

CHESHIRE SCIENCE CORRIDOR INVESTMENT BUSINESS CASE

Project Name: Vortex Business Park

Applicant/Project Details

EZ Site:	Newbridge Road/Deans Road, Ellesmere Port
Local Authority Area:	Cheshire West and Chester (CW&C)
Applicant organisation:	Vortex Business Park Limited
Lead contact:	Simon Jeffrey
Position:	MD
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Location of project	Vortex Business Park, Deans Road, Ellesmere Port, CH65 4DR
Public summary description of project:	<p>Vortex Business Park is a proposed industrial buildings development comprising of 9 high quality industrial units totalling 226,082 sq ft off Newbridge Road in Ellesmere Port.</p> <p>The development is expected to create 423 net additional jobs and generate £388,277 of annual business rates revenue for CW&C, with an expected total business rates revenue of £6,988,986 generated over the remaining life of the EZ up to March 2041.</p> <p>The development is projected to cost £25.1m in total and this will be funded by private investment of £21.3m and, if approved, public funding (EZ grant funding) of £3.8m.</p> <p>The project will have an element of community support and apprenticeship/work placement training integrated into the construction of the business park as well as biodiversity/environmental/ecological enhancements.</p> <p>Construction work is planned to commence on site in April 2022 for 10 months with the completed development ready for tenant occupation in early 2023.</p>
Project Start Date:	October 2021
Project Completion Date:	January 2023
Total project cost:	£25.1m
EZ Investment requested:	£3.8m

1. STRATEGIC CASE

1.1. Please provide a full description of the project, including its objectives, key components and key deliverables

The project is being brought forward by Vortex Business Park Limited (VBP) and comprises 9 industrial units to be constructed on the horseshoe of land surrounding the Rhino building off Newbridge Road in Ellesmere Port.

This follows on from the successful development of Helix Business Park, which is located on the opposite side of Newbridge Road, and which was partly purchased (Phase I) and partly developed (Phase II) by Gaerwen Properties Limited, a separate limited company but which is also under the directorship of Alec Pickering.

Helix Phase I comprises 5 industrial units totalling 52,706 sq ft (although 3 units are let to one tenant as a whole, with the other 2 units let to another tenant as a whole).

Helix Phase II was developed by Gaerwen Properties Limited with £669,000 of BISF/RIA grant support and comprises 3 industrial units totalling 40,000 sq ft.

All units at Helix were let within 12 months of practical completion.

The Helix development set new standards for industrial accommodation within the Newbridge Road EZ development area and as of November 2021 is at 100% occupancy.

The Vortex Business Park development will follow a similar building design strategy to that used in the Helix construction. A site layout plan of the proposed industrial units is included within Appendix A which notes a split of the buildings into four phases marked A-D. It is the current intention of VBP to build out all four phases at the same time.

VBP have secured an agreement with CW&C to enter into a 250 year lease on the proposed development land, the lease for which will complete upon the granting of an appropriate planning permission consent. VBP then have the option to purchase the development land at a pre-determined price when at least two of the development phases are complete. VBP are proposing to construct 21,004 m² (226,082 ft²) of industrial space on this land. The building sizes are noted on the plan in Appendix A and range from 4,931 sq ft to 114,395 sq ft.

The design, specification and quality for the proposed industrial buildings will continue the high standards set by the Helix development. An example of the design specification is included in Appendix I.

The industrial buildings will be of steel frame construction with a combination of built-up profiled steel cladding, composite panels, curtain walling and feature timber detailing. Each of the industrial units will have a self-contained office/amenity block of approximately 13% of the Gross Internal Area of the individual industrial units.

For the smaller units (up to 10,000 sq ft), the structural frame of the buildings will allow for future expansion of the office to first floor level. The office/amenity block will incorporate a toilet (to disability standards), shower and kitchen area. The office area will have suspended ceilings, painted walls, carpet tiles and gas heating provision. The main industrial area will incorporate LG7 lighting, emergency lighting and level access electrically operated loading doors. High speed uncontended fibre broadband will be provided to the site via a lease line.

For the larger units (10,001 sq ft and upwards), a first floor level office area will form part of the construction.

The scheme includes the construction of service yards, car parking areas, external lighting, the implementation of a scheme of surface/foul water drainage and the provision of all main statutory supplies into each of the industrial units. A comprehensive hard and soft landscaping scheme will be implemented throughout the site including landscaping works to the boundaries. Paladin fencing will be provided to the perimeter of all service yard and car parking areas.

The proposed development is not commercially viable and requires an EZ gap funding grant of £3.8m, which is the amount being requested from the EZ Retained Business Rate Investment Support Fund (BISF). A detailed planning application for the development was submitted in September 2021 with a positive decision expected in January 2022. Confirmation of the receipt of the planning permission application is included in Appendix B. It should be noted that the planning application refers to the erection of six commercial buildings which is the number of structures planned for the site, albeit that units A2 and D are planned to be split into 3 individual units and 2 individual units respectively as per the plan included in Appendix A.

The procurement of a main contractor via tender will be undertaken during the period November 2021 to January 2022. Construction works are scheduled to commence in April 2022 with completion of the development projected for January 2023. A development programme is included within Appendix C.

The key objectives and deliverables of the project are as follows:

- To re-develop a vacant 11-acre brownfield site (by January 2023);
- To speculatively develop 21,004 m² (226,082 ft²) of high quality industrial accommodation providing accommodation solutions for SME businesses in Cheshire and Warrington Local Economic Partnership (CWLEP) key target sectors (specifically Advanced Manufacturing/Engineering, Environmental Technologies, Automotive and Logistics/Distribution) and the HyNet supply chain;
- To accommodate up to 9 businesses with the potential of creating approximately 423 direct net additional jobs at the CWLEP level;
- To provide approximately £388k per annum of additional Business Rate revenue once the industrial units are fully let, with an expected Business Rate revenue stream of c£7m over the period April 2023 to March 2041 (the end date of the EZ);
- To lever in approximately £21.3m of private investment by January 2023;
- Generate net additional Gross Value Added (GVA) in the range £44m to £72m per annum at the CWLEP level once the scheme is fully established (subject to the business sectors the future tenants of the business park operate in); and
- Contribute to an off site biodiversity solution costing an estimated £270K, off site newt mitigation measures costing £38K and Landscaping/Planting/Trees costing £53K.

1.2. Please describe in detail how this project contributes to the LEP's strategic objectives

Cheshire Science Corridor Enterprise Zone (EZ) includes a select portfolio of 'pump primed' sites, which offer a unique opportunity for businesses wishing to establish production facilities alongside the centres of science excellence (particularly the Protos Energy Hub at Ince Park and growth of the low carbon energy sector in the region, linked to the HyNet Hydrogen

development at Stanlow). The VBP site is included within the Ellesmere Port portfolio of EZ site locations.

In addition the LEP's 'Building a Better Future Together : Supporting Recovery in Cheshire & Warrington 2021/22' document clearly states it will deliver a 'Sustainable Recovery' and a 'Growing Economy' - Vortex Business Park will contribute to these objectives through the development of quality industrial units providing sustainable additional new jobs, including targeting the low carbon energy sector supply chain, to provide for the growth that will arise from the UK Government's recently announced support for the North West HyNet Hydrogen phase 1 facility at Stanlow, and other key low carbon energy developments in the region.

The Vision of the Cheshire Science Corridor (CSC) is to be an internationally renowned science and technology cluster and a major driver of future business growth in the sub-region. In order to achieve this, the EZ's key strategic objective is attract in the order of 500 businesses and create almost 20,000 jobs over its 25-year life. The development at Helix Business Park (noted previously as purchased/developed by Alec Pickering via another company Gaerwen Properties Limited) has already contributed to this objective as five occupiers of considerable size have been attracted to Helix which created significant new job opportunities.

VBP is looking to build on this success by providing further high quality industrial accommodation, to attract up to nine new businesses to the Ellesmere Port EZ, and which will ultimately result in further significant numbers of new jobs being created.

Ellesmere Port remains an area where average earnings and living standards continue to be poor compared to other locations within the CWLEP area, a situation which worsened over the last 18 months as a result of the pandemic. The ability to attract growing businesses from the STEM sectors to the area, as a result of the construction of the units at Vortex Business Park, should assist in boosting the earnings power of local workers and raise living standards locally.

The VBP project will deliver on the key priorities outlined in the Cheshire and West Industrial Strategy Summary (March 2019) contributing to "A Foundation of Productivity, Business Environment and Place" through the construction of quality industrial units creating quality new additional jobs generating an increased productivity/GVA in the Cheshire and Warrington area. Therefore, the Local Industrial Strategy (LIS) priorities of " 'Raise Productivity + Increase Business Resilience + Increase earning power of our residents' would be assisted via VBP being successfully delivered.

1.3. Which of the LEP's target sectors will this project be aimed at?

VBP has a focus on attracting businesses from the Advanced Manufacturing, Environmental Technologies, Low Carbon Energy sector supply chain, Logistics/Distribution and Automotive sectors. Evidence suggests that companies from these sectors tend to favour new or very modern buildings, which are designed to meet the needs of their occupational requirements and perhaps more importantly project a positive image of the companies to their customers and suppliers.

The proposed development at VBP will provide nine new high quality industrial buildings, the size, design and features of which will meet the occupational requirements of businesses from these Target Sectors.

All of the tenants at the fully developed and fully occupied Helix Business Park contain significant technology aspects within their businesses, and the two larger tenants, Cook

Compression and Thyson Technology, are businesses which operate within the target sectors (aspects of Advanced Manufacturing, Technology and Environmental). One further letting at Helix was to a brand new company from the Automotive sector.

These lettings demonstrate that the property product provided at Helix attracted businesses from the LEP Target Sectors, and the design and build philosophy adopted at Helix will be continued at VBP. The majority of companies that occupy units at Helix have a significant STEM aspect to their operations, and this is expected to continue for the prospective tenants of VBP.

1.4. Which other local and national strategies will the project contribute to and how?

The VBP project contributes and delivers on several strategic economic growth strategies, plans and priorities, both at the UK national and LEP levels, CW&C, as well as the Mersey Dee Alliance cross border area. As previously noted, it has already been demonstrated how the VBP project addresses some of the priorities within the Cheshire and Warrington LEP Local Industrial Strategy (February 2019) and the LEP's Strategic Economic Plan (2014). However, there are other key UK Government and regional strategies and plans that are of relevance and pertinent to the VBP project, in particular the following:

The proposed development at VBP would support 3 key strands of the **Ellesmere Port Industrial Area Development framework produced in May 2021, being to:**

- Reinforce the area's role as the economic engine of Cheshire West & Chester and the wider region, boosting its profile nationally, safeguarding existing employers, allowing expansion and indigenous growth, and helping to foster a diverse range of job growth opportunities which will create a sustainable future economy and supporting the UK's 'Levelling Up' agenda.
- Connect local people to jobs, skills and training opportunities in high value, innovative and growing employment sectors. Improving the connections between local people and opportunities through awareness raising as well as sustainable travel connections to the area.
- Improve the quality of place and quality of life for local people. The area will deliver an improved public realm; safe and sustainable connectivity; amenity; and enhanced and protected environmental assets. This will create an attractive place to live, work, visit and do business.

UK Government Net Zero Strategy- Build Back Greener - how to decarbonise the UK economy to meet net zero targets by 2050 (October 2021). This is of particular relevance to the VBP project because of the proximity of the site to the HyNet development that has secured Phase I funding from the UK Government. There will be an increase in demand, linked to the HyNet but also from other regional energy projects' supply chain/distribution channels, for quality industrial units in proximity to the Ellesmere Port area and wider Mersey Dee Alliance cross border area. The growth of the 'Green Hydrogen' and Nuclear sectors are clearly demarcated within the Government's strategy and VBP will be needed to ensure these growth sectors have the quality industrial premises available to service them.

UK Government Build Back Better - Our Plan for Growth - Levelling Up (March 2021). As part of the UK's 'levelling up' agenda across the whole of the UK, the North West of England is a key economic growth target area, to benefit from not just devolved democratic powers but also economic growth from the south east of England. Again, the Low Carbon Energy sector

(Infrastructure, Skills, Innovation) is a key sector for growth within the Plan for Growth and levelling up. VBP is an important project to ensure that the Cheshire and Warrington LEP area has sufficient quality industrial units to facilitate and enable job creation in this growth sector and key geographic area of the Cheshire Science Corridor and CWLEP area.

Mersey Dee Alliance (MDA) Growth Prospectus (2017) and MDA Investment Programme (2020) and the MDA Plan Ahead (to 2040) - the key priorities within the MDA programme of particular relevance that the VBP project helps to deliver on are low carbon and clean growth, labour market and skills. The provision of the VBP quality units will allow businesses in the MDA area to access the business space they need in the area, servicing their markets from VBP within the Cheshire Science Corridor, and create additional new jobs that will allow sustainable skills development.

In addition, the VBP project continues to support the following two of Foundations of the **Government's Industrial Strategy (2017)**:

- Business Environment – increasing SME productivity – This project will provide new business space, which will provide the environment necessary for the new generation of SMEs to grow, introduce new high value-added products/services and to take advantage of globalisation.
- Place – tackling regional disparities in productivity and economic performance – this project will result in additional significant GVA and new jobs in the CWLEP area.

Northern Powerhouse Strategy (November 2016) – this project will support the Enterprise and Innovation objective of this strategy by providing new industrial space for businesses in the knowledge intensive sectors (including Advanced Manufacturing & Automotive) to develop innovative ideas and help the area's economy grow.

As referenced above, the VBP project will contribute to the Cheshire & Warrington Strategic Economic Plan (2017) which aims to grow (by 2040) the CWLEP economy by £50 billion pa in GVA and create 120,000 net additional jobs. This project has the potential to contribute net additional GVA in the range £44m to £72m and has the potential to create 423 net additional jobs. A strategic theme of the SEP is upgrading infrastructure and by providing new high quality industrial accommodation - this project will help achieve a key objective of this theme i.e. providing readily available employment sites that meet the needs of key economic sectors, attract inward investment and new investment by indigenous businesses.

The project is located in the Atlantic Gateway, which is identified by the CWLEP as a key strategic priority. One of the Atlantic Gateway's priorities is to support the delivery of the Ellesmere Port Strategic Regeneration Framework, and one of the themes of this Framework is to deliver employment growth in key development zones including the Eastern Employment Zones, which includes the Newbridge Road development area within which VBP would be located.

1.5. What is the market need for your scheme?

On behalf of VBP, Legat Owen have undertaken a Market Demand Assessment in respect of the proposed project (Appendix D), the key conclusions from which are as follows:

Over the course of the last 5 years there has been a steady improvement in the demand for industrial floor space in Ellesmere Port, and the wider CWLEP area;

The success achieved in relation to the letting of both phases of the Helix development clearly demonstrates that the nature of the product being proposed for VBP is orientated towards market demand;

The supply of industrial floor space in Ellesmere Port and the surrounding area has continued to tighten to the point whereby demand exceeds supply and there is a need to bring forward new industrial floor space in order to meet the demands of the market, particularly for SME occupiers; and

Existing industrial floor space supply in the market is ageing and does not meet the needs of SME businesses in the 21st Century.

There have been limited new speculative industrial unit developments in the area catering for small/medium sized companies. At the time of writing the report, Legat Owen had no availability of units of 10,000 sq ft and above. The bulk of speculative development schemes known to be coming to the market (either in planning or construction) are in the main aimed at large businesses and will not satisfy the demand for the SME market.

The conclusion is that there is clear justification in the current market for a Design & Build development of mixed unit sizes for industrial buildings as proposed for VBP, which will provide solutions for the SME market to assist with current demand and will assist in the future growth of the economy in Ellesmere Port and the surrounding areas as a consequence.

In addition, the local, regional and UK national economic strategies and plans all need quality industrial premises to deliver on their priorities of economic growth and levelling up across this geographic area within the North West of England.

1.6. Why does your scheme require EZ investment?

In the absence of EZ public funding support this project would not go ahead primarily because it is not commercially viable i.e. there is a cost/value viability gap as a result of the factors outlined below. The rationale for project critical public sector intervention via gap EZ grant funding in to this project is supported by the existence of the following interlinked market failures:

- The continued fragility of the development and construction market due to the challenging external environment, primarily due to the impact of Brexit and the ongoing pandemic.
- Construction Costs/Property Values – Speculative developments in the Ellesmere Port area have traditionally been unviable commercially without intervention due to the low rents and yields achievable compared to build costs. This improved in the period following the financial crisis from 2008 onwards, but rental/capital values in Ellesmere Port continued to lag behind prime areas in the North West of England around the M6 corridor and Manchester. The cost of materials and labour have increased significantly over the last 3 years, with supply chain delivery times increasing, leading to increased contract duration and adding in further prelim costs to contract values. Examples of cost increases over the period are as follows:

- Cladding – 8%
- Hot rolled coil steel – 73%
- Steel – £50 per tonne increase
- Concrete – 10%
- Aggregate – 10%
- Plasterboard – 18%

In this context of increasing construction costs, and as per the investment appraisal noted in Appendix E, speculative industrial development in Ellesmere Port is still not commercially viable without public funding support.

- Construction Costs of building to high quality – In order to attract target sector businesses to Ellesmere Port there is a need to provide high quality buildings i.e. design and specification. Providing a high quality end product results in higher construction costs which impacts on viability.
- Costs of developing on a speculative basis – Developing on a speculative basis has additional cost implications e.g. additional finance costs during void and potentially extended incentive periods.
- Given the identified demand referred to in the Legat Owen market assessment report, it is clear that there is an imbalance in the demand/ supply equation i.e. an opportunity in the market, which this project can capitalise on if unlocked by the proposed BISF investment. It is considered that companies from the SME sector will be forced to consider relocating outside of Ellesmere Port in order to satisfy their property requirements due to the lack of supply of appropriate industrial accommodation in the area without the provision of new stock to the market. Given the slightly improved supply position in North East Wales and the Wirral, there is a risk that companies will relocate outside the CWLEP area if their needs cannot be met in the target area.
- The decisions made by 4 of the 5 tenant companies which now occupy units at Helix Business Park to remain in the Ellesmere Port location, demonstrates that the provision of high quality industrial accommodation assists in retaining high quality, growing businesses in the area, whereas if this was not available those businesses may have decided to relocate outside of Ellesmere Port either to Deeside or the Wirral where there is a supply of high quality industrial accommodation.
- There is continued uncertainty in the local property market, with limited new speculative industrial building development over the last few years due to a lack of confidence and funding. The perceived risks associated with businesses in the sector together with other inter-linked market failures, means that a supply of suitable accommodation is not readily available for the SME market.

2. ECONOMIC CASE

- 2.1. Please provide a summary of the direct and indirect quantitative outputs that the project is expected to generate by financial year. Please add any additional rows as necessary.

Expected Outputs	Year 1	Year 2	Year 3	Year 4	Year 5	Future Years	Total
New floorspace created (sq m)		21,004					21,004
Floorspace refurbished (sq m)		0					0
Brownfield land reclaimed (Ha)		4.452					4.452
No. new businesses attracted			9				9
Jobs (FTE) – direct			423				423
Jobs (FTE) – indirect							
Jobs (FTE) – construction		14					14
Economic activity (GVA)			44m-72m	44m-72m	44m-72m	44m-72m	
Other – business rates retained			388k	388k	388k	388k	

- 2.2. What are the estimated number of **direct jobs** that will be created by the project? Please indicate how this estimate has been arrived at, including any assumptions/formula applied.

Gross Jobs 583 - This is based on the Homes and Communities Agency Guidance (HCA Employment Density Guide 3rd Edition - 2015) which is a density of 1 FTE/36 sq m of floorspace for industrial/manufacturing use.

Net Jobs 423 – This has been calculated allowing for the following additionality factors:

Displacement – Given the current demand for speculative industrial units from all of the target industry sectors (such as automotive and advanced manufacturing sector businesses), it is anticipated that the proposed development will be attractive to existing SME businesses within the CWLEP area who are growing and need larger new modern high quality accommodation (as demonstrated by the tenant companies occupying the Helix units). In this context it is considered that a 25% allowance for displacement is appropriate.

Leakage – It is considered that the majority of jobs will be taken up by residents located in the CWLEP area, however due to geographic proximity it is recognised that some of the jobs will be taken up by residents from further into Merseyside and North Wales (MDA area). In this context it is considered that a 25% allowance for leakage is appropriate.

Multiplier Effects - This allowance is for indirect and induced economic activity associated with additional local income and local supplier purchasers. According to the HCA, 1.29 is the local composite multiplier that should be used for industrial and manufacturing developments and therefore is the multiplier which has been adopted.

The Net Additional Jobs created figure has been calculated using based on the details noted above as follows = $583 \times 0.75 \times 0.75 \times 1.29 = 423$.

- 2.3. What are the estimated number of **indirect jobs**, including construction jobs, that will be created by the project? Please indicate how this estimate has been arrived at, including any assumptions/formula applied.

Construction jobs created – Calculation is based on £150,000 of construction expenditure per employee benchmark and 1 FTE equivalent to 10 person years of employment i.e. Construction cost - £20.8m = 139 person years of employment = 13.9 FTE say 14.

As the development is speculative, until the business profile of the prospective tenants for the proposed industrial units at VBP is known, it is extremely difficult to estimate the number of indirect jobs which will be created as a result. There will certainly be some significant supply chain benefits arising from the development, but this will only be able to be calculated when the tenants take up occupation.

- 2.4. Please provide an estimate of the impact of your project in growth of **Gross Value Added**. Please indicate how this estimate has been arrived at, including any assumptions/formula applied and the impact assessment model used.

Gross Value Added from the proposed development is calculated to be in the range of £44m to £72m per annum.

The calculation is based on the Cheshire and Warrington Annual GVA per FTE in the transportation and storage sector of £40,520 for the larger unit totalling 114,395 sq ft and a GVA per FTE in the manufacturing sector of £171,756 for all other units (Source: Cheshire and Warrington Local Industrial Strategy Evidence and Insight Summary March 2019).

Consideration has been given that the largest planned unit could be occupied by a tenant company from the distribution, storage and transportation sector, and therefore the GVA would be less than if a tenant from the manufacturing sector occupied the unit.

If the larger unit is occupied by a tenant company from the distribution and storage sector and the remaining units are occupied by tenant companies from the manufacturing sector, the GVA calculation would be as follows:

Larger unit $114395/226082 \times 423 \times £40,520 = £8,672,630$

Other units $111687/226082 \times 423 \times £171,056 = £35,745,001$

Total GVA = £44,417,631

If all of the planned units are occupied by tenant companies from the manufacturing sector the GVA calculation would be as follows – $423 \times £171,056 = £72,356,688$ Total GVA

The marketing plan for VBP to be undertaken by Legat Owen will focus on the manufacturing sector but the size of the largest unit could attract a tenant company from a sector outside of manufacturing. There has been a recent letting in the local area of a similar sized new speculative build industrial unit to a manufacturing company which confirms that there is a definite market need for sizable units for companies which operate in this sector in the Ellesmere Port and surrounding area.

- 2.5. Please indicate any estimated **wider benefits** (including social, environmental and temporary effects) that the project will generate? Please indicate whether these estimated benefits are direct or indirect and how they have been calculated.

The project will provide a number of additional wider benefits that include the following:

Social & Community – there is potential for apprenticeship/work placements via VBP contractors, and this is being considered as part of the procurement strategy, during both the construction and operational phases of VBP. This would further contribute to local skills provision and development in the EZ area.

The support/sponsorship of local community events during the development is being pursued with the economic growth team at CW&C.

Ecology - a significant amount of work has been undertaken at the site by The Environment Partnership reviewing the existing on site ecology position, and preparing a Construction Environmental Management Plan for the development. Reasonable Avoidance Measures will be adhered during the development as part of the plan.

Bio Diversity - a bio diversity net gain assessment has been undertaken to determine the loss of habitat on the site as a result of the proposed development. The net loss cannot be mitigated on site and therefore an off-site solution will be provided. The process of minimising the loss and providing for lost habitat to be restored/mitigated is ongoing and discussions are continuing between the management of VBP, the senior ecology team at CW&C and the TEP consultants to ensure that a suitable solution to bio-diversity can be agreed and advanced. A possible solution utilising natural capital local to the site is being pursued.

Newt Mitigation - an off site mitigation strategy has been agreed with Natural England whereby the company will pay a commuted sum under the GCN District Level Licencing Scheme to enable the creation of newt ponds and habitat at a separate location, to facilitate the development at VBP. A Reasonable Avoidance Measures Method Statement will be produced and adhered to as part of the DLL.

- 2.6. Please demonstrate the **additionality** of the project (i.e. calculating the net benefits of the project taking into account deadweight, displacement, leakage, economic multipliers, etc.) Please refer to the HM Treasury Greenbook and latest government Additionality Guidance.

The VBP as a project is wholly additional as it would not proceed without the requested EZ gap funding of £3.8m - this is even more significant in the second half of 2021 due to construction cost increases as outlined in section 1.6.

The deadweight of the project is estimated to be zero on the basis that the project would not proceed without EZ gap funding.

The additionality in terms of floor space which would be created by the project is therefore **21,004 sq m** of industrial buildings.

The Gross Jobs created figure has been calculated using the Homes and Communities Agency Guidance (HCA Employment Density Guide 3rd Edition - 2015) which is a density of 1 FTE/36 sq m of floorspace for industrial/manufacturing use – therefore $21004/36=583$

However, in line with the HCA Additionality Guidance (2015), as described in section 2.2, there would be an assumption of some low level displacement and leakage as a commercial development in this particular geographic area of the Cheshire & Warrington LEP and in the MDA cross border area.

The Net Additional Jobs created figure has been calculated using a reduction of 25% for displacement, a reduction of 25% for leakage and a multiplier of 1.29 – therefore $583 \times 0.75 \times 1.29 = 423$.

3. COMMERCIAL CASE

- 3.1. Please describe how the project will be delivered? Please identify the key stakeholder/delivery partners, who will act as Project Manager, who will deliver the project, how construction will be procured etc.

Vortex Business Park Limited will be responsible for the overall organisation and management of the project including the appointment and management of the professional team, agents and solicitors, the procurement of an appropriate contractor for the construction works, and the subsequent marketing and letting of the completed industrial units.

The experienced directors of the company, assisted by the internal management team, have engaged with a team of professional advisors including Hatrick Property (Project and Development Consultancy), Cadnant Planning Limited (Planning Application Consultants), C4 Consulting (Architecture), KGA (Mechanical and Engineering), Tier Consult (Civil and Structure), The Environment Partnership (Ecology), Barry Chinn Associates (Landscaping), Mode Transport (Transport and Highways), Avid Property Consultants (Project Management, Employers Agent and Quantity Surveying), Glenville Walker (Legal), Sasha Wynn (Grant Consultancy) and Legat Owen (Property Advisors and Letting Agents).

A formal tender process will be undertaken to identify the most appropriate contractor to undertake the project construction. This will take the form of a single stage competitive tender. Tenders will be invited from suitably experienced contractors. Once tenders are received, a period of analysis will take place culminating in production of a tender report that will provide a recommendation on contractor selection. Procurement will be undertaken utilising the JCT Design & Build Form of Building Contract.

VBP have employed Avid Property Consultants as Project Manager to oversee the development and as Employer's Agent to administer the building contract. Avid will chair regular progress meetings to review the design, site quality, cost control and development programme. Regular reports will be provided during the construction phase that will comment upon items such as tracking of forecast expenditure against actual cashflow, and programme monitoring.

- 3.2. Please demonstrate that you and the key stakeholders each have the appropriate capacity, capability, systems and expertise to deliver the intervention successfully. This could include examples of similar projects completed elsewhere, quality assurance systems in place, etc.

The company which purchased the Helix Phase I development and undertook the development and construction of the Helix Phase II development, Gaerwen Properties Limited was established in 2012 and since its inception has significantly grown its property portfolio which includes 500,000 ft² of industrial space and 45,000 ft² of office accommodation including the following highlights:

- Gaerwen Industrial Estate in Anglesey which comprises c 100,000 ft² of mainly small units;
- A 30,000 ft² industrial unit in Bredbury, Stockport let to Cadent Gas;
- Phases I and II of Helix Business Park totalling 92,000 ft² with all 5 units fully let within 12 months of practical completion; and
- 200,000 ft² of industrial units at Rough Hill, Chester let to Meadow Foods

Alec Pickering is the Director and driving force behind **Gaerwen Properties Limited** and also **Vortex Business Park Limited**. Alec has worked in the property industry for over 30 years, and an overview of the companies within the Pickering family involved in industrial and office building developments and lettings is included in Appendix F.

Paul Norman from Hatrick Property (Development Consultant) established Hatrick 10 years ago. Paul was previously a Director of Liberty Properties for over 20 years and was responsible for the entire development at HQ Chester, a 350,000 sq ft mixed scheme overlooking Chester Racecourse. He was involved in over 450,000 sq ft of speculative industrial development in Warrington and the M6 corridor. Hatrick was involved as development manager for a 110,000 sq ft office building in Wrexham on behalf of Money Penny, and the property has won a series of awards from the BCO and Welsh Government.

C4 Consulting (Architect) have considerable experience in delivering innovative design solutions for industrial developments of mixed unit sizes. Their designs were implemented at the Helix development which were fundamental in the successful letting of all of the units at the site within 12 months of practical completion. The design philosophy will be carried forward during the building design work for VBP being undertaken by C4 up to the tender and procurement stage of the project.

The team of supporting consultants, **The Environment Partnership, KGA, Tier Consult, Barry Chinn Associates and Mode** are all experienced project advisors and were used during the Helix Phase II construction - all have significant experience of industrial building development in the local area.

Cadnant Planning (Planning Application Consultants) are a highly experienced and effective active planning consultancy who successfully deliver planning solutions for key developments across Cheshire and North Wales.

Avid Property Consulting (Project Management, Employers Agent and Quantity Surveying) act for many large and well known company and institutional clients across all property disciplines. Aiming to be carbon zero by 2022, the company has recently advised on the successful delivery of a 640,000 sq ft distribution centre for John Lewis in Milton Keynes, a 445,000 sq ft advanced manufacturing facility in Coventry for Aviva Investors, and also a 132,715 sq ft mail facility for TNT in Dartford, all of which were constructed to high levels of industry construction standards and all which achieved EPC 'A' ratings.

Sasha Wynn (Grant Consultancy) is an economic, business and community development consultancy working across the private sector and with UK and Welsh Governments. The Director Sasha Davies has over 30 years expertise of working in the public and private sector on external funding, regeneration, investment and infrastructure projects, including integrated project stakeholder engagement and communications

Glenville Walker (Legal) are the company's retained solicitors and successfully completed all of the legal work on the Helix I and Helix II developments. They have been involved with the VBP development since the initial project discussions took place, and have been a key part of the team in successfully achieving the agreement to lease, and subsequent agreement to purchase of the development land from CW&C, a process which took many months of meetings, calls, e-mails, and then Zoom and Teams calls during the pandemic, before agreement was finally reached. The firm will continue to be a key part of the team as the tender, procurement, and then construction phases of the development progress, and will be retained to advise on the subsequent letting of the completed units to tenants.

Legat Owen (Property Advisors & Letting Agent) is a well-established practice, which in a typical year transacts c2m ft² of industrial floor space in the North West and North Wales. Legat Owen are engaged on a day to day basis in the employment floor space market in Cheshire and Wirral and have advised on a number of speculative industrial developments over the course of the last 5 years. Legat Owen were also the sole agent on the letting of the Helix development and were able to successfully complete lettings on all 5 of the units over the two phases of development within 12 months of practical completion of the whole business park.

- 3.3. How will the project be procured? If procuring external organisations for this project, please confirm and demonstrate that procurement will comply with public procurement requirements where necessary.

A single stage competitive tender procurement process is to be adopted for the construction works. There will however be a Pre-Qualification Questionnaire (PQQ) issued to a 'long list' of suitable contractors. The PQQ will be used to select a 'short list' of contractors for the main tender. PQQ's will be objectively scored by reference to a scoring matrix. Contractors successful at the PQQ stage will be provided with an Employer's Requirements pack of information to allow pricing. Following receipt of tenders and compliance checks, Avid will prepare a comprehensive Tender Adjudication Report recommending the appointment of the most suitable contractor.

- 3.4. How will you ensure value for money?

A receipt of grant funding under the BISF to allow the development to proceed will provide significant increase in spending in the local economy arising directly from the business rate income paid by the future tenants of VBP (totalling c£7m between April 2023 and March 2041 – the end date of the EZ). This will be a combination of the employment of local people by the tenant companies following the boost to the economy during construction where it is anticipated that a local contractor will be employed, using local supply chains and sourcing materials and labour from the Ellesmere Port area during the build.

The project is expected to leverage private investment of £21.3m.

The project is expected to create 423 net direct jobs and 14 construction jobs together with a significant number of indirect jobs which will be part of the supply chain to the future tenants of VBP. As part of the tender process, prospective contractors will be asked to consider creating at least one apprenticeship as part of the construction contract for the development.

The tender and procurement process as noted in sections 3.1 and 3.3 will be robust and the use of the pre-qualification questionnaire and scoring matrix will ensure that the most appropriate contractor to undertake the development is chosen to deliver the project on time and in budget, controlled by Avid Property Consultants in their role as Employers Agent to VBP.

- 3.5. Please indicate how your project complies with the necessary regulations and requirements with regard to the following:

- State Aid/Subsidy Control regulations
- Legals (e.g. lease agreements, evidence of freehold and/or Memorandum of Understanding)
- Planning or other consents

- Other (please specify)

State Aid

- Vortex Business Park Limited is eligible to be an applicant for and a recipient of aid under The Regional Investment Aid Scheme (“RIA Scheme”).
- Vortex Business Park Limited has read the requirements of the General Block Exemption Regulation and has agreed to meet the requirements of RIA Scheme.
- The Project is located within an area identified as falling within the terms of Article 107(3)(c) of the Treaty on the Functioning of the European Union (TFEU) under the UK Assisted Areas Map 2014 - 2020.
- The Project will comprise an initial investment in tangible assets comprising land and buildings.
- It is intended that the asset created will be maintained for a period of not less than 5 years in relation to the proposed economic activity.
- The BISF grant being applied for will not exceed the maximum aid intensity of 30% of RIA Scheme Eligible Costs in relation to the area concerned.
- Vortex Business Park Limited will make a financial contribution of more than 25% to the project by way of private sector investment.
- The activities are not within excluded industrial sectors (GBER Art.13).
- The Project does not exceed the notification thresholds (GBER Art.4).

Legal

Vortex Business Park Limited has entered into an agreement to lease with Cheshire West and Chester, and the lease will be entered into upon the receipt of appropriate planning permission from the local authority. Vortex Business Park Limited then has an agreement in place with CW&C to purchase the land for a predetermined sum upon practical completion of a minimum of 2 of the 4 phases of the development.

Planning

The site is designated as an ‘employment site’ in the Local Plan.

A detailed Planning Application for the development was submitted to Cheshire West and Chester in September 2021 (Appendix B). A significant amount of discussion has been ongoing with senior commercial property personnel of CW&C over the last 2 years regarding the development site, with a large volume of in person meetings (office and on site), e-mail exchanges, telephone calls and virtual meetings to keep the momentum of the project moving, and in principle there have been no objections to date to the proposed development. A precedent for VBP has been established through the development of Helix Business Park which is located on the opposite side of Newbridge Road, developed by another company, Gaerwen Properties Limited, which is also under the control of the directors of Vortex Business Park Limited.

4. FINANCIAL CASE

- 4.1. Please provide a summary of the anticipated project costs, revenue and funding sources (adding additional rows as required). This summary should be supported by a full development appraisal and evidence of assumptions.

Project Item	Year 1	Year 2	Year 3	Year 4	Year 5	Future Years	Total
Costs							
Land		1.575					
Construction		16.678	4.076				
Professional Fees		0.662					
Other Fees/Costs		0.532					
Finance costs			1.624				
Total Costs		19.447	5.700				25.147
Revenue							
Completed Net Development Value			21.335				21.335
Total Revenue							
Surplus/Deficit		-19.447	15.635				-3.812

- 4.2. Please provide a breakdown of the project funding sources by funder/year.

Funding Source	Year 1	Year 2	Year 3	Year 4	Year 5	Future Years	Total
Private sector funding		16.761	4.574				21.335
Other Public Sector							
EZ Investment		2.686	1.126				3.812
Total Project Funding		19.447	5.700				25.147

- 4.3. Please provide any supporting information here including evidence/assumptions of costs/values, used, confirmation of any matched funding, etc. Please provide a copy of your development appraisal and any supporting cost schedules.

A detailed development appraisal as prepared by Legat Owen is included within Appendix E and a construction cost plan is included within Appendix G.

Within the development appraisal Legat Owen used the following assumptions:-

- Rent - The rent for each of the proposed units has been included based upon similar comparable industrial buildings within the Ellesmere Port area. Please refer to the market needs assessment report provided in Appendix D for further information on these comparables;
- Yield - The yield has been adopted based upon comparable investment sales and taking into consideration the anticipated covenant strength of the occupiers and assumed lease terms;

- Build costs - The build, contingency, professional and planning costs have been adopted using the Cost Review Report produced by Avid in October 2021 (Appendix G) and from information regarding development related costs already incurred as provided by the VBP team;
- Marketing/sales costs – appropriate amounts and percentages have been included using accepted principles for investment appraisals, for development sales fees, letting legal fees, and development marketing fees; and
- Finance - A 6% finance cost has been assumed which is considered reasonable for the scale of the project and the underlying development costs.

Allowing for the BISF grant (£3.8m) which is the subject of this application, this leaves a funding requirement of c£21.3m to complete the Vortex development. Alec Pickering, Director of Vortex Business Park Limited, and the Pickering family members, will be providing c£13m of the development funding required for the project by way of Directors loans, and the remaining funds will be obtained through either bank project lending, the EverGreen fund via the LEP, or a combination of both.

- 4.4. Please provide an estimate of the annual **Business Rate Revenue** that will be generated by the scheme, including any supporting evidence, benchmarks and multipliers used to arrive at this estimate.

Legat Owen have produced a schedule noting the anticipated business rate revenue arising from the development which is included in Appendix H. It is forecast that the Vortex development will generate an additional £388,277 in annual Business Rate Revenue for CW&C, with an expected total Business Rates Revenue of c£7m being generated over the remaining life of the EZ from April 2023 to March 2041.

This estimated rates income figure has been calculated taking into consideration the following assumptions:-

The multiplying rates for commercial premises for 2021-2022 are as follows:- 51.2p for the standard multiplier and 49.9p for the small business rates multiplier.

Small business rates multiplier applies where the rateable value falls below £50,000.

Unit C is largest unit on the proposed development and extends to over 100,000 sq ft. Therefore a rate per metre sq has been adopted as follows:-

£33.15 for the warehouse and £36.47 for the offices.

These rates have been used based upon recent comparable RV assessment at Unit 1 Rhino House, Deans Road, Ellesmere Port which is dated 2nd January 2020 - present.

The remainder of the proposed development units range from c5,000 sq ft up to c 30,000 sq ft. Therefore a rate per metre sq has been adopted as follows:-

£38.00 has been adopted for the warehouse and £45.60 for the offices.

These rates have been used based upon recent comparable RV assessment at Unit 8 Helix Business Park, New Bridge Road, Ellesmere Port which is dated 13 December 2019 - present.

- 4.5. Please explain why EZ funding is necessary, for example due to a funding gap, and how the project will ensure the minimum cost to the EZ.

A detailed investment development appraisal has been undertaken to assess the overall need for a BISF grant. A detailed development appraisal is included within Appendix E and summarised below:

Development Cost	£	Comments
Site Acquisition including costs	1,574,550	Actual cost
Construction	20,754,180	Based on detailed cost plan included within Appendix G
Professional Fees	661,782	Based on quotes received to date and estimates to complete
Other fees/costs including ecology	531,492	Based on actual costs, market rates and Property Agent advice
Finance charges	1,624,053	The loan interest charge is 6%
Total Development Costs	25,146,057	As per investment appraisal included in Appendix E
Completed Net Development Value	21,334,387	As per investment appraisal included in Appendix E
Cost/Value Viability Gap	3,811,670	As per investment appraisal included in Appendix E

It is intended that Vortex Business Park Limited will be retaining the completed development as a long-term investment rather than disposing of the let development. In this context, an allowance for developer's profit has not been included in the investment appraisal, as VBP will be realising a return from the future rental income streams.

The net development value of the project included in the financial appraisal is based on the following advice from Legat Owen:

- Legat Owen have advised on the achievable market rents on the industrial units which are noted individually in the investment appraisal in Appendix E. These range from £6.50 to £7.00 per sq ft depending on the size of the units. Based on current market conditions Legat Owen recommend adopting a rent-free period of 3 months for the smaller units and 6 months for the largest unit within the appraisal.
- The aim should always be to secure the longest lease term possible but in the current market a tenant will still expect a break option after 5 years and as a consequence the rental income should be capitalised assuming a 5 year term certain.
- The nature of the occupiers will be such that their covenants will not necessarily be AAA status and as a consequence, and having discussed with Legat Owen, we believe it is realistic to adopt an investment yield of 6.25-6.50% to reflect the nature of the tenant's covenant strength, current market conditions and the expected lease terms that the units will be let under.

As demonstrated above the proposed development is not commercially viable and has a cost/value viability gap of £3.8m which is the grant being requested from the BISF. It is proposed that the BISF grant is made on the condition that there is an overage arrangement to recover any 'super profit'. In line with accepted procedures for public sector grant funded commercial development projects it is proposed that overage is calculated when all the industrial units are let at 50% of the completed value of the building over and above a Base Value agreed as part of the appraisal, capped at the amount of BISF grant received.

- 4.6. Has consideration been given to other alternative sources of funding which could be accessed to support this project? (e.g. commercial loan, other sources of public funding, etc.) If so, why have they been discounted?

Consideration is being given to applying for ERDF 'EverGreen' loan funding managed by CBRE. The ERDF EverGreen loan fund must be delivered within the context of the project being completed by December 2022, assuming planning approval being achieved in January 2022 and an ideal construction start in April 2022, subject to supply chain and material supply availability.

On the basis of a £3.8m BISF grant being offered to VBP, the company has access to c60% of the funds required to undertake the project. The project will require grant assistance to be commercially viable as demonstrated by the development appraisal prepared by Legat Owen. The project will need loan funding to assist with the cost of developing out the whole site.

On this basis, if public loan funding (through EverGreen) was only available instead of BISF funding, the project would not proceed.

- 4.7. Can you confirm and demonstrate that there is sufficient capability to meet the financial requirements and liabilities of the project (e.g. to cash flow the project ahead of the receipt of grant and to meet any cost overruns)?

Vortex Business Park Limited is managed at the head office of all of Alec Pickering's business operations in Chester where Alec is assisted by 2 qualified accountants, who are employed to manage all aspects of the operational activities of the various property businesses, which include a leisure, fishing and events venue, field sports business, and a diverse portfolio of land and property related businesses, including some residential house building, residential lettings, farming activities and office lettings as well as the commercial property portfolio. The head office team have considerable experience of the financial management of publicly funded projects and have established and proven procedures in place to ensure that all financial compliance conditions and requirements relating to the VBP project are adhered to. An overview of the industrial and office property related companies within the control of Alec Pickering is noted in Appendix F.

VBP has forecast that there are resources available across the various businesses to fund c£13m of the development costs and the remaining c£8.3m will need to be funded from bank development loan finance, LEP EverGreen loan funds, or a combination of both of these finance sources. The forecasts have been prepared on the basis that the payment of the BISF grant is made monthly in arrears against QS verified construction cost expenditure, with a final claim to be made post practical completion, to capture the final development costs.

The total project costs have been estimated based on advice from experienced professionals including Hatrick Property, Avid Property Consultants, C4 Projects and Legat Owen. The main cost risk relates to the construction works, which will be procured on a fixed price contract basis following a competitive tender process. In the event that tenders are above pre tender

estimates, then a value engineering exercise will be undertaken to reduce costs in line with the budget. A 5% construction cost contingency is included within the development construction costs. It is not expected that there will be any cost overruns (which are not covered by the contingency provision) relating to unforeseen costs, as the forecasted costs have been prepared on a conservative basis, and all cost risk will lie with the contractor as part of the building contract.

5. MANAGEMENT CASE

- 5.1. What is the current status of the project? (e.g. what design stage is the project at? What internal and/or external approvals are required or have been received? Is the project reliant on external financing, etc.?)

Detailed building designs were produced for submission with the detailed planning permission application, which was submitted in September 2021. The next stage of the process, being the production of detailed designs is now complete ready for the tender and procurement process to begin, and a request for expressions of interest has been sent to an appropriate number of contractors who have the scale to be able to deliver the project. The tender process is planned to commence in mid-November 2021.

It is anticipated that a positive planning permission will be granted in January 2022, with an appropriate contractor selected following the tender and procurement process which should complete at the same time.

- 5.2. Please provide a project delivery programme indicating key stages, activities, milestones and timescales. Please attach any additional programme documentation (e.g. Gantt chart, etc.)

Assuming that planning permission is granted in early 2022, construction works are tentatively planned to commence in April 2022 for a ten month contract build programme and on-site works projected to complete in January 2023. The latest development programme is noted in Appendix C. Based on the market appraisal report provided by Legat Owen (Appendix D), it is forecast that all of the industrial units will be fully occupied within 12 months of the build completion.

- 5.3. Please provide indicative timescales for the key milestones in the table below:

Milestone	Indicative Timescale
Submission of Outline Business Case	November 2021
Funding Approvals	December 2021
Appointment of preferred developer / contractor	January 2022
Planning and other statutory approvals	January 2022
Work Commences	April 2022
Work complete	January 2023
Final financial claim date	January 2024

- 5.4. Please describe how you propose to deliver the project (e.g. project management structure/approach, quality assurance, etc.)

The professional team which is being assembled to manage the project is similar to that which was in place to manage and deliver the Helix development (as previously referred to in sections 3.1-3.2 of this document).

Vortex Business Park Limited will be responsible for the overall organisation and management of the project including the appointment and management of the professional team, agents and solicitors, the procurement of an appropriate contractor for the construction works, and the subsequent marketing and letting of the completed industrial units.

The experienced directors of the company, assisted by the internal management team have engaged with a team of professional advisors including Hatrick Property (Project and Development Consultancy), Cadnant Planning Limited (Planning Application Consultants), C4 Consulting (Architecture), KGA (Mechanical & Engineering), Tier Consult (Civil and Structure), The Environment Partnership (Ecology), Barry Chinn Associates (Landscaping), Mode Transport (Transport and Highways), Avid Property Consultants (Project Management, Employers Agent and Quantity Surveying), Glenville Walker (Legal), Sasha Wynn (Grant Consultancy) and Legat Owen (Property Advisors and Letting Agents).

Key project objectives are to ensure that the design and construction of the industrial units are to statutory standards and that there is cost and programme certainty.

A formal tender process will be undertaken to identify the most appropriate contractor to undertake the project construction. This will take the form of a single stage competitive tender. Tenders will be invited from suitably experienced contractors. Once tenders have been received, a period of analysis will take place culminating in production of a tender report that will provide a recommendation on contractor selection. Procurement will be undertaken utilising the JCT Design & Build Form of Building Contract. Avid Property Consultants have been appointed as Project Manager to oversee the development and as Employer's Agent to administer the building contract. Avid will chair regular progress meetings to review the design, site quality, cost control and development programme. Regular reports will be provided during the construction phase that will comment upon items such as tracking of forecast expenditure against actual cashflow and programme monitoring.

A single stage competitive tender procurement process is to be adopted for the construction works. There will however be a Pre-Qualification Questionnaire (PQQ) issued to a 'long list' of suitable contractors. The PQQ will be used to select a 'short list' of contractors for the main tender. PQQ's will be objectively scored by reference to a scoring matrix. Contractors successful at the PQQ stage will be provided with an Employer's Requirements pack of information to allow pricing. Following receipt of tenders and compliance checks, Avid will prepare a comprehensive Tender Adjudication Report recommending the appointment of the most suitable contractor for the development.

- 5.5. Please comment on any community support for this Scheme. Has public consultation on the Scheme been undertaken? Is the scheme likely to invoke objections or involve damage to the local environment? (e.g. use of greenbelt land, destruction of heritage of cultural landscape including listed buildings, or development in an area with special landscape designations e.g. SSSI, AONB)

The site is a disused brownfield site near to Ellesmere Port which has no current structures built on it and is ecologically poor, as confirmed by the ecology reports we have commissioned during the agreement for lease and planning permission application processes. The land is deemed to be unintended habitat and has no specific landscape designations. As far as we know, there would be no cultural or heritage landscape destruction from the development at the site.

- 5.6. Please set out the principal risks associated with the project and how do you anticipate mitigating them? (Please add additional rows as required)

Risk	Impact (H/M/L)	Likelihood (H/M/L)	Risk Mitigation
Planning	H	L	<p>The management of VBP have been in regular contact with the appropriate senior commercial property representatives from CW&C throughout the project, from initial consultation through achieving the agreement for lease and then subsequently up and to the point of planning permission application submission.</p> <p>Engagement of an appropriate team of professional advisors to ensure that the planning permission application was robust with all necessary supporting documentation provided</p> <p>Track record - Helix Business Park and other industrial building ownerships through other companies under the directorship of Alec Pickering</p>
Cost Over Runs	M	L	<p>The engagement of an appropriate team of professionals to manage the tender process, with a thorough review of pre tender cost estimates and a robust contractor procurement process to be adopted. Adequate contingency amounts to be included within project costs to allow for unforeseen cost over runs, and the build contract will ensure that all development cost risk will lie with the contractor.</p>
Program Delays	M	L	<p>The construction works programme has been developed by the professional team engaged by VBP based on their extensive experience of undertaking other projects of this type and scale. A construction programme and key milestone dates will be agreed with the chosen contractor, which will form part of the building contract.</p> <p>An extensive amount of background work has been undertaken by appropriate consultants up to the submission of the planning permission application, in respect of ecology, bio-diversity, site and ground investigations, transport and landscaping with no adverse conclusions reached and</p>

			appropriate plans put in place for appropriate mitigations.
BISF Grant not Approved	H	L	Preparation of a robust Business Case with full supporting documentation to be reviewed by an experienced Grant Consultant before submission to CWLEP. Ongoing consultations and discussions with CWLEP consultants throughout the grant application process.
Lower than expected demand for industrial units constructed	M	L	Legat Owen have undertaken a market demand assessment (Appendix D), which confirms that there is significant demand in the market from SME occupiers requiring the type and size of industrial units this project will provide. An early launch of a comprehensive marketing campaign in late 2021 which will continue through 2022 until build completion in 2023.

5.7. Please identify any other significant constraints and confirm that the project is deliverable having regard to these risks and dependencies.

The above-mentioned are the key risks at this stage in the expected life cycle of the project. As the project timelines move forward, VBP will be adopting a formal and documented approach to facilitate risk being managed in a proactive and coordinated manner. In order to identify and schedule risks, the project will be regularly reviewed with key project team members to identify risk items that may impact on achieving the project objectives. This will include specific risk management workshops and the provision of a Risk Register and Analysis, which will provide a snapshot of the project risks and provide a management tool for actively managing and mitigating the risks in taking the project forward. At least 2 meetings per month will be diarised for management to meet (one office, one on site) and review development progress between November 2021 and the completion of the construction phase. This process will be managed by Avid Property Consultants in their role as Employers Agent and Project Manager to VBPL.

It is considered that at this stage on the project timeline there are no significant risks or dependencies which cannot be managed/mitigated, and which would result in the project not being delivered.

Assuming the BISF grant is approved at the level requested it is considered that this is a very deliverable project as:

VBP Limited has an agreement to lease the site (subject to obtaining an appropriate planning permission), and upon achieving practical completion of two of the four phases as per the proposed development plan, to buy the site from CW&C for a pre-determined amount;

VBP Limited and their advisors have the required skills to successfully deliver the project;

In planning terms, the site is zoned for industrial use and pre-application discussions with CW&C indicate that their concerns relating to off site newt mitigation and off site biodiversity offset have been satisfactorily addressed;

The required private funding for the project is in place with plans to address any shortfall being addressed, and which are progressing;

The project professional team of advisors and consultants have been appointed;

Construction costs are based on up to date build cost advice from Avid Property Consultants;

Property values have been included based on advice from an experienced Property Agent, Legat Owen; and

Legat Owen have confirmed that there is a significant excess of demand over supply in the SME market for the proposed industrial units at VBP.

6. EVIDENCE AND SUPPORTING INFORMATION

- 6.1. Please list here and provide copies of all supporting evidence for the project (e.g. technical reports, market reports, designs, site plans, letters of support, planning notices, etc.)

Appendix A - C4 Site layout design submitted with the planning permission application
Appendix B - CW&C Notice of planning permission submission
Appendix C - Avid Development Programme
Appendix D -- Legat Owen Market Appraisal report
Appendix E - Legat Owen Development appraisal
Appendix F - Pickering Company Overview
Appendix G - Avid Cost Construction Plan
Appendix H - Legat Owen schedule of expected business rates revenue arising from the development
Appendix I – Example Specification of Proposed Unit

- 6.2. Please provide any additional information that you feel may assist Cheshire and Warrington LEP in assessing the scheme.

Alec Pickering, Gaerwen Properties Limited and his appointed team (internally and externally) have a proven successful track record of delivering effectively and successfully on the Helix Business Park development and met all the targets set therein. The Vortex Business Park development, under Alec Pickering's directorship, assisted by the highly reputable and effective appointed professional team, will equally successfully develop out VBP if the EZ gap funding is approved, as without intervention, the project is not commercially viable. As outlined in this document, there are significant economic benefits that will be delivered from the project, together with a number of wider social, community and environmental benefits. The VBP project fundamentally addresses key local, regional and national economic priorities, especially the 'levelling up agenda' in the CWLEP area.

VBP would seek to work with the CW&C in the following ways

1. At the earliest opportunity inform CW&C of any job opportunities that may become available at the construction stage, so that they can be locally publicised and potential employees prepared. Attend information/ recruitment events as required.
2. Inform CW&C and partners as to what pre-employment training may be beneficial in preparing suitable candidates.
3. Consider how it could support careers activity in the local area, sharing information on the roles and careers supported through the project.
4. Share any procurement opportunities for local businesses so that they can be promoted through the Let's Talk Business website and the Cheshire and Warrington Growth Hub.
5. Consider what capacity the project has to support local community projects.

Both parties agree to meet up regularly to discuss on going development of the VBP project.