support around £22M of developments, including the provision of B1, B2 and B8 industrial premises, hospitality outlets, leisure provision, storage, and distribution.

3.1.2 ERDF Investment Priority

The project was funded under ERDF Priority Axis 3, Enhancing the Competitiveness of Small and Medium Sized Enterprises. Funding was allocated under Investment Priority 3c - Supporting the Creation and the Extension of Advanced Capacities for Products, Services, and Development.

3.1.3 Geography

The project falls within the Hull and East Yorkshire Local Enterprise Partnership (HEY LEP) geography. Grovehill Industrial Estate is to the south of Beverley town, with the location providing good access towards Hull and the Humber, the M62 motorway East – West corridor, and the M1.

3.1.4 Delivery Partners

The delivery partners involved in the Grovehill Business Centre project are shown in the table:

Partner	Nature of Involvement
East Riding of Yorkshire Council	Lead partner. Main financial and operational delivery partner. ERYC own and operate the building and the land the centre is built on.
European Union	Financial contribution via ERDF.
HEY LEP	Financial contribution via Getting Building Fund and local champion of the scheme.
Geo Houlton	Main construction contractor.

3.2 The Grovehill Business Centre Offer

This section sets out the offer and facilities that have been created at Grovehill Business Centre. It includes both the capital build elements and the business support offer that will be available from the site.

3.2.1 Capital Project

The capital elements of new business centre include:

- The creation of 1,500 sqm of flexible managed workspace
- 6 workshops ranging from 37 - 79 sqm
- Offices ranging from 17 - 54 sqm located over two floors
- Space to house 70 employees – at full occupancy
- The creation of 85 sqm of rentable conference space
- Parking for over 120 cars
- Electric car charging points
- Cycle and motorcycle parking
- Side access for service vehicles and large deliveries
- Self-contained access for industrial units.

3.2.2 Business Support Offer

The funding secured for the project from the HEY LEP and ERDF has only supported the capital build elements. However, the new centre will also offer tenants easy access to a full range of business support and guidance through ERYC advisers and project stakeholders. All businesses are told about the support on offer as part of their induction. All business support activities delivered at the centre will be linked to the Growth Hub, and the new premises will provide a focal point for hot desk delivery of business support courses across a range of topics.

The benefits for businesses taking space in the Grovehill Business Centre are:

- A monthly licence fee, with flexible 'easy-in, 'easy out' terms and the ability to easily move to larger or smaller offices within the building should their business grow or shrink
- Secure 24/7 access and on-site parking
- Full broadband connectivity
- On site receptionist.

The centre management team told us that they will be holding regular get-togethers for businesses locating at the site post Covid-19 so that they can network and get to know each other.

Examples of other providers who the client team are hoping will utilise the new facilities to deliver training and support to local businesses include: the Northern Powerhouse Investment Fund, Lets Grow Humber, the Manufacturing Growth Programme, Export Advisers, the ERDF Innovation Spark Fund, the ERDF ICT for Growth and Finance programmes, and the Sustainable Supply Chain initiative.

Tenants will be supported and encouraged to grow and develop and then move on, which is the opposite of the private sector where maximisation of rental income and longevity of tenure are the key drivers, and 'easy in – easy out' terms are not promoted.

3.3 Objectives, Rationale, and Continued Relevance of the Project

This section sets out the rationale for the Grovehill project at the time when the business case was first developed, and the associated objectives for the project. It then analyses whether these objectives are still relevant in the current economic and social environment.

3.3.1 Objectives

The ERDF and Getting Building Fund business cases for the Grovehill Business Centre project set out the following objectives:

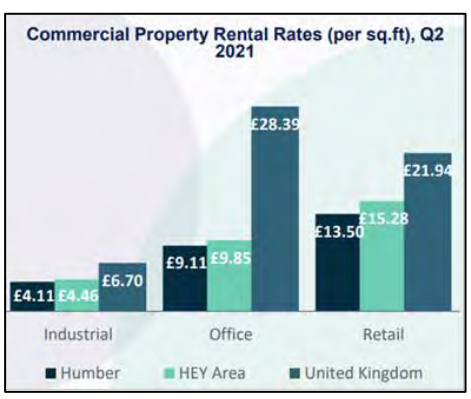
- Creating jobs in the local area
- Increasing economic growth and GVA in the local area
- Creating quality flexible workspace
- Kick-starting development on the wider Grovehill site and attracting inward investment
- Supporting businesses.

3.3.2 Rationale and Current Relevance of the Objectives

For each of the objectives listed above, the table identifies the need, rational and market failure that was present when the project was being developed.

The table then shows the latest position (as at June 2022) in terms of strategy and statistics to understand whether these objectives are still relevant today. The implications of the Covid-19 pandemic are also included where relevant. Later sections identify how well the project has met the stated objectives.

Rationale for, and Current Relevance of, the Grovehill Business Centre Objectives

Objective	Rationale and Market Failure as at the Business Planning Phase	Current Relevance - Latest Data/ Emerging Policy and Strategy/ Covid Implications	Summary
Job Creation	**Rationale:** When the project was being developed, research highlighted that there was an over-reliance on service, retail and visitor economy sectors in Beverley. It was felt that that Grovehill development provided an excellent opportunity for Beverley to create employment opportunities in the town in higher paid jobs. In addition, with the current centre being outdated and not fit for purpose, there was a real risk that businesses may have started to relocate outside of the area, taking their jobs with them.	**Earnings:** Gross weekly pay for full time workers for those living in the East Riding is at 99.3% of the GB average (as at 2021), however, pay for those working in the East Riding is only 93.0% of the GB average. This suggests that there is out-commuting for higher paid jobs, and that there is still the need to create more higher paid jobs in the local area. The Grovehill Business Centre can help to address this. *Source: https://www.nomisweb.co.uk/* **Latest Strategy Alignment:** The target to create new jobs at Grovehill still aligns with the latest HEY LEP strategy which aims to create a further 6,500 jobs between 2021 and 2026. The new business centre will support this. *Source: https://heylep.com/wp-content/uploads/2021/10/HEY-LEP-Economic-Growth-and-Workforce-Wellbeing-Strategy-Consultation.pdf*	The Grovehill project is still relevant in terms of its aspirations to create jobs. Analysis suggests that the area still needs higher paid employment for its local residents, and that there is an aspiration to create more jobs in the area.
Creating quality flexible workspace	**Rationale:** The previous/ existing East Riding Council Beverley Business centre was outdated and unattractive, energy inefficient and not built to modern specifications or environmental guidelines. It lacked suitable conference space and faced becoming obsolete in the near future. Workspace provision did not match the requirements of forward-looking businesses, especially knowledge-based and high technology industries that provide the well-paid work which attracts and retains higher skilled employees in the area. In addition, a commercial property intelligence review outlined local need for modern industrial units, which was not being supported. **Market Failure:** In terms of provision, purpose-built managed business centres present commercial viability issues for private and indeed public developers, as their 'net to gross' floor space ratio is less favourable than conventional office/B1 development, and this impacts on costs and value. In addition, the flexible letting terms result in higher-than-average void periods, and the requirement for proactive management on the premises on top of the property services function adds to overhead costs, especially if then combined with a proactive business development and support remit.	**Current Demand and Supply:** Analysis undertaken for the HEY LEP in 2022 shows that office vacancy rates are lower in the Hull and East Yorkshire area than the UK average. This suggests that there is still a need for additional office accommodation locally *Source: https://heylep.com/wp-content/uploads/2022/01/HEYLEP-Covid-Impact-Update-Autumn-2021.pdf*  **Market Failure:** The graph shows how commercial property rental rates are significantly lower than the UK average for the HEY area. It is therefore unlikely that private sector investors would be interested in investing in the area when higher returns can be made elsewhere. This demonstrates that public sector investment was vital to develop Grovehill. *Source: https://heylep.com/wp-content/uploads/2022/01/HEYLEP-Covid-Impact-Update-Autumn-2021.pdf*	It is clear that there is still a need for business accommodation in the area as vacancy rates are significantly lower than the UK average. With commercial property rental rates significantly below the UK average it is unlikely that private developers would step in.

Rationale for, and Current Relevance of, the Grovehill Business Centre Objectives			
Objective	**Rationale and Market Failure as at the Business Planning Phase**	**Current Relevance - Latest Data/ Emerging Policy and Strategy/ Covid Implications**	**Summary**
Economic Growth and Increase GVA	**Rationale:** When the Grovehill project was being developed, the East Riding was achieving £18,363 GVA per head in relation to £20,016 for the Humber (91%) and £28,096 for England (only 65%). The business case for the Grovehill project highlighted that this gap needed to be addressed through the provision of high-tech and high-spec employment and business investment opportunities. In addition, at the time the project was developed the Grovehill industrial estate was offering old post-war prefabricated units, which whilst providing inexpensive premises, were also visually and environmentally unattractive, and highly unlikely to appeal to the vast majority of modern start-up small and medium enterprises. The site was not reaching its full potential in terms of supporting the local economy.	**Latest Strategy Alignment:** The latest HEY LEP strategy indicates that the LEP are still prioritising GVA and are hoping to increase GVA by 10.8% between 2021 and 2026. This is an increase of £1.2bn in GVA. Through the creation of the new business centre, new jobs at the site, and stimulation of further activity on the industrial estate, this project can support this objective. *Source: https://heylep.com/wp-content/uploads/2022/01/HEYLEP-Covid-Impact-Update-Autumn-2021.pdf*	The Grovehill project is still relevant in terms of its aspirations to increase GVA for the local area. Increasing the GVA in the area was a key priority when the project was initiated, and it remains a key priority for the LEP today.
Kick-starting development on the wider Grovehill site and attracting inward investment	**Rationale:** When the business case was developed it was identified that the Grovehill project was well-placed to be a catalyst for further expansion of the local economy. It was also anticipated that funding support would help to kick-start a Grovehill Enterprise Park Masterplan. It was estimated that the Grovehill site itself had the potential to support around £22M of developments, including the provision of B1, B2 and B8 industrial premises, hospitality outlets even and projects by other neighbouring landowners. A report developed to support the bid noted: "*Whilst the town employs a significant number of people, the current commercial offer does not represent a sufficiently diverse base with an undersupply of quality office accommodation to attract new higher value knowledge-based businesses and employers. The Grovehill site of 11 hectares of land could therefore, depending on the mix of uses, bring forward a significant amount of commercial floor space".*	**Latest Strategy Alignment:** Analysis of the latest Humber and East Yorkshire LEP strategy states that inward investment remains one of the LEPs key priorities. *Source: https://heylep.com/wp-content/uploads/2021/10/HEY-LEP-Economic-Growth-and-Workforce-Wellbeing-Strategy-Consultation*	The Grovehill project is still relevant in terms of its aspirations to support inward investment.
Supporting businesses	**Rationale:** When the project was first initiated the business case highlighted a lack of capacity/ skills to support companies to adjust to technological change.	**Latest Position:** Latest strategy for the LEP highlights that they hope to support 9,000 business via Growth Hub activity between 2021 and 2026. All businesses using the Grovehill Business Centre will be supported to access both the Growth Hub and the wider business support offers in the local area. Source: *HEY LEP Growth & Workforce Wellbeing Strategy 2021-2026 Consultation*	The Grovehill project is still relevant in terms of the ongoing need to develop human capital and support businesses.

Summary: Project Context

Analysis suggests that the Grovehill Business Centre project is as relevant now as it was when the idea was first conceived. There is still a lack of high-quality office accommodation and workspace, there is still a need for higher paid, higher skilled jobs, and a need to boost GVA. With rental yields significantly below the national average it is unlikely that the private sector will step in. The project is still clearly aligned with the most recent LEP strategy, particularly around catalysing inward investment, and promoting business support.

4.0 Project Progress

This section considers the Grovehill Business Centre delivery performance against the contracted ERDF expenditure, activity and outputs. It also considers the wider outputs that have been achieved by the project, including those set out in the Getting Building Fund contract, and the overall spend of the whole project.

4.1 Project Change Requests

Two key changes were made to the project delivery compared to what was set out in the original ERDF application form. One with regards to costs, and one with regards to timescales. Details are set out below.

4.1.1 Project Change Request – Costs

The original ERDF project costings were based on an early estimate. They were also undertaken in the pre-Covid era. A more accurate assessment was developed post grant award, and whilst there was no change in the ERDF contribution, project costs did rise to take into account the increase in construction costs post Covid-19 and to allow for additional staffing resource to be allocated to the project delivery. £0.5 million was secured from the Humber LEP Getting Building Fund (GBF) to fill this funding gap.

In addition, the original application did not include any request for staff costs - ERYC intended to run the project using a coordinator who was core funded through East Riding Council. Since then, the project has added an additional external funding stream (Getting Building Fund), become more resource intensive than anticipated, and ERYC have also committed staff to delivering a similar Business centre project in the Goole area.

As a result, the ERYC requested to allocate a part-time Project Coordinator to the Beverley Grovehill project through the PCR process. The total staffing cost for this was allocated on a 50% Intervention rate against ERDF and ERYC. The land value contribution was uplifted slightly from £400K to £425K for the project, based on an independent assessment from the District Valuer.

This was included in the PCR and is set out in the table below.

Grovehill Business Centre: Project Change Request – Contracted Spend		
Funder	Targets	
	Original Costs – Initial ERDF Application	Contract Variation - New Contracted Value
ERDF	£1,500,000	£1,500,000 (£1,481,000 Capital, £19,000 Revenue)
ERYC	£2,800,000, (of which £400,00 was the land value)	£2,939,865 (of which £425,00 is the land value)
HEY LEP GBF	n/a	£500,000
Total	**£4,350,000**	**£4,939,865**

Project Change Request – Timescales: The final completion date for the Grovehill Business Centre has been moved back as shown in the table below.

Grovehill Business Centre: Project Change Request – Timescales		
Initial Milestone – Application Submission	**Updated Milestone – Most Recent Change Request**	**Latest Position**
Start On Site 01/08/2020 Complete On Site 01/11/2021	Start On Site 24/01/2021 Complete On Site 1/4/2022	Handover of Business Centre May 2022

Discussions with the project team suggest that milestones slipped due to unforeseen disruptions and delays to the development of the project, and also in progressing work with the construction due to Covid lockdowns in 2020.

4.2 Project Spend

The latest position with regards to spend is shown in the table below.

Eligible Project Spend			
	Total Cumulative Expenditure to Date	**Total Forecasted**	**% Spend**
Total Capital	£4,556,550	£4,901,865	93%
Total Revenue	£20,685	£38,000	54%
Total	**£4,577,235**	**£4,939,865**	**93%**
Source: ERDF Claim forms April 2022			

ERDF Claimed to Date						
	Original Funding Agreement	**Amount in Most Recent Funding Agreement Variation**	**Total Claimed at Time of Evaluation**	**% of Target**	**Projected to be Achieved at Project Closure**	**% of Target**
ERDF Capital Expenditure	£1,500,000	£1,481,000	£1,158,220	78%	£1,481,000	100%
ERDF Revenue Expenditure	£0	£19,000	£11,908	63%	£19,000	100%
Source: LEP Claim forms April 2022						

Discussions with the project team show that the capital target is expected to be reached in the June 2022 claim. There is a slight chance of a small revenue underspend against the ERDF contracted target. The project team are currently looking at this, any underspend would be minimal.

4.3 Project Outputs

The data below shows progress towards achieving the contracted ERDF outputs target. This section also considers the wider outputs that formed part of the Getting Building Fund contract as these give a useful indication of what the wider project is achieving.

4.3.1 ERDF Contracted Project Outputs

The table below shows the contracted and achieved outputs as of March 2022. Discussions with the project team noted that the floorspace has been ratified by a quantity surveyor, and these outputs have been reported through the ERDF claims process.

Grovehill: ERDF Contracted Project Outputs				
Indicator	Targets		Performance at March 2022	
	Original	Current	Achieved	% of Original Target
Public or commercial buildings built or renovated - Sqm of flexible managed workspace	1,500	1,500	1,500	100%

4.3.2 Project Outputs – Getting Building Fund

Whilst not part of the ERDF contract, it is interesting to note the current project position with regards to the Getting Building Fund contracted outputs – this is shown in the table below. The GBF business case identified that all contracted outcomes will be achieved by March 2024.

Progress Towards Achieving Contractual Outputs – Getting Building Fund		
Outputs	Achieved?	Additional Details
11ha of site reclaimed	Achieved	Achieved
10 construction Jobs	Achieved	Achieved and reported to the HEY LEP
1,500 sqm of flexible managed workspace created out of town	Achieved	Ratified by the Quantity Surveyor and reported to the HEY LEP
1,500 sqm of flexible managed workspace occupied	Achieved	Ratified by the Quantity Surveyor and reported to the HEY LEP
70 jobs in the companies renting space when full	Partially Achieved	Occupancy levels to date stand at 59 jobs within the centre as at July 2022.
30 enterprises receiving non-financial support	Partially Achieved	There has been regular use of the business support room by the ERYC business support team. 2 advisors have had 1:1 client meetings. The business support team have several workshops booked throughout the year. An event on 20th June 2022 was a full day external 'Social Media & Marketing Workshop' attracting 18 people, open to all ERYC council businesses not just tenants

Summary: Project Progress

ERDF: The analysis shows that the project is on track to deliver its ERDF contractual output of 1,500sqm of managed workspace, and is on track to achieve all allocated ERDF spend by August 2022.

Getting Building Fund (HEY LEP): The wider project is also on track to deliver the wider outcomes as required by the Getting Building Fund contract by 2024.

5.0 Project Delivery and Management

This section of the summative assessment provides a qualitative analysis of the implementation of the project. It draws on information captured through the staff and partner consultations to provide details on delivery performance, governance, and management.

This section also considers the elements of project delivery to date which have gone well and the elements which have gone less well. It highlights lessons learnt and suggestions for future programmes.

5.1 Capital Build Phase

The Grovehill Business Centre project was managed by East Riding of Yorkshire Council using the principles of PRINCE2. A formal project board was established to control the project, with the Director of Planning and Economic Regeneration acting as the lead executive and controller.

East Riding Inward Investment Team have ensured that all ESIF programme guidelines has been adhered to and records kept, and that project monitoring and financial control and management has been rigorous and compliant.

5.1.1 Contracting Approach

The project has been developed using a traditional contract, rather than the Design and Build approach. Infrastructure and facilities staff have managed external contractors, overseen detailed designs and technical investigations, provided quantity surveying services and appointed a clerk of works to oversee the building works. The operational team noted that this approach (traditional) has meant that they are now being pulled in more at the end of the project in terms of decision making than they have been on similar Design and Build contracts currently being run by ERYC.

Additional comments from the team with regards to the delivery approach, included:

- It was noted that as Grovehill was fully designed in house and was fully detailed, ERYC were able to specify exactly what was wanted. This was seen as a positive, and one stakeholder commented that as a result the building was more aesthetically appealing than other similar buildings that had been run on a Design and Build contract. Similarly, it was noted that whilst this, and the ERYC Goole Business Centre have both been delivered to a very high standard, the Grovehill project *'slightly edged it'* in terms of build quality.

- The team noted that using a Design and Build route instead of the traditional approach would have transferred more risk to the contractors and reduced the costs associated with some of the extras that occurred. It was noted that more changes to the works have had to be instructed compared to the Goole project. This is because on Beverley, if there were any issues, however small, ERYC have had to instruct a change. Goole, as a D&B contract meant that the contractor sorted these small changes without needing to make variations. As a result, it was noted that the Grovehill probably cost more in terms of administration time than the Goole scheme.

5.1.2 Design

The Grovehill Business Centre was designed around best practice from other ERYC premises. The front central lobby of the Business Centre was built on an angle, as there was some discussion during the early design stage around another and separate wing to house council employees. Whilst this did not materialise, the team told us that the angled lobby adds to the appearance of the building, as it makes it highly visible as you approach the site down Grovehill Road.

The team also told us that they have provided a mix of office sizes, with larger spaces that growing businesses can relocate to if needed. In past schemes, the team have found that reconfiguring spaces after the build phase is complete can cause problems with re-arranging lighting, windows, heating systems, doors etc. As one stakeholder commented: *'Moving walls to accommodate growing businesses seems like a good idea on paper, but in practice it comes with many problems'.*

5.1.3 Management and Governance

Relationship with the Contractor – The team noted that the overall delivery and management has been successful, with strong relationships with the build contractor. The site is adjacent to a residential area and no complaints have been received at all from the local residents in terms of construction/ site noise etc.

Internal Relationships - It was noted that initially there were some internal operational communication issues, an example was given as one internal team making a decision to remove an item/ element from the specification, but then this not working/ being appropriate from the operational perspective. To resolve this a project team was set up, bringing together the internal staff delivering the project. This group kept a watching brief on all of the different aspects of the project, minuting the meetings which were held on a monthly basis, ensuring the smooth running of the project and disseminating project decisions to all of those involved.

Turnover of Staff – It was noted that there has been a turnover of staff within the project in recent months. Coupled with a change of personnel at the contractors - Geo Houltons - this has added some slight complications in terms of continuity, but the team told us that new staff are now all up to speed from both the contractor and ERYC perspective.

5.1.4 Spend

The quantity surveyor for the project told us that there was an overspend at the start of the project due to unforeseen groundwork/land remediation/ archaeology that was needed. This could have been prevented if the relevant groundwork and archaeology matters were dealt with before going out to tender. A key lesson learnt from this was noted as ensuring relevant surveys and information are prepared before going out to tender, and/ or giving tenderers access to the site to carry out their own surveys.

It was noted that the spend on Grovehill had been less smooth/ there had been more variations from the agreed spend profile than for the Goole project. This was due to the use of smaller contractors and the supply chain issues faced as result of the Covid-19 pandemic.

Some similar ERYC schemes which used larger contractors, had fewer peaks and troughs in terms of invoicing. These variations can make spend profiling more challenging in terms of reporting and claiming from grant funders.

It was suggested that the QS team could have more involvement in the tendering and procurement process in future projects.

There was some value engineering around EV charging points, these have been dropped in number from ten to two due to budget constraints. It was noted that the associated infrastructure has been installed for the eight exclude EV points when funding becomes available in the future. This has meant the project can't achieve the associated BREEAM points for this element.

5.1.5 Impact of Covid-19/ Brexit - Capital Development

There have been unforeseen changes in the construction sector in 2020/ 2021, due to uncertainty around the impact of both the Covid pandemic, and Brexit. Inevitably this has influenced project costs and timescales, for example the furloughing of construction professionals, and sadly in some cases the closure of businesses and materials suppliers

The team told us that with specific respect to this scheme some material specifications had to be changed due to their country of origin. This created some supply chain issues during the build which slightly held up the build process. These delays were thought to be more related to Brexit than the Covid-19 pandemic.

The team also noted that timing was fortunate - just two or three months later on-site and the project would have been hit by more significant Covid impacts and supply chain issues.

5.1.6 Risks

Through the experience of a number of major schemes, the Council has developed key management processes to ensure schemes can be delivered on time and on budget where reasonably practical.

PRINCE2 is used throughout the Council to manage major projects. This is assisted by regular risk workshops to review project progress and identify risks at critical stages in the project life cycle in order to reduce the likelihood of significant adverse effects once construction has started. A risk register was produced to identify and quantify risk and determine the best way to manage the risk.

Discussions with the outgoing quantity surveyor noted that risks had been well managed and documented through the build process.

5.1.7 BREEAM

There were mixed reviews in terms of the use of BREEAM accreditation on the scheme, with some saying that it was time consuming and others saying that it is worthwhile and should be adopted for all ERYC council projects. The full BREEAM inspection is expected in the next couple of weeks. Key comments from staff included:

- The BREEAM element of the project worked well, but this was largely due to the knowledge and experience of the project manager, who already had a good understanding of BREEAM and was able to apply it to this project. A key factor in this success was that the project manager set up a lot of the processes and policies at the start of the contract.
- It was noted that the project manager has had to spend a significant amount of time sorting out the BREEAM element of the scheme, particularly at the start of the project. By comparison, similar projects run by ERYC which used the Design and Build approach have been less time consuming in terms of BREEAM requirements as much of this responsibility was passed to the contractor.
- Care was taken to not reduce spend/ value engineer any elements that would have had an impact on the aspirations to create a BREEAM Excellent building.
- Whilst the reasons behind using BREEAM were endorsed by all, it was noted by some that project costs were higher due to the requirements of achieving the BREEAM Excellent. It was noted by some that these higher costs associated with achieving BREEAM can sometimes be hard to justify when spending public money. One stakeholder commented that *'whilst we all want to do the right thing in terms of the low carbon agenda, sometime this can be inhibited by the associated costs'.*
- It was noted that the BREEAM rating was attained by achieving a set number of points. It was suggested that in future ERYC could investigate whether some of the more expensive BREEAM elements could be reduced whilst still achieving the minimum points required to achieve the BREEAM standards required.
- The team were able to provide examples where the use of BREEAM was not necessarily in the best interests of the project. The Grovehill Business Centre needed carpeting – but ERYC would have lost BREEAM points for putting carpets down in the business units. The BREEAM rationale for this was that businesses may move into the centre and change the carpets to their liking. Whilst this assumption could be feasible in a residential property, it would be highly unlikely a business would move into a managed workspace and change the carpets. The impact is that the delivery team can only currently carpet the communal spaces. This has implications on costs and budgets, as funding has been allocated for carpets within the allocated grant funding, and the carpet fitters will need to return at a later stage, all increasing costs.

5.1.8 Awareness of ERDF Requirements

In general, the team felt that they were aware of the ERDF requirements during the build phase. There were no real complaints about the process and requirements associated with ERDF funding.

The delivery team were grateful that they had been able to sit down with the officer responsible for the ERDF reporting, allowing them to identify from the outset what was needed from the contractors in terms of ERDF and building this into contracts.

5.2 Operations

5.2.1 Marketing and Promotion

The HEY LEP team commended ERYC on their correct use of logos on marketing materials and the fact that all promotional material references their involvement.

5.2.2 Business Occupancy/ Jobs Accommodated

There has been some relocation of businesses from the previous Beverley Business Centre, and other ERYC facilities. This can be seen in the table below.

Businesses Currently Located in the Centre			
	New Jobs Created	Jobs Accommodated	Internal Move (within the ERYC business centres)
Outbound Tech Ltd		1	X
Inspired Technology (Yorkshire) Ltd		3	X
Cleverclogs MultiMedia Ltd		2	
Red Office Supplies Ltd		1	X
Expert Site Services Ltd		4	X
Beverley Window Centre Ltd		4	X
Accuweigh Ltd		4	X
Norwood Interiors Ltd		4	X
Dymond Chartered Accountants	3	1	
Sewell Law Ltd		2	
Scottish Rugby Union (local rep)		1	X
IPPI (UK) Ltd		2	X
Westwood Capital Finance Ltd	2		
Flightsight Ltd		2	
Act Fast First Aid	3		
Carbon Visibility Ltd		4	X
Alessandro Caruso Architects Ltd		7	
East Yorkshire Parent Carer Forum		4	x
Humber Law Ltd	1		
AS Training Services LTD		4	

There are currently (July 2022) only circa 8 spaces left to fill within the business centre. The team told us that there has been a significant interest in the remaining spaces, as the only other available space to rent in Beverley is above shops/ in old Georgian buildings not designed as office / workshop space.

The previous building at Beverley that housed the business centre will now be used for other purposes. It was not fit for purpose as a managed workspace in the long-term, was not attracting the right sort of businesses, and was reaching obsolescence.

5.2.3 Future Management

The site will be managed by the East Riding team who have significant experience of managing and running business centres. The policy will be to let to businesses who are ERDF eligible.

5.2.4 Impact of Covid – Demand for Spaces

The team told us that their experience from managing other similar centres is that *'people want to get back to normal and that they want to get back into the office'.* They told us that during the pandemic they just saw the natural churn of businesses, '*as one business left, other businesses wanted to sign up'.*

The team told us occupancy rates at other ERYC managed workspace facilities are currently at 90%, suggesting high levels of demand. This suggests that Covid-19 will have little impact on demand for managed workspace going forward.

5.2.5 Conferencing

The team told us that the new facility has conferencing facilities for up to 50 delegates, but the old site only had a small meeting room for 12.

The team noted that the conferencing space has potential to bring in reasonable amounts of revenue for the centre, as well as generating significant impacts for the local economy, although care will be needed to be taken to ensure that this does not take away business from private sector providers.

The conference facilities only opened in June 2022. During the month there have been eight East Riding of Yorkshire Council bookings, two from existing tenants and one external booking from a local chartered accountant who is planning to use the space regularly in future.

Bookings have already been taken for July 2022 and beyond – indeed the team have already taken booking up to mid-2023.

5.3 Monitoring and Reporting

5.3.1 Feedback from HEY LEP

Discussions with team at HEY LEP highlighted how successfully the monitoring and reporting had been for the GBF elements of the scheme.

The staff team told us:

- *'The projects were well worked up and successfully delivered despite all of the obstacles – Brexit, covid, supply chains, whatever has been thrown at them, that was unimaginable they have dealt with in a very swift and professional way'.*
- *'One of the easiest projects to deal with, they answer our questions in a timely fashion and provide detailed and accurate information – you can't ask for more'*
- *'East Riding have an excellent reputation in term of monitoring and the level of effort that they put into the report'*
- *'Very good at reaching out to the local community and telling people what they are hoping to achieve'*
- *'Very proactive- unlike some projects who just tell us that there has been a delay – this project tells us that there has been a delay, what they are doing about it and when the issues will be resolved'*
- *'Happy to support the LEP by feeding into our marketing, providing videos etc'*
- *'They need very little prompting and everything always arrives on time'*

The LEP team couldn't think of any areas that the ERYC needed to improve on. They appreciated all of the hard work from ERYC, particularly in a time of uncertainly around the LEP, when the future of the organisation is unsecure and there is little incentive in terms of future funding opportunities.

5.3.2 Finance/ Reporting

Discussions with the East Riding finance team highlighted that this project has been '*well managed internally'.* It was noted that a lot of work had been undertaken to get processes and systems in place from the very start – with the Inward Investment Officer liaising with internal teams to ensure that they knew what was expected in terms of ERDF, and subsequently keeping a very watchful eye on the processes and requirements. The team told us how ERYC have a Projects Team who support external funding bids, working across the council, drawing in support from legal, procurement, finance from the very start. The team told us having this measure in place has certainly made the Grovehill project easier from the finance/ reporting perspective. The finance team knew exactly what documents were needed for data collection/ defrayal evidence and had this set up from the outset.

It was also noted that no time/ costs had been claimed from ERDF for the back-office roles. This could be considered for future projects. However, the trade-off between associated paperwork for including these costs, versus the amount that could be claimed, would need to be investigated to make sure this provided good value for money. For comparison, and to inform future bids, the finance team told us that they will generally spend a couple of hours a month on the project, plus an additional half day for every claiming month.

Summary – Project Delivery and Management

Strengths of the Project/ Examples of Good Practice

- There was a general consensus that the project was well managed and well delivered.
- The building design for Grovehill was based on similar business centres built and operated by ERYC. This helped to ensure that the building was fit for purpose from the outset.
- The delivery team were grateful that they had been able to sit down with the officer responsible for the ERDF reporting, allowing them to identify from the outset what was needed from the contractors in terms of ERDF and building this into contracts. Having this dedicated resource meant that this element of the reporting was less of a challenge than expected.

Lessons Learnt for the East Riding of Yorkshire Council

- The project used the traditional contracting approach. The following were noted if this approach is to be used in future:
  - The need for clear lines of communication to all involved, including feedback on decisions made and any changes to specification.
  - A managing of expectation in terms of the significant time that will need to be invested in delivering BREEAM requirements, particularly at the start of the project.
- Drawbacks of the traditional contracting approach were that more risk fell on the council, there were more contract variations, and the spending profile was more erratic. Benefits were that the council was able to exactly specify what they wanted. It was agreed that the final build has been delivered to a very high quality.
- The operational team noted that the traditional contracting approach has meant that they are being pulled in more at the end of the project in terms of decision making than they have been on similar design and build contracts currently being run by ERYC.
- For future schemes the team need to ensure that all relevant surveys and information are prepared before going out to tender or allow contractors to undertake their own site investigations. This will reduce unforeseen cost overruns and contracting issues.

Lessons Learnt for Those Designing Similar Interventions

- Experience from East Riding suggests that the Covid-19 pandemic has not had a significant impact on the demand for office accommodation locally, particularly in terms of Grade A accommodation – occupancy is at circa 90% in the ERYC's existing facilities.
- The team told us that ERYC have a Projects Team who support external funding bids, working across the council, drawing in support from legal, procurement, finance etc from the very start. The team told us having this measure in place has certainly made the Grovehill project easier from the finance/ reporting perspective.
- It was also noted that no time had been claimed for the back-office roles. This could be considered for future programmes. However, the trade-off between associated paperwork for including these costs, versus the funding that could be claimed, would need to be investigated to make sure this provided good value for money – the team told us that they will generally spend a couple of hours a month on the project, plus an additional half day for every claiming month.

Lessons Learnt for Policy Makers

- Some elements of the BREEAM requirements go against common sense for what is needed in a managed workspace and have associated cost and time implications.
- The funding for staff time to manage the ERDF process was invaluable and allowed the ERDF requirements to be achieved. This should be considered on all schemes.

6.0 Project Objectives, Outcomes and Impact

This section sets out the progress that the project has made towards achieving the objectives set out in the ERDF business case of:

- Creating jobs in the local area
- Increasing economic growth and GVA in the local area
- Creating quality flexible workspace
- Kick-starting development on the wider Grovehill site and attracting inward investment
- Supporting businesses.

It draws on information captured through the staff, partner, and stakeholder consultation process, and with the businesses who are locating in the centre. It also includes the economic impact assessment of the scheme.

6.1 Staff, Partner and Stakeholder Comments

6.1.1 Historical Funding

Discussions with the LEP team highlighted that only a small proportion of the LEP LGF funding went into the Beverley area, with funding only allocated to a bridge re-enforcement scheme. This was mainly because the majority of the LGF funding going into the East Riding was allocated to flood defences - there was pressure at the time for the historical Humber LEP to spread funding evenly over its geographical LEP, and the flood defences took up much of the East Riding allocation.

6.1.2 Catalyst for Future Development

This Grovehill Industrial Estate site has been redundant for a good number of years, however the team told us: '*As a result of the Grovehill Business Centre, conversations are really gathering momentum in terms of what can happen on this site in the future*'. It was noted that a number of private companies have already showed an interest in the land, and there has also been interest from the One Public Estates teams.

The team also commented on the following positive impacts of the scheme:

- **Evening economy** – the evening economy will be stimulated; increased footfall will be generated by an increase in activity in the area as people commute to and from the offices.
- **Stimulating entrepreneurship** – leadership roles will be generated within businesses for the next generation. Business support will encourage businesses to grow and develop.
- **Raising local pride** – the new facility will make people proud of their local area.
- **Graduate retention** – by offering new and exciting job opportunities local graduates will be encouraged to stay in the area.
- **Attracting highly qualified professionals** – the project will attract highly qualified digital professionals to the area, diversifying the social mix.

- **Visible entrepreneurship** – local entrepreneurs will become more visible to the local community, raising awareness that starting your own business is a real opportunity and raising aspirations amongst young people.
- **Reduced traffic congestion** – creating a new business facility outside of the town centre will reduce the traffic pressures currently facing the town.
- **Improved office stock in the area** – as businesses move out of the facility to find their own premises, they will take on space in the local area.
- **Housing demand** - the increase in employment opportunities will have a knock-on impact for demand for good quality housing.

6.1.3 Working in Partnership with Other Managed Workspace Providers

The team are committed to ensuring that they don't have a knock-on/ negative impact on other private sector business centre operators. The ERYC business centre management have monthly group meetings/ get together with private sector operators in the local area to discuss issues, enquiries and future developments. The ERYC team feel that they a good relationship with other local business facilities/ delivery organisations.

6.1.4 Cross Cutting Themes

The team told us the following:

- The build contractor promoted the equality, diversity and inclusion agenda via various means including a poster campaign in the welfare unit and also reference in the induction for all operative.
- Training was undertaken by all the construction teams throughout the year all in accordance with the mandatory training requirements agreed, which includes obtaining a black CSCS card, obtaining SMSTS, first aid at work, fire warden training and temporary works coordinator roles.
- There continues to be a good selection of posters all relating to healthy lifestyle and well-being for all individuals and which also include the CITB Go Construct posters encouraging construction as a career of choice.
- The quality of all the offices, welfare, meeting room and other facilities were excellent standard all incorporating energy and water saving initiatives.
- Apprentices have recently been engaged by the scaffolding subcontractor working on the scheme which is planned for further apprentices once the internal trades commence.
- The contractor undertook checks for illegal workers and also encouraged their staff to utilise the Scheme Best Practice Hub and also undertake the e-learning modules as necessary.

6.1.5 Catalyst for Future Developments

The team have confirmed that East Riding Council are now looking to take the rest of the Grovehill Enterprise Park Phase 3 development land to the open market later on in 2022, using the newly completed building as a service centre to support further regeneration of the area.

6.2 Industry and Stakeholder Comments

The evaluation team joined the launch event which was attended by local government representatives and stakeholders. Comments and feedback captured from the attendees included:

6.2.1 Councillor Jonathan Owen

Councillor Jonathan Owen from East Riding of Yorkshire Council said: *"the centre is a success story for East Riding across the patch. The whole aim of these centres is to allow small businesses to start up, or small existing businesses to develop. We try and make it as easy as possible to have some good facilities to operate from and in, with as low as possible cost to encourage businesses to go further, to flow through places like this".*

6.2.2 Councillor Jane Evison

Cllr Jane Evison, portfolio holder for economic investment, growth and tourism at East Riding Council, said:

- *"I'm sure it will become a major landmark building both for the businesses and for Beverley as a developing centre for industry."*
- *"The centre will become yet another one-stop shop for both start-up and established businesses in the region".*

6.2.3 Amanda Hoggart, Business Centre Manager

Amanda Hoggart, business centre manager at East Riding of Yorkshire Council, said:

- *"With a wide range of services on offer, in addition to the office space, the Beverley Enterprise Centre is proving to be a huge success already".*
- *"Every year our business centres help entrepreneurs achieve their dream of running their own business along with supporting existing businesses to expand and grow with the flexible licence terms."*

6.3 Business and Industry Comments

This section highlights comments and feedback from the businesses using the centre, and the industry bodies involved in the project development.

a) Alessandro Caruso Architects Ltd.

ACA is an architecture practice that specialises in national healthcare architecture, offering architecture and interior design services to health and social care, commercial, education and residential sectors in East Yorkshire. Prior to the pandemic, ACA had arranged to move into a private commercial building elsewhere in Beverley; however, the pandemic prevented the business from making any long-term plans. The LEP advertised the BEC's easy in/easy out leasing model as *"giving the flexibility to expand without long-term commitments of rent".* ACA signed-up to the new building having only seen the plans.

ACA moved in May 2022, and were very complimentary about the centre's on-site team, who were commended for their welcoming nature.

The mutually beneficial business community being created at the centre was commended by ACA: *"I was exploring the opportunity to build our own building; speaking with my colleagues, it would be nice to mingle with other businesses not just ourselves, that was another determining factor, the community. There is a complementarity to the community".* For example, ACA previously used an external organisation to measure their carbon output, but now they plan to use Carbon Visibility when they need renewal.

The BEC's diverse range of tenants is thought to be more beneficial than being surrounded by businesses in the same sector. *"The complementarity is far more enriching because there is more of an exchange".*

The business was particularly complimentary about the building's sustainability credentials: *"One of the features we have appreciated most is the sustainability features under the BREEAM ratings. We design BREEAM rated buildings, but we don't usually end up living in them ... the confidence we got was immediate; I always wanted to be in a building that is designed the way I would have designed it".*

Last year ACA employed 4 additional staff and are aiming for 25% growth in the next year. The business is at full capacity, seating 10 people in their unit. The business is looking to take on an additional unit to support that growth. *"The private sector doesn't give us this opportunity; having worked with the council, we have found it such a receptive community".*

b) Carbon Visibility Ltd.

Carbon Visibility enables organisations to calculate their carbon emissions to the standards required by the UK government. The business supports its clients to comply with carbon legislation, identifies opportunities to reduce and offset carbon, helps to outsource the process, and to contribute to community projects.

The business was previously located in the Ergo building in Hessle, before outgrowing their office but finding no larger premises available and a waiting list in principle that would've prevented them from moving elsewhere in the area and were stopping them from hiring new employees. The business would have needed to look further afield for suitable accommodation.

Simultaneously, the Beverley Enterprise Centre was nearing completion. *"The facilities – it is in a central location, it has ample car parking, electric chargers, and it gives a professional impression to all of our clients".* The breakout area and showering facilities contribute to a *"professional modern environment"* that gives them more credibility to clients. The staff *"are so welcoming, moving into the building they were so facilitating, and nothing is too much trouble to them".* Staff regularly email tenants with opportunities to access council business support, *"which is a great help because we don't know that this support is available".*

The building comes with its own green remit, with an array of circa 200 square metre solar panels, EV car chargers, and a low emission and refrigerant design. During construction, sustainable and locally sourced building materials were used. The building has previously been awarded a British Research Establishment Environmental Assessment Method (BREEAM) Excellent Design certificate - a prestigious standard to achieve for any building and complementing the council's recent climate emergency declaration.

Invested in sustainability themselves, the business were impressed with the high-standard of construction: *"It is a brand new building, it is modern, it has sustainability features, which has been proved in the last few weeks; we are south facing, it has been warm weather, we were a little concerned that it would get too heated as there is no air conditioning in the building, but there is lots of natural ventilation. It's amazing how cool it was in those rooms on really hot days, with no damage to the environment".*

The business community building at the Enterprise Centre was discussed as a key reason for relocating to Beverley: *"Already you can feel that community spirit building, we are already doing business with other tenants, everybody is networking and supporting each other."* The rolling contract was mentioned as particularly useful for new businesses starting up, whilst utility costs – although metered individually – are organised by the council, which gives them confidence in negotiating costs.

The building *"makes it easy for new businesses, the simplicity of the rolling leases means you are not tied into any big commitments, you've got a landlord who is the local authority so there is no risk of rogue trading. I can't praise the local authority and the BEC enough and I would recommend it to all of our clients".*

c) Sewell Law

Founded in 2021 at the height of the Covid-19 pandemic, Sewell Law is a commercial form of solicitors providing legal services for businesses and individuals. Based in Beverley, the company offers advice and representation both locally, in Hull and East Yorkshire, as well as nationally.

The company was established at the home of their directors in nearby Walkington at a time when commuting and office use was restricted under the guidelines of a national lockdown. Sewell Law considered a range of office accommodation, including the C4DI building in Hull.

Having looked around the newly-built BEC, Sewell Law were convinced to open an office there, in part because *"the layout was easy, leases are easy-in/easy-out so you're not tied into a long-term tenancy, there are different options in terms of office space – we didn't want anything too big or too small – the one we've got is just right for us".* The business took up an office to facilitate growth.

"Working from home works for some people and it can give you flexibility, but there isn't a substitute for having a working office where you can leave everything at home. We're so much more focused here. It can be quite lonely as a small business, so being able to knock on someone's door with a quick question is invaluable".

Sewell Law sought to relocate to the Beverley Enterprise Centre due to its accessibility and to be around other likeminded businesses:

- *"The big attraction for me is having car parks and hosting clients here. I looked at the C4DI building in Hull, but the transport here is better, I prefer to go out rather than in for work".*
- *"As a law firm, we've started acting for businesses within the BEC that we wouldn't otherwise have been in contact with. There are so many types of businesses in here, but everybody complements each other nicely".*

6.4 Economic Impacts

This section estimates the potential economic impact of Grovehill Business Centre on the HEY LEP area. It follows the ERDF template and focusses on the potential jobs hosted at Grovehill and the associated GVA created from these jobs. The evaluation team have also calculated the impacts of the conferencing space created at the business centre, as discussions with the project team highlighted that this is a significant part of the development, bringing benefits for the local area.

6.4.1 Overall Employment Hosted at the Grovehill Business Centre

The business centre will be home to 70 employees in the office/ workshop space. These employees will all create GVA for the local area and support additional jobs in the supply chain. This is set out below

a) Associated GVA Impacts

The table below shows the GVA that will be created from the employees working at the Grovehill Business Centre. It gives an estimated GVA figure based on HEY LEP average GVA per employee and compares with this the GVA that might achieved be from the types of business who locate at the centre.

Figures are based on the following:

- The HEY LEP Growth & Workforce Wellbeing Strategy 2021-2026 shows an average GVA of £49,808 per job in the HEY LEP area as at 2021.
- We have assumed GVA will be higher in the new business centre by 20%. GVA per head has been estimated at £59,770.

GVA Impacts of the Employees – HEY LEP Average versus Sector Specific Workers		
	Average HEY LEP GVA	Increased GVA
Employees	70	70
GVA per Employee	£49,808	£59,770
Total GVA per annum – Based on HEY average	£3.49 million	£4.18 million
Figures exclude multipliers, leakage, displacement, and deadweight – see later sections		

From the table we see that the total GVA created by the employees based at the new Grovehill Business Centre would be circa £3.49 million per annum based on average GVA for the HEY LEP area.

However, given that the centre is likely be home to business generating above average GVA, we can assume that the staff locating in the new facility will generate a GVA per annum of over £4.18 million.

b) Associated Supply Chain Impacts

Each of the employees in the centre will create further supply chain impacts within the economy.

The What Works Well Centre for Economic Growth suggests that for every direct job there are a further 1.3 indirect and induced jobs in the wider economy. The table below applies these figures to the jobs at Grovehill. From the table we can see that the 70 direct jobs at the new Grovehill Business Centre could support over 91 additional supply chain jobs in the wider economy.

Multiplier/ Supply Chain Impacts of the New Jobs	
Jobs	70
Multiplier for Supply Chain Impacts	1.3
Supply Chain Jobs	91
Figures exclude leakage, displacement and deadweight – see later sections	

c) Adjusting for Leakage, Displacement and Deadweight

The figures above show the total GVA and indirect jobs resulting from the staff working at the new facility. However, we must consider that not all of the jobs in the Grovehill facility will be as a direct result of the project or be new jobs in the area - some may be jobs in existing firms relocating to the centre from other local facilities (including the previous Beverley Business Centre), some jobs may have been created anyway without the new facility, and some jobs may be filled by those living outside of the area. To understand the impact that is directly attributable to Grovehill, and retained in the local HEY LEP area, the following assumptions have been applied:

- **Leakage:** It is assumed that 15% of the jobs in the Grovehill Business Centre are filled by those living outside of the HEYLEP area.
- **Deadweight/ Counterfactual:** Some of these jobs would have been created or moved into the area even if the Grovehill Business Centre had not been built. We have therefore assumed a 40% deadweight for the HEY LEP – this assumes 40% of jobs would have been created anyway.
- **Displacement:** Some of the businesses locating at the centre may have relocated to Grovehill from elsewhere in the LEP area, including the previous Beverley Business Centre. A 50% displacement has been applied.

Gross and Net Additional Impact for Employment – Per Annum: at Full Occupancy	
Gross Impact	70 jobs
Less Deadweight	40% deadweight, 60% attributable
Less Displacement	50% displacement, 50% attributable
Less Leakage	30% leaks, 70% remains in area
Total Jobs (excluding multipliers)	15 jobs

From the data we can estimate that 15 of the 70 jobs at The Grovehill Business Centre are new jobs to the area, filled by local HEY LEP residents, and would not have happened without the investment. Based on the previous multipliers and GVA data, we can estimate that these 15 new jobs will create an additional 20 new supply chain jobs and generate an additional £0.9 million GVA per annum for the local economy.

6.4.2 Conferencing Facilities – Economic Impacts

The Grovehill Business Centre has a conferencing space to hold 50 delegates. If we assume two medium sized conferences per month, with 3 smaller events per week, this could equate to circa 5,000 delegate days per annum (circa 100 delegate days per week).

The UK Events Report, How Events Deliver the UK's Industrial Strategy (2020) suggests an average delegate spend at conferences of £120 per day. Based on 5,000 delegate days per annum, and an £120 average spend per head, we can estimate that the delegates using the Grovehill conferencing facilities could spend circa £0.6 million per annum on their trips.

However, not all of this spend will stay in the local HEY LEP economy, some conferences may have been displaced from other facilities in the HEY LEP area and there will be multiplier effects of the additional spend / indirect spend through the economy.

To understand the impact that is directly attributable to Grovehill, and retained in the local HEY LEP area, the following assumptions have been applied:

- **Leakage:** Assume that 50% of the spend leaks out of the HEY LEP area.
- **Deadweight/ Counterfactual:** The new centre would have been unlikely to be built without the ERDF funding – low deadweight of 20% applied.
- **Displacement**: There are limited places to hold conferences locally, and limited chances of Grovehill displacing activity from elsewhere. Low displacement of 25% applied.
- **Multiplier** – Deloitte estimates the visitor/tourism GVA multiplier to be 2.8 – meaning that for every £1,000 generated there is a further £1,800 that is supported elsewhere in the economy through the supply chain and consumer spending.

Gross and Net Additional Impact for Conferencing Spend Per Annum – HEY LEP Area	
Delegates	5,000
Spend per Head	£120
Less Deadweight	20% deadweight, 80% attributable
Less Displacement	25% displacement, 75% attributable
Less Leakage	50% leaks, 50% remains in area
Total Excluding Multiplies	£180,000
Net Additional (plus multipliers)	For every £1 an additional £1.8 as a result of multipliers
Total including multipliers	£0.5 million

Figures show that the new conferencing facilities could generate an additional £180,000 per annum for the local HEY LEP economy, after leakage, displacement and deadweight factors are applied.

After supply chain impacts are applied, this could be as high as £0.5 million additional spend in the local economy per annum.

6.5 Summary – Impact of the Project

The table below summarises how the project has delivered against the objectives that it set out to achieve. It is based on the findings from the staff, stakeholder and businesses locating at the centre.

Meeting the Objectives	
Objective	**Evidence of Achievement – Impact**
Job Creation	• To date (as at May 2022) the centre is home to 20 businesses employing 59 people. • It is estimated that the 70 direct jobs (at full capacity) at the new Grovehill centre could support over 91 additional supply chain jobs in the wider economy.
Economic growth and Increase GVA	• Based on the estimated GVA per employee of £59,770, we can estimate that the 70 workers located at Grovehill Business Centre will generate a total GVA per annum of over £4.2 million (excluding multiplier, deadweight, leakage and displacement). • It is estimated that the new conferencing facilities could attract circa 5,000 delegates to the local area per annum, spending circa £0.6 million on their trips (excluding multiplier, deadweight, leakage and displacement),
Creating Quality Flexible Workspace	Businesses locating at the centre told us the following about the new office facilities: • *"One of the features we have appreciated most is the sustainability features under the BREEAM ratings".* • *"The facilities – it is in a central location, it has ample car parking, electric chargers, and it gives a professional impression to all of our clients".* • *"Already you can feel that community spirit building, we are already doing business with other tenants, everybody is networking and supporting each other."* • *"The big attraction for me is having car parks and hosting clients here. I looked at the C4DI building in Hull, but the transport here is better, I prefer to go out rather than in for work".* • The building *"makes it easy for new businesses, the simplicity of the rolling leases means you are not tied into any big commitments, you've got a landlord who is the local authority so there is no risk of rogue trading.* • *"The layout was easy, leases are easy-in/easy-out so you're not tied into a long-term tenancy, there are different options in terms of office space – we didn't want anything too big or too small – the one we've got is just right for us".*

Meeting the Objectives	
Objective	**Evidence of Achievement – Impact**
Kick-starting development on the wider Grovehill site and attracting inward investment	• The Grovehill Industrial Estate site has been redundant for a good number of years, however the team told us: '*As a result of the Grovehill Business Centre, conversations are really gathering momentum in terms of what can happen on this site in the future*'. • A number of private companies have already showed an interest in the land.
Business support	• All businesses locating at Grovehill are told about the business support on offer at their induction.

7.0 Project Value for Money

This section considers the projects value for money in terms of the return on investment.

7.1 Return on Investment

The return on Investment has been calculated over a ten-year period using formula set out below. Calculations have been undertaken for the ERDF elements of the scheme.

$$\text{Return on Investment} = \frac{\text{Return of Benefits over 10 years}}{\text{Investment or Costs}}$$

$$\text{Return on Investment} = \frac{\text{£1.1 million per annum, £11.1 million over 10 years}}{\text{£4.94 million total spend on ERDF elements}}$$

A return on investment of £2.25 for every £1 of ERDF funding.

Return on Investment of £2.25 for the local economy for every £1 invested over the first ten years of operation.

Note: not including discounting, based on GVA benefits and conferencing spend. Figures exclude multipliers but include deadweight, displacement and leakage. Based on £0.2 million per annum from conferencing spend, and £0.9 million GVA from new jobs. Total ERDF spend of £4.94 million.

8.0 Summary and Lessons Learnt

8.1 Objectives and Impacts

The table below summarises the objectives of the project and the associated rationale and market failure at the point when the Grovehill project was commissioned. It then sets out how the project is still relevant today in terms of the latest policy and strategy. The table concludes by highlighting the impacts that have been achieved by the project to meet these objectives.

Objectives and Impacts			
Element	**Rationale and Market Failure at the Business Case Stage**	**Current Relevance - Latest Strategy/ Latest Data**	**Actual Impact of the Project**
Job creation	• When the project was being developed there was an over-reliance on service, retail and visitor economy sectors in the town. It was felt that the new business centre could help to create a more diverse range of jobs. • When the project was being developed there was a growing population, who would all need employment.	• Job creation remains a key priority for the area. The latest HEY LEP strategy aims to create a further 6,500 jobs between 2021 and 2026 – The Grovehill Business Centre will support this. • Gross weekly pay for full time workers for those living in the East Riding is at 99.3% of the GB average (as at 2021), however, pay for those working in the East Riding is only 93.0% of the GB average. This suggests that there is out-commuting for higher paid jobs. There is still a need to create higher skilled, higher paid jobs in the local area – the new business centre will support with this.	• 10 construction jobs were created during the construction phase. • To date (as at May 2022) the centre is home to 20 businesses employing 59 people. • It is estimated that the 70 direct jobs (at full capacity) at the new Grovehill Business Centre could support over 91 additional supply chain jobs in the wider economy. *Note: figures exclude, deadweight, leakage and displacement. See previous sections for details of calculations.*
Economic growth and increase GVA	• When the Grovehill project was being developed, the East Riding was achieving £18,363 GVA per head in relation to £20,016 for the Humber (91%) and £28,096 for England (only 65%). *Note – figures are per head rather than for those in employment.* The Grovehill project business case highlighted that the new business centre would help to address this gap through the provision of high-tech/ high-spec employment and business investment opportunities. • When the project was being developed The Local Industrial Strategy was geared towards A.I, Clean Growth, Technical Services and high-end manufacturing. Beverley did not have the appropriate premises for SMEs - tech start-ups generally will not occupy prime town centre real estate, or the 'above a shop' premises. They want new, clean, fibre-enabled serviced premises. • At the time the project was developed the Grovehill Industrial estate was offering old post-war prefabricated units, which whilst providing inexpensive premises, were also visually and environmentally unattractive, and highly unlikely to appeal to the vast majority of modern start-up small and medium enterprises.	• The latest HEY LEP strategy indicates that the LEP are hoping to increase GVA by 10.8% between 2021 and 2026. This is an increase of £1.2bn in GVA. Increasing the GVA in the area was a key priority when the project was initiated, and it remains a key priority for the LEP today. The new business centre will support this aspiration by attracting and supporting SMEs.	• Based on the estimated GVA per employee of £59,770, we can estimate that the 70 workers located at Grovehill Business Centre will generate a total GVA per annum of over £4.2 million. *Note figures exclude multipliers, deadweight, leakage and displacement. See earlier sections for more details.* • It is estimated that the new conferencing facilities could attract circa 5,000 delegates to the local area per annum, spending circa £0.6 million on their trips. *Note figures exclude multipliers, deadweight, leakage and displacement. See earlier sections for more details.* • Return on Investment of £2.25 for the local economy for every £1 invested over the first ten years of operation. *Note figures exclude multipliers, but take into account deadweight, leakage and displacement. See earlier sections for more details.*

Objectives and Impacts			
Element	**Rationale and Market Failure at the Business Case Stage**	**Current Relevance - Latest Strategy/ Latest Data**	**Actual Impact of the Project**
Creating quality flexible workspace	• The previous centre was outdated and unattractive, energy inefficient and not built to modern specifications or environmental guidelines. • When the business case was developed a commercial property intelligence review outlined local need for modern industrial units, which was not being supported. • At the time the business case was developed the existing centre was outdated and not fit for purpose, there was a real risk that businesses may have started relocating to outside of the area. • Managed business centres present commercial viability issues for public developers, as their 'net to gross' floor space ratio is less favourable than conventional office/B1 development.	• Recent research shows that commercial property rental rates are significantly lower than the UK average for the HEY area. It is therefore still unlikely that private sector investors would be interested in investing in the area when higher returns can be made elsewhere. Grovehill will help to address this lack of investment. • Analysis undertaken for the HEY LEP in 2022 shows that office vacancy rates and industrial vacancy rates are lower in the Hull and East Yorkshire area than the UK average. This suggests that there is still a need for additional office and industrial accommodation locally – something that Grovehill will help to address.	• 1,500 sqm of commercial floor space has been created. The space has been designed around best practice learnt from building and running other business centre in the ERYC area. • Businesses locating at the centre told us the following about the new office facilities: • *"One of the features we have appreciated most is the sustainability features under the BREEAM ratings".* • *"The facilities – it is in a central location, it has ample car parking, electric chargers, and it gives a professional impression to all of our clients".* • *"Already you can feel that community spirit building, we are already doing business with other tenants, everybody is networking and supporting each other."* • *"The big attraction for me is having car parks and hosting clients here. I looked at the C4DI building in Hull, but the transport here is better, I prefer to go out rather than in for work".* • The building *"makes it easy for new businesses, the simplicity of the rolling leases means you are not tied into any big commitments, you've got a landlord who is the local authority so there is no risk of rogue trading.* • *"The layout was easy, leases are easy-in/easy-out so you're not tied into a long-term tenancy, there are different options in terms of office space – we didn't want anything too big or too small – the one we've got is just right for us".*
Kick-starting development on the wider Grovehill site and attracting inward investment	• When the business case was developed it was identified that the Grovehill Industrial Estate had the potential to support around £22M of developments, including the provision of B1, B2 and B8 industrial premises, hospitality outlets even and projects by other neighbouring landowners. • Commercial developers did not want to be the first to invest/ make the first move because of the risks involved. The Local Authority needed to invest first, to demonstrate the potential for the site and be the catalyst for future development. • The Council owned the brownfield site location but due to lack of funding had been unable to bring this forward.	• The latest Hull and East Yorkshire LEP strategy states that inward investment is one of the LEPs three key priorities. The Grovehill project will continue to support the LEP to deliver its inward investment priorities in coming years.	• This Grovehill Industrial Estate site has been redundant for a good number of years, however the team told us: '*As a result of the Grovehill Business Centre, conversations are really gathering momentum in terms of what can happen on this site in the future*'. • A number of private companies have already showed an interest in the land, and there has also been interest from the One Public Estates teams.

Objectives and Impacts			
Element	**Rationale and Market Failure at the Business Case Stage**	**Current Relevance - Latest Strategy/ Latest Data**	**Actual Impact of the Project**
Supporting businesses	• Research when the project was first initiated highlighted a lack of capacity/ skills to support companies to adjust to technological change. The Grovehill Business Centre was designed to help address this.	• The latest strategy for the HEY LEP highlights that they hope to support 9,000 business via Growth Hub activity between 2021 and 2026. Business support remains a key priority for the local area, and the business centre can continue to support with this.	• Discussions with the project team highlighted that all businesses locating at site are told about the business support on offer at their induction. • The ERYC team work closely with other local business centre to ensure that they do not have any negative impacts on the private sector providers.

8.2 Lessons Learnt

Strengths of the Project/ Examples of Good Practice

- There was a general consensus that the project was well managed and well delivered.

- The building design for Grovehill was based on similar business centres built and operated by ERYC. This helped to ensure that the building was fit for purpose from the outset.

- The delivery team were grateful that they had been able to sit down with the officer responsible for the ERDF reporting, allowing them to identify from the outset what was needed from the contractors in terms of ERDF and building this into contracts. Having this dedicated resource meant that this element of the reporting (ERDF) was less of a challenge than expected.

Lessons Learnt for the East Riding of Yorkshire Council

- The project used the traditional contracting approach. If this approach is used in future the evaluation team suggest the following:
  - Clear lines of communication to all involved - including feedback on decisions made and any changes to specification.
  - A recognition that significant time will need to be invested in sorting out/ managing BREEAM requirements at the very start of the scheme.

- Drawbacks of the traditional contracting approach were that more risk fell on the council than with a D&B contract. In addition, there were more contract variations, and the spending profile was more erratic. A key benefit of the traditional approach was that the council was able to exactly specify what they wanted.

- The operational team noted that the traditional contracting approach has meant that they are being pulled in more at the end of the project in terms of final decisions than they have been on similar design and build contracts currently being run by ERYC.

- For future schemes the team need to ensure that all relevant surveys and information are prepared before going out to tender. Alternatively, they could allow contractors to undertake their own site investigations. This will reduce unforeseen cost overruns and contracting issues. It was also suggested that the internal QS team could be more involved in the initial tendering process.

Lessons Learnt for Those Designing Similar Interventions

- Experience from East Riding suggests that the Covid-19 pandemic has not had a significant impact on the demand for office accommodation locally, particularly in terms of Grade A accommodation – occupancy is at circa 90% in the ERYC's existing facilities.

- The team told us that ERYC have a Projects Team who support external funding bids, working across the council, drawing in support from legal, procurement, finance etc from the very start.

The team told us having this measure in place has certainly made the Grovehill project easier from the finance/ reporting perspective.

- It was also noted that no time had been claimed for the back-office roles. This could be considered for future programmes in terms of including back-office time in future funding bids. However, the trade-off between associated paperwork for including these costs, versus the funding that could be claimed, would need to be investigated to make sure this provided good value for money – the team told us that they will generally spend a couple of hours a month on the project, plus an additional half day for every claiming month.

Lessons Learnt for Policy Makers

- Some elements of the BREEAM requirements go against common sense for what is needed in a managed workspace and have associated cost and time implications.

- The funding for staff time to manage the ERDF process was invaluable and allowed the ERDF requirements to be achieved. This should be considered on all schemes.

Appendix 1

Partner and Stakeholder Consultation Questions

1) What is you role/ level of involvement in the project?

2) Capital Build Questions

- What is the latest situation in terms of build schedule / project costs? Are there any issues/ concerns that might impact either the schedule or the costs between now and project completion? What were the key reasons for any cost/ time over-runs? Could these have been prevented?
- Have any changes been made to the design/ spec/ build etc during the construction phase/ since the grant application – has there been any value engineering etc? if so, why? What has been the impact? Will this have any impact on the quality of the final building/ how it is used etc?
- What environmental/ low carbon/ bio-diversity measures have been included within the build? Do you think these are suitable/ sensible/ successful? Should anything have been done differently? Should more have been done?
- What was the success/ relevance/ usefulness of using BREEAM? Could the environmental elements have been delivered/ improved/ recorded/ captured in any other way? Are there any lessons learnt from using the BREEAM approach/ things you would do differently in future?
- As evaluators we have some resource to bring in expertise from a BREEAM specialist if required – is there anything that you think it would be worth considering from the BREEAM perspective as part of the evaluation?
- Has any capital spend been retained in the local area/ in local supply chains? What local suppliers have been used?
- Have there been any local community benefits during the build phase – school visits apprentices, graduate placements etc?
- Do you have any concerns/ comments with regards to the final design/ construction or final building being delivered? Is the building fit for purpose?
- Is there anything about the building/ the building process or delivery that you think has been particularly successful?
- Have the following all delivered what they were supposed to/ performed well? Client, Design Team, Contractor, Project Manager, Quantity Surveyor and any other partners
- Were any risks well managed?
- Any suggestions/ lessons learnt for the future in terms of delivering similar capital projects?

3) Management, Governance, Communication During the Build

- Has the project team worked well together? Are there any lessons for future projects?
- Were the decision-making processes clear and effective?
- Have the channels of communication worked well, have all partners been kept well informed?
- Are there any lessons learnt/ suggestions for future projects in terms of management and governance?

4) Impact of the Pandemic

- Has Covid had any impact on design/ delivery/ spend?
- Has Covid had an impact on the relevance of the project? Is it still needed?
- Do you think Covid will have an impact in terms of demand for space from businesses in the new facility?

5) Meeting the Outcomes/ Outputs/ Future Impacts

- Have the outputs been achieved/ are they on track to being achieved? Are any outstanding targets realistic and achievable?
- What processes are in place to measure any outstanding outcomes/ outputs?
- Have there been any unexpected outputs/ outcomes/ impacts from the project?
- Has the project been a catalyst for any additional investment – e.g., attracting other businesses to the area/ wider social impacts/ attracting additional grant funding to the area?

6) Future Occupancy and Operation/ Meeting Business Needs

- From the future lettings perspective, does the building meet the needs of the potential users? Is there anything (facilities etc) missing that businesses need?
- Has there been much interest from businesses in terms of taking up space in the buildings? What type / size / sector of business are these?
- What are the letting terms? Is there an agreed policy in terms of what types/ sizes of businesses can locate in the building – does this align with ERDF requirements? Is this process recorded?
- What is the proposed business support offer for businesses locating in the centre/ how is this being developed?
- How and when is financial sustainability expected?
- Has there/ will there be a marketing campaign to promote the new sites?

7) Reporting Process

- Did you find the ERDF /GBF reporting process easy to manage? Are there any lessons learnt/ changes that need to be made to improve this? Was the staff resource allocated to this element sufficient?
- Did you feel you were fully aware of the requirement of the ERDF process?

8) Any Other Comments

- Do you have any other comments about the project/ its delivery etc that we have missed or that you would like to tell us about.

Appendix 2

Logic Model

The project logic model sets out the objectives, rationale, inputs, output, and outcomes that were anticipated to be achieved by the project at the point of contracting.

Project

Grovehill Enterprise Park Phase 2:
Business Centre

Click on the arrows to navigate around the model. Tables can be edited directly in the model. To edit free text, click Edit under each title

Context

Edit

A new Business centre is required at Beverley Grovehill. The facility will provide modern and well-equipped managed workspace. This will attract higher spec Small and Medium Enterprises (SMEs), provide growth space, act as a service hub for wider development of the Grovehill Enterprise Park and satisy self-employment demand from the growing population of Beverley, where 3,000 houses are planned in the next ten years. The centre will supply business information, advice and training for individuals wishing to create and grow their own commercial enterprises, help to develop the competitiveness of the existing business stock of micro firms, and support local supply chaiin SMEs. The project will strongly promote the concept of a "one stop shop" for business.

Market Failure Assessment

Edit

There is a lack of quality managed workspace provision in the Beverley area. Purpose-built 'managed' business centres present commercial viability issues for private developers, as their 'net to gross' floor space ratio is less favourable than conventional office/B1 development, and this affects availability, costs and value. The flexible letting terms result in higher than average void periods, and the management function, on top of the property services function adds to overhead costs, especially when combined with a business support remit. There have been no speculative managed workspace devlopments in the East Riding of Yorkshire since the financial crash.

Project Objectives

Edit

The primary project objective is to construct a new Business centre on the Grovehil site using a mixture of ERDF and East Riding Council Capital Board funding. The construction project will be procured using the Council's policies and through the YorBuild2 Construction framework.

Rationale

Edit

The project will follow a formal path around design, procurement, build, monitoring and evaluation, and formal completion. Any revenue from the premises will be used to cover runing costs over a fifteen year period, and any surplus will be made available for return to funders.

Inputs

What	Value
Funding from two sources.	£3,950,000

Activities

What
Construct a Business centre.

Outputs

What	Value
Business centre with 30 B1/B8 units.	£3,950,000

Outcomes

ID	Intended Outcome	How is it Measured?	Level	Baseline	Actual
1	1,500 square metres of new building	Planning application and build completion.			
2	Job creation	Jobs created within SMEs	Business	0	70
3					
4					
5					

Intended Impacts

What
Business centre, managed workspace and acces to business support and advice. 30 B1 and B8 units provided within a 1,500 square metre
Jobs created by SME tenant businesses.

Appendix 3

Ratification of Floor Space: Outputs Evidence

EAST RIDING

County Hall Beverley East Riding of Yorkshire HU17 9BA Telephone (01482) 887700
www.eastriding.gov.uk

Alan Menzies Director of Planning and Economic Regeneration

Your Ref:
Our Ref: AL/AD
Enquiries to: Austin Lillico
E-Mail: austin.lillico@eastriding.gov.uk
Tel. Direct: 07931983768
Date: 21/03/2022

Re: ERDF Getting Building Fund output – Usable Space:

As per the Royal Institute of Chartered Surveyors (RICS) Industry standard measurement practice, the following square metersge has been recorded for the Beverley Enterprise Centre building:

Property Code: 05093570 Date: 21.03.2022

Property: Beverley Enterprise Centre

Surveyor: Andrew Dunn

Block Ref	Block Name	Construction Type	No. of Floors	Building Area (Footprint) (m²)	Gross Floor Area (m²)	Gross External Area (m²)	Year of Construction
A	Business Centre	PER	2	1105.43	2057.73	2306.05	2002
B	Cycle Shed	TEM	1	24.72	24.68	24.72	2002

Measurements undertaken by
Andrew Dunn
Property Officer (Land Survey-Cartography)

Caroline Lacey
Chief Executive

Appendix 4

Floor Plans for the Business Centre

A1

100 mm Scale @ A1

LEGEND

- Business Centre
- Business Centre_Circ
- Print & Design
- Services
- Shared

North

GROVEHILL ROAD

Existing trees to site boundary

Pedestrian Access
Main entrance

001 Lobby A 6 m²
003 Entrance Lobby 89 m²
003A Reception 7 m²
003B Staff Meeting Office 5 m²
002 Lobby B 7 m²
004 Lift 7 m²
006 ELEC 7 m²
0505 Plant 20 m²
007 Circ. Stair 14 m²
009 WC. Male 10 m²
008 Cleaner 1 m²
WC. Acc. 3 m²
010 Kitchen 8 m²
013 Conference Room 85 m²
015 B1 Ind. Unit_10 17 m²
017 B1 Ind. Unit_11 17 m²
023 B1 Offices_12 26 m²
027 B1 Ind. Unit_12 26 m²
029 B1 Ind. Unit_13 26 m²
031 B1 Ind. Unit_14 26 m²
033 B1 Ind. Unit_15 35 m²
035 B1 Ind. Unit_16 53 m²
050 Store 5 m²
UP
42963
016 B1 Ind. Unit_01 37 m²
018 B1 Ind. Unit_02 37 m²
020 B1 Ind. Unit_03 37 m²
022 B1 Ind. Unit_04 47 m²
024 Shared Loading 18 m²
025 WC. Acc. 3 m²
026 Tea Point 12 m²
028 B1 Ind. Unit_06 66 m²
032 B1 Ind. Unit_08-09 75 m²
Service Vehicle bay
Ex02 Bin Store 16 m²
Cycle storage
9 Car Parking spaces
Pedestrian Access from rear car park
1 General Loading
Service access into Light Industrial units
5 Accessible use Car Parking
20 Car Parking spaces
Total Car Parking for 121 vehicles
20 Car Parking spaces
Electric Car charging point
Electric Car charging point
Electric Car charging point
Motorcycle
Motorcycle
Motorcycle
Covered cycle storage
162 Main Print Area Not Enclosed
1 Loading
Service access into Print & Design

1 F (10)30_00-GROUND FLOOR OPTION D.2

1 : 200

REV	DESCRIPTION	BY	DATE

THIS DRAWING SHOULD NOT BE SCALED. USE FIGURED DIMENSIONS ONLY. DIMENSIONS TO BE VERIFIED ON SITE PRIOR TO MANUFACTURE. IN CASE OF DOUBT OR DISCREPANCIES PLEASE REFER TO PROJECT MANAGER FOR INSTRUCTIONS.

EAST RIDING OF YORKSHIRE COUNCIL

ERI&F EAST RIDING INFRASTRUCTURE AND FACILITIES

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Tel: 01482 395990 Fax: 01482 395063
www.eastriding.gov.uk

PAUL BELLOTTI Director of Environment and Neighbourhood Services

PROJECT
BEVERLEY BUSINESS CENTRE

LOCATION
GROVEHILL ROAD, BEVERLEY, EAST RIDING OF YORKSHIRE

TITLE
OPTION D.2 - GROUND FLOOR PLAN

SCALE AT A1:	DRAWN DATE:	PROPERTY CODE:
1 : 200		
DRAWN BY:	CHECKED BY:	APPROVED BY:
Author		

STATUS

PROJECT NO:	DRAWING NO:	REV
50568 -	F (10)30_00	

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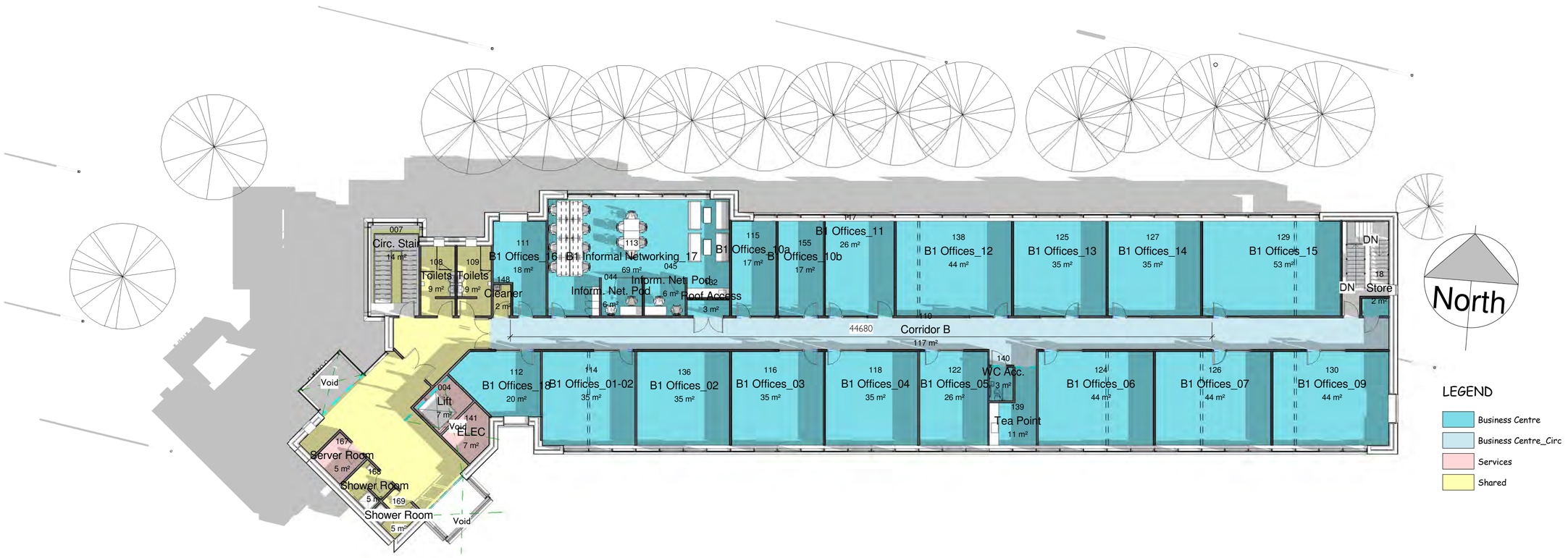
A1

100 mm Scale @ A1



1 F (10)31_01-FIRST FLOOR OPTION D.2

1 : 200

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PAUL BELLOTTI Director of Environment and Neighbourhood Services

PROJECT

BEVERLEY BUSINESS CENTRE

LOCATION

GROVEHILL ROAD, BEVERLEY, EAST RIDING OF YORKSHIRE

TITLE

OPTION D.2 - FIRST FLOOR PLAN

SCALE AT A1:	DRAWN DATE:	PROPERTY CODE:
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DRAWN BY:	CHECKED BY:	APPROVED BY:
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