

Levelling Up Fund Application Form

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

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

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

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

One application form should be completed per bid.

Applicant & Bid Information

Local authority name / Applicant name(s)*: [Isle of Wight Council](#)

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

Bid Manager Name and position: **REDACTED**

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

Contact telephone number: **REDACTED**

Email address: **REDACTED**

Postal address: **REDACTED**

Nominated Local Authority Single Point of Contact: **REDACTED**

Senior Responsible Officer contact details: **REDACTED**

Chief Finance Officer contact details: **REDACTED**

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

N/A

PART 2 EQUALITY AND DIVERSITY ANALYSIS

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

The Council's equality objectives Action Plan 2019-2022 ensures that equality and diversity issues are at the forefront of the plans that are made and the services that are developed and actions taken. The Council is committed to publishing information to show compliance with the equality duty, at least annually.

In supporting this vision within the Action Plan, the Isle of Wight Council has adopted five equality objectives which will be applied to the Levelling Up Fund Projects at East Cowes throughout design, public engagement, procurement and end use:

1. Understanding community impacts when making business decisions
2. Promoting good relations
3. Promoting awareness
4. Increasing accessibility
5. Compliant procurement and commissioning.

The Council's Equality Statement and guidance sets out how the organisation - in providing goods and/or services and/or facilities - is also committed against unlawful discrimination of customers or the public. This includes not unlawfully discriminating because of the Equality Act 2010 protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation.

Equality Impact Assessments will be undertaken throughout the design, procurement and delivery process for all three projects to ensure that protected characteristics are not adversely impact. It should be noted that the proposals are likely to promote and enhance equality, diversity and inclusivity, for instance through the delivery of accessible and inclusive public realm upgrades and the creation of a facility for the UK Sailing Academy to support their schools and youth development programmes.

Recognising that Wight Shipyard Company will lead on the delivery of the proposed marine engineering works, the Council will ensure Equality Impact Assessments are embedded into the process via the Council's role from a programme management perspective.

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published: **iwightinvest.com** and **iwight.gov.uk**

PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

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

Situated at the entrance to the Medina Valley on the Isle of Wight, within the proposed Solent Freeport zone, East Cowes is an established marine engineering and manufacturing hub. However, despite its long-established strength in the marine industries, East Cowes lags behind its neighbour, Cowes and the Island as a whole in relation to a range of socio-economic indices; the Isle of Wight also lags well behind the Solent, South-East and UK.

A package bid of three deliverable projects, collectively referred to as the **East Cowes Marine Hub**, has been identified to support levelling up of the Isle of Wight, to unlock a range of economic, skills and visible placemaking outcomes.

This package bid is led by the Isle of Wight Council in partnership with strategic stakeholders: an innovative marine engineering employer, the Wight Shipyard Company, and a leading charitable training and skills provider, the UK Sailing Academy (UKSA).

This East Cowes Marine Hub package comprises three complementary projects located in the Venture Quays area of East Cowes (see **Appendix A - Site Plan; Appendix B – Context Plan; Appendix C – Scheme Visuals**):

- 1) **The Columbine Building** – this project will comprise a number of interventions to this iconic 1930s building:
 - a. marine engineering works and installation of a new boat hoist to increase the capacity of the shipyard. This will futureproof its use and support the Wight Shipyard Company in delivering the next generation of sustainable high-speed ferries and crew transfer boats, as well as being available to other marine engineering businesses;
 - b. upgrade works (including the installation of windows) to the southern elevation to allow internal floorplates to be brought into beneficial use for potential occupation under lease by the Wight Shipyard Company to expand their marine design studio;

c. internal upgrade / fit-out of a redundant floorplate to provide a highquality flexible workspace to meet a demonstrable shortage of good quality commercial / community floorspace in East Cowes.

- 2) **The Victoria Barracks** – this semi-derelict 19th century former garrison building, adjacent to the Columbine Building, will be renovated and repurposed to provide a new facility for the UKSA. The UKSA, based in Cowes, provide education, mentoring and training, skills and pathways to employment to young people who might otherwise not have had the opportunity to access the water. The UKSA propose to expand and occupy the Victoria Barracks as a dedicated facility for its Schools and Youth Groups business. This project will comprise:
 - a. Structural refurbishment works and fit-out
 - b. Installation of a pontoon structure on the waterfront for use by the UKSA and the public

- 3) **Public realm investment** – a transformational public realm scheme is proposed. An existing dead space, this project will integrate the reactivated Victoria Barracks with the Columbine Building and the historic, but underutilised, Esplanade to the north, acting as a focal point for activity and a catalyst for future proposed enhancements delivering hard and soft landscaping, a viewing platform, covered exhibition space and storage lockers for paddleboarders/kayakers.



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| 3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case: | £5,841,254 |
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| 3d Please specify the proportion of funding requested for each of the Fund's three investment themes | Regeneration and town centre | 100% |
| | Cultural | % |
| | Transport | % |

PART 4 STRATEGIC FIT

4.1 Member of Parliament Endorsement (GB Only)

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

4.1a Have any MPs formally endorsed this bid? If so name and constituency. Please ensure you have attached the MP's endorsement letter.

Yes confirm

No

Bob Seely MP

Isle of Wight Constituency

Letter of endorsement attached (**Appendix D**)

4.2 Stakeholder Engagement and Support

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

East Cowes Masterplan

Significant public consultation has taken place over the last 15 years, principally led by the Isle of Wight Council with key stakeholders (including Red Funnel Ferries), proposing the masterplanned regeneration of East Cowes, focused on the Red Funnel Ferries site to the south of the Columbine Building. Whilst the wider regeneration proposals have not yet significantly progressed, a new ferry terminal is scheduled for 2023 and there has been support throughout for the retention and ongoing shipbuilding use of the Columbine Building. Significant support was recently expressed by residents in intensifying and expanding existing employment facilities in East Cowes¹.

A refresh of the masterplan is due for completion in July 2021 identifying the Venture Quays area (Northern Quarter) as a key provider of employment space. This package bid will provide a significant catalyst to these wider development proposals

The Columbine Building

¹ East Cowes Town & Neighbourhood Plans – Town Plan 2021-2036

A planning application has been approved for the works (ref .21/00655/FUL). Public consultation took place as part of the planning process with no objections received.

The Wight Shipyard Company is a key local employer (75no. currently employed) and is well supported by the local community.

The Island Economic Board, Cowes Harbour Commission, Crown Estate (landowner), Red Funnel Ferries and the Isle of Wight Chamber of Commerce have expressed their support for the Columbine proposals (**Appendix E**).

Planning permission has already been secured for the works to the Southern Elevation (ref. 20/00068/FUL) and no objections were submitted during the statutory public consultation.

Victoria Barracks

The UK Sailing Academy are a well-supported charitable skills and training institution. Whilst consultation has not yet taken place in respect of the proposed change of use, full consultation will be undertaken in due course. Feedback from local stakeholders has been positive and the Isle of Wight Planning Team are comfortable with the proposed use (**Appendix U**).

The Barracks is semi-derelict and planning permission has already been previously secured as part of a wider masterplanned development to convert the building to hotel use (ref. P/00941/16) so the principle of its change of use has been established following extensive public consultation. The proposed use of the Barracks by the UKSA represents a more beneficial use in terms of community, skills and employment benefits and outcomes.

A statement of intent from the UKSA is attached (**Appendix F**)

Public Realm

The proposed upgrades to the public realm in this location will be subject to consultation. Southern Water, landowner of a pumping station and public toilets within the site area, have already expressed in-principle support (**Appendix G**). The proposed enhanced public amenity offer is aligned with the East Cowes Town Plan, which was subject to extensive public consultation.

East Cowes Town Council has also expressed early support (**Appendix E**). Regular dialogue by the Isle of Wight council regeneration team takes place with the town council and local community and business groups regarding the future regeneration of the town.

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

The proposals are not anticipated to be controversial, and are instead expected to be well-supported. Significant support has already been provided by key local stakeholders (see Section 4.2b). Each of the projects represent an evolution of long-standing masterplanned proposals – subject to extensive public consultation - for the regeneration of Venture Quays. The proposed uses and occupiers will deliver significant benefits for local residents and businesses, supporting skills, employment and placemaking outcomes.

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support? Yes – **Appendix M**

- and U**
- No
- N/A

~~For Northern Ireland transport bids, have you appended a letter of support from the relevant district council~~ Yes

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- No
- N/A

4.3 The Case for Investment

See technical note Table 1 for further guidance.

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

A detailed case for the levelling up of Hampshire and the Isle of Wight is enclosed (**Appendix H**). Analysis is provided which demonstrates that the Isle of Wight has a demonstrable need for levelling up set against the three principal indicators of the need for economic recovery and growth, need for improved transport connectivity and the need for regeneration².

Specifically, the Isle of Wight faces a number of inter-linked socio-economic challenges. It lags behind the Solent, the South-East and the UK in a number of areas:

- There is an over-reliance on public sector employment and a concentration of employment opportunities in low paid, seasonal tourism related jobs³

² Pan-Hampshire Authorities (June 2021) The Levelling Up Fund: Need for Investment and Levelling-Up in Hampshire and the Isle of Wight

³ Isle of Wight Council (2019 Inspiration Island: Isle of Wight Regeneration Strategy

- Wages on the Island are 20% lower than the South East average⁴
- The Island's productivity⁵ at £18,849, is significantly lower than Portsmouth (£27,832), Hampshire (£29,598) and England (£30,239)⁶.

- Less than one third of residents (29.8%) on the Island have advanced skills qualifications (Level 4+), compared with 35.8% across the Solent LEP area and 39.2% across the UK⁷.
- The proportion of trade apprenticeships decreased from 5% in 2010 to 3.7% in 2018⁸.
- Levels of enterprise on the Island are low; there was only 1.3% growth in the number of businesses on the Island between 2010-2018 compared with 16.8% growth across the Solent LEP area and 21.7% growth nationally.⁹

These challenges have been exacerbated by Covid-19. The Isle of Wight is amongst the top 20% most vulnerable places in the country, reflecting its elderly population, reliance on hospitality and pockets of local socio-economic deprivation.¹⁰

There is an identified deficiency in the quality of office stock and a shortage of light industrial floorspace¹¹ on the Isle of Wight. The Island requires up to 31.6 ha of employment land to be delivered between 2011 and 2036¹². None has been delivered to date. Development viability is a significant factor hindering the construction of new employment floorspace with rental levels insufficient to unlock viable new build commercial development on the Island¹³.

The Island's physical connectivity represents a further barrier. There is an identified 'island premium' arising from higher transport costs and the associated challenges for economies of scale¹⁴.

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

⁴ ONS (2018)

⁵ Balanced GVA per head of population

⁶ ONS (May 2021) Regional gross value added (balanced) per head and income components

⁷ ONS (2019)

⁸ Isle of Wight Council (2019) Isle of Wight Economic Profile 2019

⁹ Isle of Wight Council (2019) Isle of Wight Economic Profile 2019

¹⁰ Institute for Fiscal Studies (June 2020) The geography of the Covid-19 crisis in England

¹¹ Savills (June 2021) East Cowes Regeneration, Economy and Market Study on behalf of Isle of Wight Council and Red Funnel Ltd (DRAFT)

¹² GL Hearn (2015) Employment Land Study

¹³ GL Hearn (2015) Employment Land Study

¹⁴ University of Portsmouth (2016) Impact of Physical Separation from the UK Mainland on Isle of Wight Public Service Delivery

The sites comprising the three projects comprise a legacy land parcel previously owned by Homes England, inherited from the South East Economic Development Agency (SEEDA). The land was acquired by SEEDA in 2005/06 with the intention of delivering a major regeneration scheme. Homes England (and its predecessors) spent significant sums acquiring and remediating the site, identifying a development partner and securing planning permission to deliver 53 homes, a 400-berth marina, hotel, restaurants and bars (with the retention of the Columbine Building). Despite permission being secured, Homes England's development partner withdrew in 2018 citing that the project was unviable.

The challenge of securing significant private-sector investment to deliver regeneration in East Cowes is clear, reinforced by the conclusions of the Isle of Wight's Employment Land Study (see 4.3a)¹⁵.

The Isle of Wight Council subsequently stepped in and acquired the assets comprising Venture Quays in 2020 (including the Columbine Building and the Victoria Barracks) to safeguard the land for employment and housing delivery.

A key rationale behind the Council's acquisition of these assets was that many of the marine sites within Cowes harbour are characterised by derelict or ageing accommodation and infrastructure with the costs of upgrade and investment often exceeding the end use value. The Council recognised that it needs to play a strategic role in investing in high-quality infrastructure and workspaces to overcome this market failure to support the marine sector, which is of central economic importance to the Isle of Wight.

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

¹⁵ GL Hearn (2P015) Employment Land Study

Investment in the East Cowes Marine Hub will reinvigorate East Cowes' existing cluster of marine businesses, arresting the decline of existing built assets, infrastructure and environment, futureproofing their use to deliver and catalyse placemaking, employment, productivity and skills outcomes. This package of bids will support the changing of perceptions of East Cowes in partnership with key stakeholders.

The Columbine Building – renovation and upgrades to the physical fabric to bring 1,030sqm of internal floorspace into effective use as a marine design studio as well as visual placemaking enhancements; upgraded marine engineering infrastructure to support the increased capacity of the shipyard and futureproof its status as a key marine engineering hub; refurbishment of obsolete floorspace to bring 487sqm of high-quality commercial floorspace to market.

The Victoria Barracks – renovating a semi-derelict building to accommodate the expansion of an existing sailing academy, creating 837sqm of usable training spaces, ancillary residential (dormitory) accommodation and a new pontoon. This will support the expansion of the UKSA's charitable activities raising aspirations and connecting disadvantaged young people with opportunities in the marine and maritime sectors.

Public realm investment – upgrades to the public realm between the Columbine Building and the Victoria Barracks will connect these projects, delivering upgraded public realm to enhance visitor and resident amenity (including viewing platform and flexible exhibition space), provide visible placemaking benefits and link the leisure

amenities of the Esplanade directly to the north with the struggling town centre to the south.

Each of these projects responds to the socio-economic challenges, barriers to growth and market failures identified elsewhere (4.3a; 4.4a; 4.4b):

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| Identified socio-economic challenges, and market failures | Columbine Building pontoon barriers to growth | The Victoria Barracks and | Public realm investment |
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| Productivity deficit | Upgraded marine infrastructure and 1,030sqm associated floorspace to support high-GVA marine and maritime engineering operations and new jobs | Skills and training provision will raise aspirations of young people encouraging new entrants into marine engineering sector | Placemaking benefits to attract high-GVA marine enterprises |
| Advanced skills (Level 4+) underperformance | Support increased partnership opportunities with Island HE provider CECAMM | Raise aspirations for young people to support their progression into advanced (Level 4+) qualification pathways | - |
| Commercial market failure | Investment to deliver 1,517sqm of flexible employment floorspace | Repurpose an asset where previous regeneration initiatives had failed | Placemaking outcomes to support land value uplift |
| Deteriorating stock of commercial and industrial assets | Upgraded marine engineering infrastructure to increase capacity of shipyard (70 tonne ⚙️ 260 tonne boat hoist) | Repurposing a semi-derelict building to bring back into beneficial use | Establish maintenance fund to secure placemaking benefits |
| Low business birth rate | Delivery of 487sqm of flexible floorspace to accommodate | Support a training and skills provider to reinforce the Marine Hub and its appeal to new businesses | Create highquality place to attract new businesses |

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| | new and growing businesses | | |
| Town centre decline | Increased diversity of uses linking the town centre to its historic esplanade | Bringing increased visitor spend to the town centre Improved community and water access facilities | Improving town “destination” credentials and changing perspectives |

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

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

East Cowes Marine Hub Package Bid: Theory of Change

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| Summary context and rationale | See Sections 4.3a, 4.3b, 4.3c |
| Aims & objectives | The East Cowes Marine Hub will be centred around marine engineering and maritime skills training facilities, working with identified, committed stakeholders: the Wight Shipyard Company and the UK Sailing Academy. This package will deliver high-quality marine design and engineering job opportunities, training, skills and employment opportunities for young people, make visible improvements to the quality of place and contribute towards perceptions of East Cowes as a location to live, work and invest. |
| Theory of Change | The Council will invest in built assets within its ownership in East Cowes where the market has failed to deliver viable regeneration. Investment in the Columbine Building will futureproof its long-term viable operation as a high-quality shipyard for existing and future tenants, increasing the quantum, quality and efficiency of usable floorspace and facilities. This will support increases in high-GVA, skilled marine employment. Investment in the Victoria Barracks will provide capacity to support the UKSA’s expansion, supporting job creation, skills and training provision and the |

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| | <p>raising of aspirations of disadvantaged young people. Investment in these projects, together with the public realm</p> |
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| | <p>acting as the interface between these assets, will deliver significant placemaking enhancements.</p> | | |
| Key assumptions | <p>All outstanding consents and permissions are secured; ongoing demand for East Cowes-based marine engineering firms; ongoing demand for sailing academy programmes and courses; wider economic conditions and strategic agendas are supportive of the marine and maritime sector</p> | | |
| Inputs | Activities | Outputs | Outcomes |

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| <ul style="list-style-type: none"> • £5.84m Levelling Up Fund Grant • £0.33m Council Isle of Wight match funding • £0.85m match funding from Wight Shipyard Company • £30,000 match funding from Red Funnel • Council project team <ul style="list-style-type: none"> • External consultants, design teams and contractors • Inputs from project partners: <ul style="list-style-type: none"> ○ Wight Shipyard Company ○ UK Sailing Academy | <p>Key activities in the design and construction phases for all projects:</p> <ul style="list-style-type: none"> • RIBA Stages 1-7 (all projects) <ul style="list-style-type: none"> • Planning permission to be secured (Victoria Barracks and public realm to be submitted) • Procurement, tender and contractor negotiations • Detailed design and construction <ul style="list-style-type: none"> • Practical completion by July '22 for all projects <p>Package funding project management and governance</p> | <ul style="list-style-type: none"> • Expansion of the capacity of the Venture Quays shipyard (70 tonne → 260 tonne vessels) • Delivery of 1,030sqm of marine studio floorspace • Delivery and fit out of 487sqm of flexible workspace • Creation of a sailing academy • Installation of a new ponton for Sailing Academy and public use • Upgraded public realm | <ul style="list-style-type: none"> • Employment space accommodating 106 new jobs • Sailing Academy supporting 32 new jobs • 10 new apprenticeships • Strengthened partnerships between FE, HE and marine employers • High-quality, visible placemaking • Amenity benefits <p>Longer-term outcomes</p> <ul style="list-style-type: none"> • Support East Cowes position as a key node in the Solent marine and maritime economy • Catalyse the further regeneration of East Cowes • Support the raising of aspiration and outcomes for disadvantaged young people |
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Expected timescales for inputs / activities / delivery of outputs and outcomes

- Detailed design/pre-construction July – Dec '21
- All outputs complete by October '22
- Outcomes will be phased following works completion (see Delivery Plan)

4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

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

The East Cowes Marine Hub is a long-standing (4.3b) regeneration priority (see **Appendix S** – Letter of support from Council Leader) for the Isle of Wight¹⁶ to safeguard marine employment and stimulate the wider regeneration of East Cowes¹⁷ and the Medina Valley¹⁸. The importance of marine industries to drive economic growth is recognised at a strategic level by Maritime UK Solent in its Covid recovery plan¹⁹.

The Council's strategic aspiration for the Medina Valley is for it to be a significant regional hub for marine and maritime²⁰, having identified a significant cluster of marine and maritime industries in East Cowes (sectoral location quotient of 3.81)²¹. The Council is safeguarding employment land for the marine industry and is proactively developing employment land and workspaces aligned with the needs of businesses on the Island²², given the inherent viability challenges²³.

The Solent LEP has, in its Covid Economic Recovery Plan, prioritised establishing the Solent as a world-leading marine and maritime economy²⁴. The Wight Shipyard Company is leading research into sustainable ship building and propulsion technologies; the proposed works will futureproof their market-leading activities, aligning with this priority.

The Council has prioritised support for the Island's Higher Education offer at the Centre of Excellence for Composites, Advanced Manufacturing and Marine

¹⁶ Isle of Wight Council (December 2020) Island Investment Plan

¹⁷ Isle of Wight Council (December 2020) Island Investment Plan

¹⁸ Hardisty Jones Associates (June 2020) Medina Valley Marine and Composites Sector Proposition, prepared on behalf of the Isle of Wight Council

¹⁹ Maritime UK Solent (May 2021) Charting the course to a brighter future: Maritime UK Solent Recovery Plan

²⁰ Isle of Wight Council (June 2019) Inspiration Island: Isle of Wight Regeneration Strategy

²¹ Isle of Wight Council (2019) Isle of Wight Economic Profile 2019

²² Isle of Wight Council (June 2019) Inspiration Island: Isle of Wight Regeneration Strategy

²³ GL Hearn (2015) Employment Land Study

²⁴ Solent LEP (May 2021) Solent Economic Recovery Plan

(CECAMM) and working in partnership with businesses to ensure their needs are met²⁵. Proposed investment at the Columbine Building will unlock the growth of the Wight Shipyard Company and enhance their existing partnership with CECAMM, delivering skills outcomes. The Solent LEP has identified skills gaps and shortages in the marine sector²⁶, reinforcing this point still further.

The Council has identified 'place-making' as a strategic regeneration priority: investing in assets to create an environment for businesses to locate and grow, and to change perceptions of the island²⁶.

Key local strategies:

- **Appendix I:** Isle of Wight Council - Regeneration Strategy (2019)
- **Appendix J:** Isle of Wight Council - Investment Plan (2020)
- **Appendix K:** Isle of Wight Council – Medina Valley Marine and Composites Sector Proposition (2019)
- **Appendix L:** Solent LEP – Solent Economic Recovery Plan (2021)

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

This package bid aligns with the three overarching UK Government policy priorities defined in its Plan for Growth²⁷:

Levelling Up

This package will futureproof the resilience and growth of a high-value, innovationintensive marine engineering hub, creating jobs and boosting productivity; support the delivery of courses and programmes delivered by the UKSA to raise aspiration and skills of disadvantaged young people; and deliver a visible step-change in the regeneration of East Cowes.

Net Zero

The investments in the Columbine Building will futureproof this Council-owned asset and pivotal node in the Island's marine industry. The proposals will catalyse the operations of the principal tenant, the Wight Shipyard Company, supporting the expansion of their market leading operations building of high-speed ferries and crew transfer vessels and support the development of lightweight, fuel-efficient diesel vessels, and electric / hybrid vessels. The WSC is leading research (with Offshore

²⁵ Isle of Wight Council (June 2019) Inspiration Island: Isle of Wight Regeneration Strategy ²⁶ Solent LEP (March 2021) Solent Skills Action Plan and Local Skills Report

²⁶ Isle of Wight Council (June 2019) Inspiration Island: Isle of Wight Regeneration Strategy

²⁷ HM Treasury (March 2021) Build Back Better: Our Plan for Growth

Renewable Energy Catapult, Oracle and Brunel University) into innovative new vessels to support the offshore renewables sector. Investment in the Columbine

Building will support the shipbuilding industry's transition to zero emission shipping, a stated Government priority²⁸.

Global Britain

These projects will be catalytic for the growth of the marine engineering sector on the Isle of Wight, otherwise at risk of being left behind by the Freeport development proposals elsewhere in the Solent, and will attract further inward investment into one of the UK's key maritime economies.

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

²⁸ DfT (2019) Maritime 2050

This package of projects in East Cowes represents the next step in the regeneration of East Cowes, following an earlier £3.7m investment from the Solent LEP in 2016 to replace and modernise the 'Floating Bridge' chain ferry linking East and West Cowes.

This follows investment from Cowes Harbour Commission (£4.6m) and Homes England (£3m) in the Cowes Outer Harbour Project, a major infrastructure project to provide a sheltered harbour environment at Cowes to maximise the potential of Cowes Harbour and its waterfront marine employment sites.

Red Funnel secured planning permission for a new ferry terminal in 2019. The delivery of this project is targeted for 2023. The new terminal proposals will release existing sites for further mixed-use development in the town centre. As a result, the Council and Red Funnel are refreshing the masterplan for East Cowes in liaison with the local business and resident communities. The East Cowes Marine Hub project will provide an early catalyst for this wider refreshed masterplan.

The Environment Agency, working in partnership with the Council, recently secured £500,000 in funding to better protect homes and businesses in East Cowes from tidal flooding.

The scheme, once fully approved, will bring increased flood protection to property and public areas of the town, better protecting families and businesses which have experienced flooding in the past. The scheme also supports the Council's recent acquisition of the historic Columbine site in a bid to protect jobs, and the wider regeneration of the town.

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

N/A – NOT A TRANSPORT BID

PART 5 VALUE FOR MONEY

5.1 Appropriateness of data sources and evidence

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

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

5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues.

The Isle of Wight faces a number of socio-economic challenges and issues (Section 4.3a), which impact of the island's economic prosperity:

- High levels of deprivation relative to the national level, particularly around East Cowes.
- Productivity being 38% lower than the national level
- Recent employment growth being limited, with a 2% growth in employment since 2015 (compared to 5% nationally).
- One of the oldest populations in the UK, with one in four residents over 65.
- A low skilled population, with only a quarter of the working age population qualified to degree-level (compared to 32% in the South East).

These challenges have been exacerbated by the impact of Covid-19: the Isle of Wight was identified as among the top 20% most vulnerable places in the country²⁹.

Business growth on the Island has been sluggish in recent years (see 4.3a). There are a number of barriers to growth that have been identified:

- There is a shortage of good quality employment floorspace on the Isle of Wight and a lack of pipeline supply due to viability barriers³⁰.
- The Island's physical connectivity represents a further barrier. There is an 'island premium' arising from higher transport costs and the associated challenges for economies of scale³¹.

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

²⁹ Institute for Fiscal Studies (June 2020) The geography of the Covid-19 crisis in England

³⁰ Isle of Wight Employment Land Assessment, 2015

³¹ University of Portsmouth (2016) Impact of Physical Separation from the UK Mainland on Isle of Wight Public Service Delivery

The development of the proposals for East Cowes has come from extensive public consultation work undertaken in 2020 as part of the East Cowes Town & Neighbourhood Plans. Local residents living in East Cowes were surveyed in August and September 2020, with more than 18% of households in the town responding to the survey.

Local Residents’ Responses to ‘What Three Things would you like to see



improved in East Cowes?

Recurring themes that emerged from the consultation exercise that are particularly relevant to the Levelling Up Fund (and its overarching objectives), includes the need to improve the seafront and access to it, removing empty buildings in the town (in particular the Victoria Barracks) and supporting the vitality of the town centre. This insight has helped to inform the development of our proposals.

With Section 5.1a, a number of critical socio-economic challenges have been identified. To demonstrate the scale and significance of local problems and issues we have used official ONS datasets and the latest evidence available for local performance. In the table below, we have summarised the data that has been used, and how this has been analysed.

| | |
|------------------------|--|
| Workplace productivity | Data from the ONS Labour Productivity Statistics for the Isle of Wight area. |
|------------------------|--|

| | |
|---|---|
| Employment Growth | Data from the ONS Business Register and Employment Survey published in 2020 for the Isle of Wight area. |
| Population Profile | Data from the ONS Annual Population Survey published in 2020 for the Isle of Wight area. |
| Qualification profile | |
| Quality floorspace requirements across the Island | Data, analysis and insights from the Isle of Wight Employment Land Assessment, 2015. |
| Deprivation levels | Data from the Index of Multiple Deprivation from the published by Ministry of Housing, Communities & Local Government (2019). |

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions.

All of the proposed projects lie in close proximity to each other, being located within East Cowes. The East Cowes Marine Hub has been identified as supporting the levelling up of the Isle of Wight, building on the Island's wider economy to unlock a range of economic, skills and placemaking outcomes.

The East Cowes area is a relatively distinct geography, being physically separated from West Cowes. However, the town is an important strategic position, being one of the main ferry arrival points on the island, providing an important first perception of the island and also an important logistics point. Enhancing East Cowes will help to support economic growth across the rest of the Isle of Wight, and help address the socio-economic challenges identified.

The core impact area of the proposed interventions is the wider Isle of Wight geography, reflecting the scale and size of the projects, and their potential to be a catalyst for improved economic outcomes across the island. For all of the data and evidence that has been analysed, the Isle of Wight administrative boundary has been selected.

Comparative analysis has been made at a granular, sub-local level (i.e. relative deprivation of East Cowes compared with West Cowes) and at a sub-regional (pan-Hampshire – see Appendix F) and regional (Solent LEP area) level.

5.2 Effectiveness of proposal in addressing problems

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

In section 4.3a, we have identified a number of socio-economic challenges and barriers to growth faced in the Isle of Wight. Section 4.3c then highlights how these proposed interventions will address those challenges and barriers with evidence to support that explanation.

For each of the projects being delivered as part of this package, a range of impacts will be produced:

| Identified socio-economic challenges, and market failures | Columbine Building pontoon barriers to growth | The Victoria Barracks and | Public realm investment |
|--|--|--|---|
| Productivity deficit | Upgraded marine infrastructure and 1,030sqm associated floorspace to | Skills and training provision will raise aspirations of young people encouraging new | Placemaking benefits to attract high-GVA marine enterprises |

| | | | |
|--|--|---|--|
| | support highGVA marine and maritime engineering operations and 31 new FTE jobs | entrants into marine engineering sector. Creation of 32 FTE jobs | |
| Advanced skills (Level 4+) underperformance | Support increased partnership opportunities with Island HE provider CECAMM and deliver 10 additional apprenticeships | Raise aspirations for young people to support their progression into advanced (Level 4+) qualification pathways | - |
| Commercial market failure | Investment to deliver a total of 1,517sqm of employment floorspace (marine design studio and flexible workspace) | Repurpose an asset where previous regeneration initiatives had failed | Placemaking outcomes to support land value uplift |
| Deteriorating stock of commercial and industrial assets | Upgraded marine engineering infrastructure to increase capacity of shipyard (70 tonne → 260 tonne boat hoist) | Repurposing a semi-derelict building to bring back into beneficial use | Establish maintenance fund to secure placemaking benefits |
| Low business birth rate | Delivery of 487sqm of flexible floorspace to accommodate new and growing businesses | Support a training and skills provider to reinforce the Marine Hub and its appeal to new businesses | Create highquality place to attract new businesses |
| Town centre decline | Increased diversity of uses linking the town centre to its historic esplanade | Bringing increased visitor spend to the town centre Improved community and water access facilities | Improving town “destination” credentials and changing perspectives |

Employment that will be delivered through each of the respective schemes has been identified within section 5.4a, with HCA Employment Density Guidance suggesting that 31 FTE jobs could be supported in the new employment floorspace in the Columbine Building, 75 FTE jobs supported through the delivery of the new hoist (associated with the Columbine Building) and 32 FTE jobs supported through enhancements to the UKSA's sailing academy.

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

A full model detailing the employment benefit impacts (and the calculations / assumptions underpinning these) is available within section 5.4a, which has been developed in accordance with HM Treasury's Green Books and its associated guidance.

The Columbine Building

The Columbine Building will deliver a total of 1,517sqm of employment floorspace (marine design studio and flexible workspace). This volume of workspace has been calculated from existing asset plans which the Council possesses as freeholder of the building.

Based on the level of workspace being delivered, HCA Employment Density Guidance has been used to provide an estimate on the level of employment that could be delivered. Only the 487sqm of new flexible employment floorspace provided (Co-Working space) has been considered, to provide a conservative estimate of employment that could be delivered, and to avoid deadweight concerns for the marine design studio. Based on the HCA Employment Density Guidance, the new workspace has the potential to support 31 jobs per annum.

Data has been provided by the occupiers of the Columbine Building on the expected number of jobs that the new hoist will support. This has been based on the current levels of demand for the current hoist, and the potential business that could be created from a larger boat hoist. These are considered to be conservative estimates based on the current business model for the site.

The Victoria Barracks

The redevelopment of Victoria Barracks has been confirmed through the planning permission (ref. P/00941/16), with ambitions to develop a new training facility for the UKSA.

Information from UKSA (based on their existing activities and the proposed size of the new training facility) suggests that 32 new FTE jobs will be delivered by the new facility, in addition to employment already supported at UKSA's existing facility in West Cowes. This level of employment is in line with expectations from the HCA Employment Density Guidance, considering the budget-level accommodation and education/training space being provided on the site.

Public Realm

Upgrades to the public realm and enhancing accessibility to the shorefront in East Cowes will support placemaking within the area, making it a more attractive location for residential and business investment. Evidence in Section 5.4a shows the assumptions that have been made to calculate the residential land value uplift that will be generated by improved access to green and blue space, using ONS and MHCLG Appraisal Guidance to capture the benefits. These are considered to be conservative estimates as this does not reflect enhancements to footfall (and the impact of this on local businesses) and any environmental benefits.

5.3 Economic costs of proposal

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

The investment of Levelling Up Fund is required to make a significant and visible contribution to East Cowes' economy and help to unlock a range of economic, skills and placemaking outcomes.

The economic costs of the proposal have been developed in accordance with the requirements of HM Treasury's Green Book and its associated guidance. The relevant costs (those that can be affected by the decision at hand) to government and society of all options have been valued. The key assumptions that have informed the economic costs are highlighted below:

- **Development costs** – have been based on cost information provided by third party cost consultants (ERMC) for the Victoria Barracks, Public Realm and sub-elements of the Columbine Building (southern elevation and flexible workspace) projects, and by Wight Shipyard Company (WSC) in relation to the proposed hoist and marine engineering works. Where appropriate these costs have been benchmarked against previous projects and industry standard techniques (BCIS pricing). SQW and the Isle of Wight Council have used these base construction costs in addition to site acquisition costs, construction costs, professional fees and marketing, letting and operational costs – again, established as appropriate based on industry benchmarking.
- **Base year** – 2021 has been selected as the base year, with costs inflated/deflated using Green Book inflation guidelines.
- **Appraisal period** – although all the projects will have an economic life of many decades, we have opted for a more conservative 10 year appraisal period. This period covers the entire development process and allows for commercial tenants and uses to become fully established.
- **Impact Area** – the impact area is the Isle of Wight geography.

- **Optimism Bias** - Optimism bias of 15% has been applied to the capital costs, following supplementary Green Book guidance. An upper bound capital expenditure optimism bias value for a standard building project is 24%. However, after mitigating factors were applied (e.g. prior experience and using designated project management resource), the optimism bias was reduced to 15%.
- **Discount Rate** – has been applied following HM Treasury’s standard guidance at 3.5% per annum on all costs.
- **Evaluation Costs** – we have assumed £5,000 per year for the first five years, which will fund officer time or appointed third party support.

The capital costs that are needed to delivery each of the proposed projects are highlighted in the table below, along with a combined cost for all three projects.

Capital Costs, 2020 Prices

| | The Columbine Building | The Victoria Barracks | Public Realm Investment | Package Total |
|--|------------------------|-----------------------|-------------------------|---------------|
| Total Project Capital Costs | -£4,594,360 | -£1,868,938 | -£777,900 | -£7,241,198 |
| Net Centre Revenues | £270,899 | £274,923 | -£65,000 | £480,822 |
| Total Gross Costs | -£4,323,461 | -£1,594,016 | -£842,900 | -£6,760,376 |
| NPV of gross costs | -£4,317,588 | -£1,619,126 | -£810,710 | -£6,747,423 |
| Private Match Funding | £878,986 | - | - | £878,986 |
| NPV of net public costs | -£3,438,602 | -£1,438,553 | -£810,710 | -£5,687,864 |
| NPV of net public costs, inc. optimism bias | -£3,954,392 | -£1,654,336 | -£932,316 | -£6,541,044 |

5.4 Analysis of monetised costs and benefits

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

The economic case has been developed in accordance with the requirements of HM Treasury’s Green Book and the Levelling Up Fund guidance. The appraisal of economic benefits are based on normal market prices, while wider social

costs/benefits for which there is no market price have been included where possible. Our core assumptions are as follows:

- **Displacement** – HCA additionality guidance states that a low level of displacement (20%) should be used if there are expected to be some displacement effects, although only to a limited extent. There is a possibility that the businesses occupying new space may compete with other local businesses or may displace labour from other local firms. However, overall displacement is likely to be low as units are specialised in their nature.
- **Leakage** – given the Isle of Wight’s physical and infrastructure constraints, it is expected that a very high proportion of the labour force will be sourced from the Isle of Wight, with the majority of benefits going to the local area. A leakage figure of 10% has been applied, based on the Appraisal Guidance (low level of leakage).
- **Discount Rate** – see Section 5.3a.
- **Appraisal period** – see Section 5.3a • **Impact Area** – see Section 5.3a.
- **Optimism Bias** – optimism bias of 15% has been applied to the benefits, following supplementary Green Book guidance.

We have identified a number of long-term economic outcomes that are delivered from the operational phase of all projects, which have monetised. A series of wider economic impacts are expected to be delivered (including from the construction phase), however these have not been monetised.

Direct Jobs & GVA (The Columbine Building & The Victoria Barracks)

The Columbine Building and Victoria Barracks projects will both deliver direct jobs within the local area – the Columbine Building through the delivery of new workspace (marine design studio and flexible workspace) and an enhanced offer resulting from the improved boat hoist; and the Victoria Barracks from a new facility for the UKSA.

Using HCA Employment Density Guidance, the estimated number of gross direct jobs has been calculated based on the employment density of each scheme. Additionality and assumptions (listed above) have been applied to calculate the number of net direct jobs.

Net Direct FTE Jobs Supported Per Annum

| The Columbine Building | The Victoria Barracks |
|-------------------------------|------------------------------|
|-------------------------------|------------------------------|

| | | |
|----------------------------|--|--|
| Source of New Jobs | <ul style="list-style-type: none"> • 487sqm of new employment floorspace provided (Co-Working space) • Has the potential to support 31 jobs per annum (HCA guidance) • The new hoist will support 75 FTEs per | <ul style="list-style-type: none"> • 32 FTE new jobs supported through enhancements to UKSA's sailing academy |
| | annum, with this gradually building up by 15 FTEs between Year 2 and 6. | |
| Gross Direct FTE Jobs | 106 | 32 |
| Net Direct FTE Jobs | 74 | 22 |

To estimate the Gross Value Added (GVA) effects of this additional employment, BRES and ONS data on employment and GVA in relevant sectors have been used to establish GVA per head. GVA per FTE employee for each sector is applied to the net additional direct jobs above and has been calculated over a 10-year period.

| | The Columbine Building | The Victoria Barracks |
|----------------------|-------------------------------|------------------------------|
| Jobs Created Benefit | £15,992,173 | £5,827,601 |

Land Value Uplift Arising from Improved Access to Green/Blue Infrastructure

Enhancements to the public realm and improved accessibility supported by improvements to the shoreline will enhance East Cowes as a location to live and work. Proximity to green space provides a wide range of benefits to existing and new communities, and there is evidence which indicates this is reflected in the value of local properties. This methodology is accepted within MHCLG’s Appraisal Guidance.

Recent research from ONS³² estimated the value of green and blue spaces in urban areas that is capitalised into property prices. The research found that in urban areas, property prices within 500 metres of a publicly accessible park were 3.5% higher.

- GIS analysis identified the number of houses within 500 metres of a city park. 340 existing properties were identified within this area and 109 new homes are expected to come forward in the future (53 apartments on the Albany site and 56 homes on the Maresfield site – both have planning permission).
- Average house prices have been sourced from the ONS Median house prices for the Isle of Wight.
- For existing homes, the uplift in property prices and land values is realised at that point. For homes completed post-2025, the uplift is realised at the point of housing delivery.
- For homes benefits realised in future years, house prices and land values are expected to increase by 4% a year (real terms growth). This is in line with the standard assumptions set out in the MHCLG Appraisal Guide.

| Year | No of Homes Impacted | House Prices | Direct Economic Benefit |
|-------------|-----------------------------|---------------------|--------------------------------|
| 2021 | | £228,800 | 0 |
| 2022 | 340 | £237,952 | £2,831,629 |
| 2023 | | £247,470 | 0 |

| | | | |
|------|--|----------|---|
| 2024 | | £257,368 | 0 |
| 2025 | | £267,663 | 0 |

³² Valuing Green Spaces in Urban Areas: A Hedonic Price Approach Using Machine Learning Techniques, ONS

| | | | |
|--|-----|----------|------------|
| 2026 | 109 | £278,370 | £1,061,982 |
| 2027 | | £289,504 | 0 |
| 2028 | | £301,085 | 0 |
| 2029 | | £313,128 | 0 |
| 2030 | | £325,653 | 0 |
| Total | | | £3,893,611 |
| Present Value Direct Economic Benefits (Gross) | | | £3,630,034 |
| Present Value Direct Economic Benefits (Net) | | | £2,541,024 |

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

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

Tab B – Discounted benefits by category (£m)

5.5 Value for money of proposal

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

Both the Columbine Building and Victoria Barracks projects deliver direct jobs within the local area, which will create GVA within the local economy. The Columbine Building will delivery new jobs through the delivery of new workspace (marine design studio and flexible workspace) and an enhanced offer resulting from the improved boat hoist, where are the Victoria Barracks will deliver jobs through its new facility for the UKSA.

The enhancement to public realm adjacent to the Victoria Barracks and seafront will deliver land value uplift to local residential properties, who will benefit from improved access to green/blue infrastructure. The value to local residential properties of within 500 metres of a publicly accessible park is a 3.5% higher property value. This delivers considerable benefits for the local area.

The recommended MHCLG Appraisal Summary Table has been presented for each of the project individually, and combined, taking account of costs, benefits, risks and significant non-monetised impacts.

| MHCLG appraisal sections | | The Columbine Building | The Victoria Barracks | Public Realm | Package Total |
|--------------------------|------------------------|------------------------|-----------------------|--------------|---------------|
| A | Present value benefits | £15,992,173 | £5,827,601 | £2,541,024 | £24,360,798 |

| | | | | | |
|---|---|------------------------------|-------------|-------------|-------------|
| B | Present value costs | £3,954,392 | £1,654,336 | £932,316 | £6,541,044 |
| C | Present value other quantified impacts | £0 | £0 | £0 | £0 |
| D | Net present public value [AB+C] | £12,037,781 | £4,173,266 | £1,608,708 | £17,819,754 |
| E | Initial Benefit:Cost Ratio [A/B] | 4.0 | 3.5 | 2.7 | 3.7 |
| F | Adjusted Benefit:Cost Ratio [(A+C)/B] | 4.0 | 3.5 | 2.7 | 3.7 |
| G | Significant nonmonetised impacts | See section 5.5b | | | |
| H | Value for money category | High | High | High | High |
| I | Switching values and rationale for VFM category | DfT Value for Money guidance | | | |
| J | Net financial cost, incl. optimism bias | See financial case | | | |
| K | Risks | See section 5.5c | | | |
| L | Other issues | - | | | |

The analysis above shows the benefit cost ratio for each of the three project individually and for the combined package. The higher the ratio, the greater the return per pound invested in the project. When considering the total net present value of costs and benefits:

- **The Columbine Building** is expected to generate a benefit-cost ratio of 4.0. This represents a **high** value for money (based on evidence provided in the Department for Transport Value for Money guidance, which considers a BCR of between 2 and 4 as representing a high value for money).
- **The Victoria Barracks** is expected to generate a benefit-cost ratio of 3.5. This represents a **high** value for money
- **Public Realm** is expected to generate a benefit-cost ratio of 2.7. This represents a **high** value for money

As a whole, the package has a **combined benefit-cost ratio of 3.7**, representing a **high value for money**.

Research undertaken by Trowers and Hamlins that assess the regeneration benefits of a large number of holistic development schemes³³ found that typical

³³ Trowers and Hamlins (2016) *Highly Values. Hard to Value*, Oxford Brooks University.

projects had a BCR of circa 2.3:1. This package bid outperforms the BCR expected of a regeneration scheme, showing the strong impact it is likely to have on the local area.

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

| | |
|--------------------------------------|---|
| <p>Package-Wide</p> | <ul style="list-style-type: none"> • Catalyse the wider regeneration of East Cowes (through the East Cowes Masterplan), through business and public investment. • The projects will encourage higher-value marine businesses into the East Cowes area presenting new opportunities for the Island's residents. • Support the vitality and viability of East Cowes town centre, bringing new jobs/people into the area. • Repurposing of historic buildings or underused space will improve the visual appeal of the area and reduce the negative externalities associated with run-down buildings. • Encourage inward investment and private sector support/ involvement • Construction employment would be supported, helping to support the local construction sector. • Improvement to perception of East Cowes as the main ferry arrival point and as a result the wider arrival/departure experience of the whole island. |
| <p>The Columbine Building</p> | <ul style="list-style-type: none"> • Increased knowledge exchange and collaboration between businesses. • Increased take up of marine engineering careers due to certainty of careers prospects in the sector • Reputational benefits of the island a source of expertise in green shipbuilding |
| <p>The Victoria Barracks</p> | <ul style="list-style-type: none"> • Provision of sailing courses will support young people, particularly those from disadvantaged backgrounds, and give them experiences that help their personal development. • Provide public access to the water (on the pontoon). • Exposure to sight of neighbouring skilled marine production during stays inspiring future career choices. |

| | |
|---------------------|--|
| Public Realm | <ul style="list-style-type: none"> • Encourage health and physical activity amongst local people. • Linking town centre to waterfront area • Improving the destination credentials of the town • Complementing community led environment improvement scheme being progressed at end of Esplanade area • New events space for community led activity |
|---------------------|--|

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

A number of risks and uncertainties have been identified that would impact on the overall Value for Money of the bid:

- **Funding delays** – a delay in funding approval impacting on ability to meet capital spend deadline.
- **Construction delays** – there is a risk that construction delays occur, delaying the delivery of the project and increasing costs and putting at risk the opportunity to recover revenue. This is being mitigated by ensuring that an experienced professional team is in place and appropriate construction risks are assessed and mitigated as appropriate.
- **Market risk** - the project will be delivered at a time of increased market volatility arising from the coronavirus pandemic as well as more structural shifts in the way people work. Rents may fall impacting anticipated revenues. This has been mitigated by carrying out market research, adopting realistic revenue assumptions and through ongoing monitoring of market trends.
- **Cost Increase/Inflation:** there is a risk that rising costs would limit what can be achieved within each of the schemes. This has been mitigated as projects could be reduced or delayed as needed, and plans are flexible and can be adapted to changing circumstances.
- **Economic Climate:** the high levels of uncertainty (particularly following COVID-19) lead to declining macroeconomic conditions affecting all business sectors and levels of confidence. This is a generic risk, but the actions being put in place by this project will help to mitigate local effects.

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

PART 6 DELIVERABILITY

6.1 Financial

See technical note Table 1 for further guidance.

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

The financial ask for the package totals £5,841,254. There is a total of £1,399,944 of match funding being provided which equates to 23.97 % of the total package costs. This is broken down as follows:

| Project | Total cost | Match funding | LUF financial ask |
|---------------------------------|------------|---------------|-------------------|
| The Columbine Building | £4,594,360 | £1,004,435 | £3,589,925 |
| The Victoria Barracks | £1,868,938 | £317,719 | £1,551,219 |
| Public realm investment | £777,900 | £77,790 | £700,110 |
| TOTAL LUF ASK | | | £5,841,254 |
| TOTAL MATCH FUNDING | | | £1,399,944 |
| TOTAL % of MATCH FUNDING | | | 23.97% |

Match funding is being provided by several organisations both from the private and public sector:

The Columbine Building – has match funding coming from three main sources. Wight Shipyard Co are providing a contribution towards the boat hoist. For the southern elevation Red Funnel are providing a match funding contribution towards the windows. These are both considered private sector match funding. In addition Isle of Wight Council are providing match funding amounting to 10% of costs for the flexible workspace and the southern elevation in the Columbine Building.

The Victoria Barracks – has match funding totalling 7% of total costs provided by Isle of Wight Council. The UKSA will also provide up to £150,000 towards the fit-out costs (see **Appendix Q** for UKSA Heads of Terms).

Public realm investment – has match funding totalling 10% of total cost provided by Isle of Wight Council. This project does not have any private sector developer partners.

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we

would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

Excel spreadsheet is enclosed at **Appendix T**

| | |
|---|---|
| <p>6.1c Please confirm if the bid will be funded through other third-party funding (public or private sector). If evidence (i.e. letters, contractual commitments) to show how Funding confirmation letters any third-party contributions are being provided at Appendix M from: secured, the level of commitment and - Red Funnel Ltd when they will become available. The - UK Sailing Academy UKG may accept the provision of land - Wight Shipyard from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an <u>independent</u> valuer to verify the true market value of the land.</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>No so, please include</p> |
|---|---|

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

There are no funding gaps. The Wight Shipyard Co, Red Funnel Ltd and UKSA have confirmed their match funding contributions – see letters (**Appendix M**).

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

N/A

6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them.

No developer return/margin will be taken on any of the projects due to being principally led by the Isle of Wight Council.

Development contingency has been accounted for our in our financial modelling with rates consistent across all projects. The development contingency allowance for each project is outlined below:

| Project | Development contingency allowance |
|-------------------------|---|
| The Columbine Building | 12% (inclusive of inflation) of build costs |
| The Victoria Barracks | 12% (inclusive of inflation) of build costs |
| Public realm investment | 12% (inclusive of inflation) of build costs |

The contingency allowance is reasonable for projects at this stage in the development process. All projects have been informed by cost plans prepared by Quantity Surveyors, therefore estimates are up to date and based on the most recent proposals. This contingency allowance includes forecasted inflation over the construction period. More complex allowance for inflation is not required due to relatively short construction period and relatively limited scopes of work.

Additional contingency allowance has been included in the economic appraisal through our optimism bias input.

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

A key financial risk associated with all projects is higher than expected construction costs. To mitigate this each project has been subject to a recent costing exercise undertaken by a Quantity Surveyor, and each includes an allowance for build cost inflation in the contingency allowance. As the projects move through the detailed design process cost plans will be revisited to ensure that they reflect the most up to date proposals.

During the project the risk register (**Appendix O**) will be continuously monitored and updated as required by the project and programme management team. A plan for managing significant project risks will be developed at the start of the project and reviewed as the project progresses.

Each project is led by Isle of Wight Council who will carry the commercial risk associated with this project. This risk will be managed through the procurement process. As part of the open tender process for the construction works strict due diligence will be carried out, and if this is not to the required standard the contractor will fail the process. Ultimately during this period Isle of Wight Council will absorb any cost overruns – See Section 7.2.

During the construction process, due to the chosen procurement routes, the financial risk of construction will pass to the relevant contractors. The contractor will

be presented with the full design at the start of the procurement exercise. This will allow the contractor to work out an accurate price for delivering the scheme. Once the contract has been entered into, the financial risk will be with the contractor as they will be required to deliver the scheme within the cost quoted or be liable for the additional costs; this assumes that no further changes are made to the design post contractor procurement, and during the construction phase there will be a strict change control process followed to manage the cost and programme implication of any changes required.

All projects have assumed revenue generation once work has been complete. If rents/revenue are not achieved at the levels anticipated, or demand for the use is less than expected, then the operation of the assets may become unviable. To mitigate this financial risk occupiers have agreed Heads of Terms for some of the spaces (**Appendix Q** – UKSA Heads of Terms for Victoria Barracks; **Appendix R** – WSC Heads of Terms for Columbine Building marine design studio and draft lease for remainder of building and associated infrastructure); for speculative projects market research has been undertaken to support revenue assumptions.

6.2 Commercial

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

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

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

The Isle of Wight Council will oversee procurement in a Programme Management capacity.

The Council will directly procure the following projects:

- The Columbine Building – Southern Elevation; Flexible Workspace
- Victoria Barracks and pontoon
- Public Realm

The Wight Shipyard Company will procure the proposed marine engineering works at the Columbine with oversight from the Council's Programme Management team and in accordance with Council procurement requirements for works directly funded by Levelling Up Grant.

Procurement of all works will be conducted in accordance with the Council's Contract Standing Orders to meet legal procurement requirements. These

requirements may be waived with Procurement Board approval if circumstances require, but it is anticipated that this is unlikely to be required. The value of the works requires an open procurement process to appoint a contractor for each project and sub-elements within the Columbine building. The procurement strategy will be structured to allow for quick mobilisation on site to meet Levelling Up Bid requirements for commencement before March 2022.

Invitations to Tender will be advertised on the IWC tendering system Pro-Contract, for a minimum of 21 days. Tenders will be evaluated on cost and quality by a panel of 3 evaluators, to include IWC employees. Evaluators will confirm they have no conflicts of interest before undertaking evaluation. Following moderation the contractor with the highest evaluated score will be awarded the contract following approval from the Director of Regeneration.

Specific forms of contract will be used to best suit the works being undertaken. For the Southern Elevation (Columbine), Flexible Office (Columbine) and Public Realm projects the Council will likely utilise JCT intermediate or standard works contracts. This form of contract has industry recognised procedures for the management of unforeseen costs within a construction project. As a build only contract, tenderers will be provided with all available site investigation and Detail design information including drawings and specifications for the Project. CDM information will also be included within the contractor's tender package. This information will enable contractors to tender on a fixed price basis.

In the light of the bespoke nature of the Barracks project, the Council may choose to use a JCT cost reimbursable Building Contract with cost predictably being assured by prior agreement of the Guaranteed Maximum Price for defined trade packages. This would allow works to start on site quickly while the final designs for the internal works to the project progress. This pricing and procurement process ensures that the selected contractor gains multiple tenders for each trade package and their recommendations are shared with the Consultant Quantity Surveyor and the Contract Administrator to ensure that the costs are acceptable and offer whole costs in accordance with the specification.

The form of contract will be confirmed with consultants, legal and procurement advisors prior to tendering. Contracts will be managed by appointed consultants and internal legal contract monitoring systems.

Due to the bespoke nature of the marine engineering works, this will be led by the Wight Shipyard Company, overseen by the Council, likely engaging with specialist marine infrastructure and engineering contractors.

6.3 Management

See technical note Section 4 and Table 1 for further guidance

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

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

6.3a Please summarise the delivery plan, with reference to the above:

A full Delivery Plan is appended (**Appendix N**), summarised below:

| Delivery | The Columbine Building | Victoria Barracks | Public Realm |
|---------------------------|---|---|---|
| Lead delivery body | Isle of Wight Council (IWC) + Wight Shipyard Company (WSC) | IWC | IWC |
| Land ownership | Freehold of building owned by IWC. Freehold of apron owned by The Crown Estate (support letter Appendix E) leased to IWC. IWC (sub) leases majority of building and the apron to WSC. | Freehold owned by IWC. | Part of freehold is owned by IWC and Southern Water (in principle support provided Appendix G). |
| Delivery team | <i>Marine engineering works</i> Boat hoist provided by WSC; they will deliver marine engineering works/procurement / | IWC to project manage, with internal support and external support from contractors as required. | |

| | | | |
|--|---|---|---|
| | <p>delivery overseen by IWC.</p> <p><i>Southern Elevation; Flexible workspace</i></p> <p>Managed and procured through IWC with internal support.</p> | | |
| Project programme | <p>Design – Aug 21 – Nov 21</p> <p>Consents – by Nov 21</p> <p>Tender – Dec 21</p> <p>Construction -Jan 22 to July 22</p> | <p>Design – Sept 21 to Nov 21</p> <p>Consents - Nov 21</p> <p>Tender – Dec 21</p> <p>Construction -Jan 22 to Aug 22</p> | <p>Design – July 21 to Nov 21</p> <p>Consents – Nov 21</p> <p>Tender - Dec 21</p> <p>Construction -Jan 22 to Oct 22</p> |
| Key milestones and dependencies | <ol style="list-style-type: none"> 1. Gain consents 2. Procure design team 3. Detailed design 4. Secure LUF grant 5. Receive LUF grant 6. Purchase boat hoist 7. Procure contractor 8. Delivery of all subprojects 9. Occupation 10. Monitor and evaluate | <ol style="list-style-type: none"> 1. Procure design team 2. Secure LUF grant 3. Gain consents 4. Receive LUF grant 5. Procure contractor 6. Works on building 7. Works to pontoon 8. Occupation 9. Monitor and evaluate | <ol style="list-style-type: none"> 1. Procure design team 2. Secure LUF grant 3. Gain consents 4. Receive LUF grant 5. Procure contractor 6. Planting at barracks green 7. Works to Barracks Green and viewing platform 8. Works to under the prom 9. Monitor and evaluate |

| | | | |
|-------------------------------------|---|-------------------|---------------|
| Statutory approvals obtained | <i>Marine engineering works: -</i> (21/00655/FUL) secured <i>Southern elevation</i> (20/00068/FUL) - secured | None yet obtained | None obtained |
|-------------------------------------|---|-------------------|---------------|

| | | | |
|--|--|--|---|
| <p>Statutory - from other Commission</p> | <p>Licences Works Cowes Harbour required for some bodies i.e. Southern Water; Permission planning team ongoing</p> | <p>licence from Planning permission required (pontoon) required delivered permitted consider low risk</p> | <p>approvals statutory proposed works – some will be via dialogue - development</p> |
| <p>Stakeholder manager to lead communication</p> | <p>IWC project IWC manager to lead communication with all key all key stakeholders. IWC meet regularly with WSC. Water has already</p> | <p>project IWC project manager to lead communication with key stakeholders. IWC meet regularly with UKSA commenced.</p> | <p>management strategy Communication with Southern</p> |
| <p>Occupier <i>Marine engineering works</i> sole occupier of the</p> | <p><i>UKSA</i> will be the occupiers. IWC will grant a 20- enclosed Maintenance (Appendix Q). the Columbine space (Appendix R). responsibility. <i>Southern elevation</i> HoT have already been drafted for the WSC to occupy the first and second floor (Appendix R). <i>Flexible workspace</i> Will be marketed once works substantially complete.</p> | <p>There will be no year lease to WSC and apron IWCs</p> | <p>strategy year lease to WSC and apron IWCs</p> |
| <p>6.3b Has a delivery plan been appended to your</p> | <p><input checked="" type="checkbox"/> Yes – Appendix N bid? <input type="checkbox"/> No</p> | | |
| <p>6.3c Can you demonstrate ability to begin delivery the ground in 2021-22?</p> | <p><input type="checkbox"/> on</p> | | |

Yes

No

6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out:

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

A risk register has been completed for each individual project and has been appended to this submission – see **Appendix O**.

Some of the major risks associated with all projects in the package bid are around construction costs and contractor staff resource. These risks are not specific to these projects but a reflection of wider issues the construction sector is facing. Both the UK's exit from the EU and the COVID-19 pandemic are putting extra strain on materials both in terms of supply and costs. Furthermore since the UK has left the single market contractors are feeling the pressure of a shrinking pool of labour. Both these risks could have significant impact on the project through rising build costs and/or delays. The likelihood of one or both of these issues impacting the projects in some way is reasonably high. These risks will be mitigated by regularly monitoring changes to build costs. Our modelling includes build cost inflation, and a generous contingency allowance has been included which should capture any increase in build costs. In regards to contractor resourcing it will be important that during procurement contractors are carefully assessed and once appointed staff resources are monitored throughout the life of the project.

Both the Columbine Building and the Victoria Barracks projects involve works in existing buildings. If the buildings condition is worse than expected; this could lead to increasing costs or require changes to the design. All the projects have had some initial survey work undertaken which has informed initial costings and design, so though this risk would carry significant impact the probability of it occurring is reasonably low.

There is a risk on all projects that either demand for space diminishes or the occupier that is set to take the space requires a different design than is currently outlined. This has been minimised by completing Heads of Terms wherever possible and engaging with the end users early to ensure that the specification is suitable for their needs.

Due to the location of the projects next to the coast there is a risk of flooding across the public realm and marine engineering elements of the Columbine Building. This may impact works and delay progress of construction. To mitigate this contractors will have to have a contingency plan in place to deal with any flooding issues.

There is an overarching risk on all project that LUF bids will not be successful. In all cases this would mean that projects would not be delivered, at least not in the timescales identified. This has been mitigated by ensuring that a robust bid has been put together relying on the most up to date information on each project available.

Ultimate oversight of the projects will fall to the Isle of Wight Council who are named as the owner of all risks in the risk register.

| | |
|---|--|
| 6.3f Has a risk register been appended to your bid? | <input checked="" type="checkbox"/> Yes – Appendix O |
| | <input type="checkbox"/> No |

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

All projects will be overseen by the Isle of Wight Council via the Regeneration Team. The Council will directly deliver the Victoria Barracks, the Public Realm and sub-elements of the Columbine project (Southern Elevation; Flexible Workspace). The Council will manage project delivery working across multiple internal teams to ensure delivery of the project in accordance with budget, programme, and the terms of the Business Case. Both the project leads and the supporting teams within the council have built up the range of skills and experience required to deliver all projects. Recent experience includes the Branstone Farm Project which comprises an integrated residential, business, community, educational, and environmental scheme of circa £4.25M of which £2.225M is funded by the Get Britain Building Fund, administered by the LEP. The Project commenced in accordance with ambitious funding timescale requirements and is on track to deliver by March 2022. The scheme has three main sites and includes partnership working with other organisations managed by an overall Project Board and sub level Delivery groups. A dedicated project manager for the scheme ensures direct liaison with the LEP in terms of funding agreement and monitoring requirements.

White Shipyard Co are responsible for the delivery of the marine engineering and boat hoist works element of the Columbine project. They have previous experience delivering improvements on the site and at other premises in the Solent. They will be supported through the procurement and project management process by IWC to ensure delivery is as efficient as possible.

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

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

The Chief Financial Officer has confirmed that adequate assurance systems are in place and this package of projects will be subject to the normal governance, project management and financial assurance systems of the Isle of Wight Council.

All financial controls will sit with IOWCC, and will follow its own procedures. A system of monitoring by PCC that the money is being spent within grant conditions will be agreed with partners and contractors.

In terms of fraud, all expenditure will be monitored and audited in line with IOWC policies and procedures.

6.4 Monitoring and Evaluation

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

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include:

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

KPIs, Monitoring and oversight

Isle of Wight Council will have oversight over the three separate projects in a Programme Management capacity and will provide a leading role in monitoring and management. Alongside each project lead Isle of Wight Council will monitor and manage project expenditure and control the various risk, milestones and interdependencies, using their internal Council procedures. The only other delivery partner Wight Shipyard Co (WSC) will bring their own expertise in project management, including cost control, schedule management, risk and issue management, logistics and reporting as well as supporting stakeholder engagement and management. WSC will support the Council in ongoing monitoring and management

Isle of Wight council will record the actual spend and forecast to completion, against the agreed budget. This will be monitored on a monthly basis as will risks, issues, progress against agreed milestones and alignment with project objectives.

An allowance has been included of £5,000 per annum to contribute to monitoring the projects once works are complete.

Each project will have different inputs, outputs outcome indicators and impacts which will be used to monitor their performance. We have provided details of each below:

The Columbine Building

Inputs

- The £3,589,925 LUF and £1,004,435 match funding will be used to deliver the construction and fit out of the project
- Match funding will comprise funds from the Isle of Wight Council, and from the private sector through Red Funnel and Wight Shipyard Co.
- This project will benefit from the skills offered by a range of council departments including Regeneration Delivery, Programme Management, Highways, Category Management, Finance and Property. All these departments will use Isle of Wight Council premises and equipment to carry out the required work.

Outputs (delivering the scheme/project)

- Marine hoist and supporting works (increased weight limit to 260 tonnes)
- 1,068 sqm of workspace for WSC
- 486 sqm of studio space

Outcomes (monitoring)

The following performance indicators will be used to monitor the outcomes of the project:

- Marine hoist utilisation – number of boats
- New jobs directly created
- Rental values per sq. metre reviewed with commercial letting agents
- Occupancy of flexible space
- Occupancy of studio space
- Number of apprenticeships at WSC

Impacts (evaluation)

- Economic growth across Isle of Wight contributing to levelling-up
- Growth in key high-value economic sectors in the Solent LEP region improving productivity in the local, regional and national economies
- Provision of high value jobs for people in the local area bringing associated impacts for improved well-being
- Increase in local industry based apprenticeships
- Increase in number of businesses and business rates revenues

The Victoria Barracks

Inputs

- The £1,682,044 LUF and £186,894 match funding from the Isle of Wight Council will be used to deliver the project
- This project will benefit from the skills offered by a range of council departments including Regeneration Delivery, Programme Management, Highways, Category Management, Finance and Property. All these departments will use Isle of Wight Council premises and equipment to carry out the required work.

Outputs (delivering the scheme/project)

- Refurbishment of currently vacant building
- Creation of 656 sqm sailing academy

- Installation of a new pontoon

Outcomes (monitoring)

The following performance indicators will be used to monitor the outcomes of the project:

- New jobs directly created
- Increase in percentage of local people employed on Isle of Wight
- Increase attendance at sailing academy - Utilisation of pontoon

Impacts (evaluation)

- Economic growth across Isle of Wight contributing to levelling-up
- Growth in key high-value economic sectors in the Solent LEP region improving productivity in the local, regional and national economies
- Provision of high value jobs for people in the local area bringing associated impacts for improved well-being
- Better access to recreational sailing to Isle of Wight residents
- Increase in number of businesses and business rates revenues

Public Realm Inputs

- The £700,110 LUF and £77,790 of match funding from Isle of Wight Council will be used to deliver the project
- This project will benefit from the skills offered by a range of council departments including Regeneration Delivery, Programme Management, Highways, Category Management, Finance and Property. All these departments will use Isle of Wight Council premises and equipment to carry out the required work

Outputs (delivering the scheme/project)

- New area of public realm which was previously underutilised

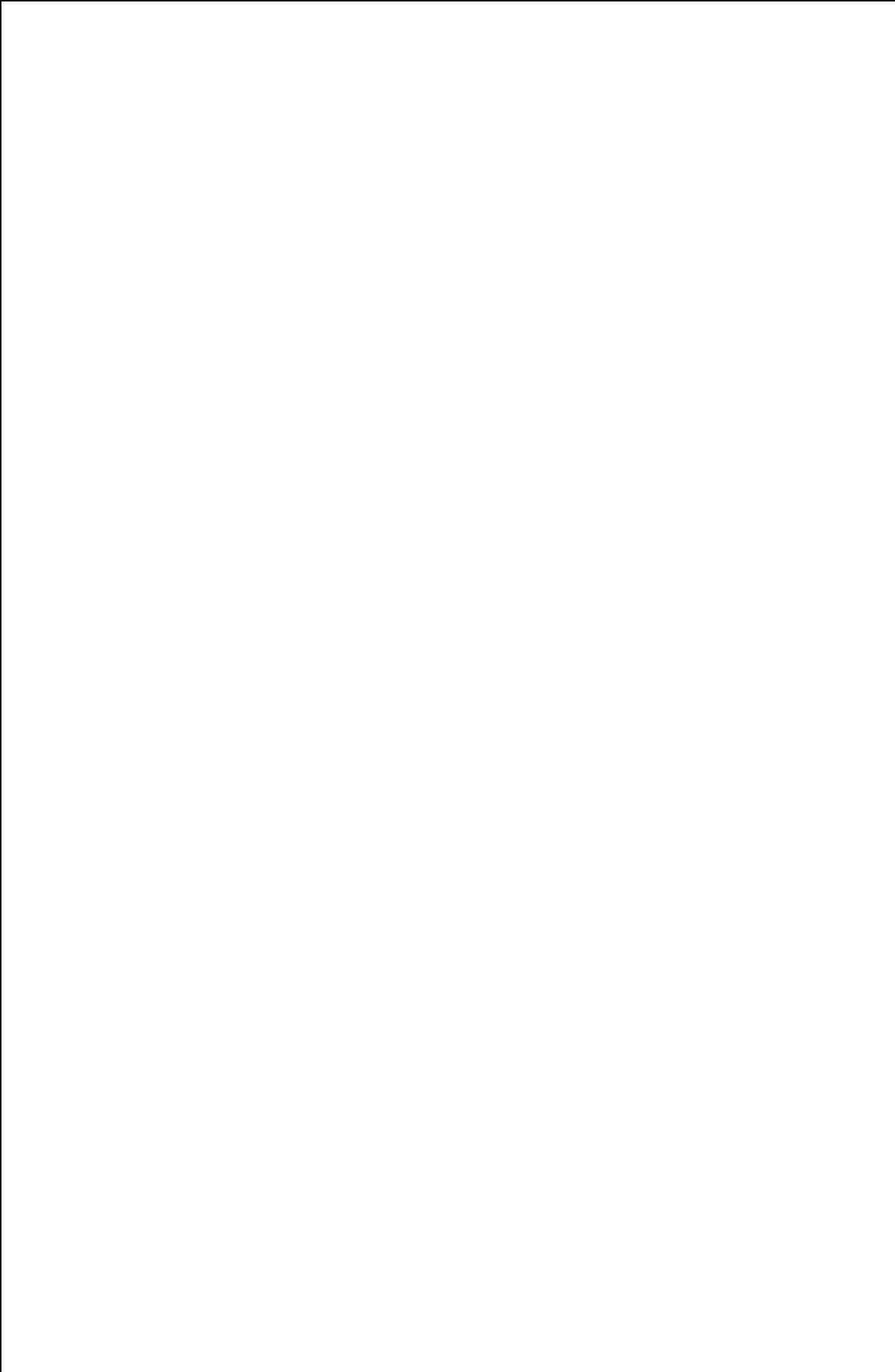
Outcomes (monitoring)

The following performance indicators will be used to monitor the outcomes of the project:

- Increase of footfall
- Perceptions of the area through a survey

Impacts (evaluation)

- High-quality placemaking
- Visible improvements to physical assets
- Catalyse the further regeneration of East Cowes
- Better health and wellbeing of population
- Improved connectivity



Evaluation and benefits realisation

A Benefits Realisation Plan will identify the potential benefits to the partners; identify whether they are joint to all parties or specific to one or more. It will then test the assumptions around each benefit and identify the critical dependencies for it to succeed. It will then be necessary to identify which work stream has responsibility for processing the benefit.

The assessment stages are as follows:

- Description of Benefit;
- Assumptions surrounding proposed benefit;
- Dependencies;
- Method of measuring Benefit;
- Overall value of Benefit;
- Overall cost of Benefit;
- Party or work stream responsible for achieving benefit.

PART 7 DECLARATIONS

7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for the East Cowes marine Hub I hereby submit this request for approval to UKG on behalf of the Isle of Wight Council and confirm that I have the necessary authority to do so.

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

Name:

Chris Ashman

Signed:



7.2 Chief Finance Officer Declaration

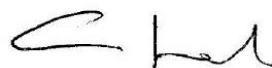
As Chief Finance Officer for the Isle of Wight Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [*name of organisation*]

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

Name:

Chris Ward
Director of Finance, S151 Officer

Signed:



7.3 Data Protection

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

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

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

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

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

| Project 1 | |
|---|--|
| A1. Project Name | |
| The Columbine Building A2. | |
| Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. | |
| This project aligns with the package in terms of geography, sectoral focus and outputs. The package is collectively referred to as the East Cowes Marine Hub . All projects are located adjacent to each other. The Isle of Wight Council will have oversight of all sub-elements of the Columbine project. The Columbine Building project will support the marine sectors by: providing a new boat hoist and workspace to expand the shipyard's capacity to support sustainable shipbuilding, enhancing the external appearance and creating over 1,500 sqm of new commercial floorspace (marine design studio and flexible workspace) to support the marine sectors. | |
| A3. Geographical area: Please provide a short description of the area covered by the bid. | |
| The Columbine Building is located in East Cowes on the Isle of Wight. The project includes the Columbine Building and the surrounding 'apron'. The apron area includes an existing boat hoist and accompanying infrastructure on the shoreline and a yard. The area is all currently in commercial use with a focus on marine engineering and shipbuilding. Directly to the south of the site is East Cowes town centre and the East Cowes ferry terminal. | |
| A4. OS Grid Reference | SZ 50237 95857 |
| A5. Postcode | PO32 6EZ |
| A6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located) | N/A (Isle of Wight) |
| A7. Please append a map showing the location (and where applicable the existing transport infrastructure and other points of interest to the bid e.g. development sites, constraints etc. | <input checked="" type="checkbox"/> See Appendices A and B <input checked="" type="checkbox"/> Yes (route) of the proposed scheme, No of particular areas of existing employment, |
| A8. Project theme Please select the project theme | <input checked="" type="checkbox"/> Transport investment <input checked="" type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment |

| | |
|---|------------|
| | |
| A9. Value of capital grant being requested for this project (£): | £3,589,925 |
| A10. Value of match funding and sources (£): | £1,004,435 |
| <p>A11. Value for Money</p> <p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment.</p> | |

The Columbine Building will deliver direct jobs within the local area, through the delivery of new workspace and an enhanced offer resulting from the improved boat hoist.

To calculate the additional jobs supported by the new workspace, HCA Employment Density Guidance has been used to calculate the estimated number of gross direct jobs the development will support. The new hoist is expected to deliver new jobs as a result of expanded capacity and increased service lines. By applying the levels of additionality and assumptions listed in Section 5.4, the number of net direct jobs have been calculated.

Net Direct FTE Jobs Supported Per Annum

| | |
|----------------------------|---|
| Source of New Jobs | <ul style="list-style-type: none"> • 487 sqm of new employment floorspace provided (Co-Working space) • Based on HCA guidance, this has the potential to support 31 jobs per annum. • The new hoist will support 75 FTEs per annum, with this gradually building up by 15 FTEs between Year 2 and 6. |
| Gross Direct FTE Jobs | 106 |
| Net Direct FTE Jobs | 74 |

To estimate the Gross Value Added (GVA) effects of this additional employment, BRES and ONS data on employment and GVA in relevant sectors have been used to establish GVA per head, using the most recent confirmed data for the Isle of Wight.

GVA per FTE employee for each sector is applied to the net additional direct jobs above and has been calculated over a 10-year period for the purposes of this analysis.

| | |
|----------------------|-------------|
| Jobs Created Benefit | £15,992,173 |
|----------------------|-------------|

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

N/A

| | |
|--|--|
| <p>A13. Where available, please provide the BCR for this project</p> | <p>4.0</p> <p>The Columbine Building is expected to generate a benefit-cost ratio of 4.0. This represents a high value for money (based on evidence provided in the Department for Transport Value for Money guidance, which considers a BCR of between 2 and 4 as representing a high value for money).</p> |
| <p>A14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p> | <ul style="list-style-type: none"> • Catalytic contribution to the regeneration of East Cowes • Deliver high-value jobs and productivity through a variety of sectors. • Increased knowledge exchange and collaboration between businesses. • Construction employment would be supported through the delivery of all three schemes, helping to support the local construction sector. • Increased take up of marine engineering careers due to certainty of careers prospects in the sector • Reputational benefits of the island a source of expertise in green marine vessel manufacture • Island based capacity to support local spend retained investment in tidal energy development |
| <p>A15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p> | |
| <p>Marine engineering works: - The works have planning permission 21/00655/FUL.</p> <p>The following procedures are also required for this part of the project</p> | |

- Southern Water (Sewer Diversion Licence) - approval pending, discussions on how to satisfy their requirements with appropriate mitigations to work around their existing infrastructure are ongoing
- Cowes Harbour Commission (Works Licence), Environment Agency (Flood Risk Activity Permit), Marine Management Organisation (Full Marine Licence) – positive dialogue ongoing

Please see delivery plan in **Appendix N** for more details.

A16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22

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

A17. Does this project includes plans for some LUF expenditure in 2021-22?

- Yes
 No

A18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?

- Yes
 No

A19. Please provide evidence

Yes this project could be delivered as a standalone project. No part of it is dependant on any other of the projects and the delivery team could proceed with works in isolation. There is a clear route to delivery with a team outlined, key milestones and a procurement strategy in place.

Please see delivery plan in **Appendix N** for more details

A20. Can you demonstrate ability to deliver on the ground in 2021-22.

- Yes
 No

| | |
|--|---|
| <p>A21. Please provide evidence</p> | <p>The following milestones are outlined in the delivery plan in Appendix N:</p> <p>Design – Aug 21 – Nov 21 Consents – by Nov 21 (likely to be before as already submitted) Tender – Dec 21 Construction -Jan 22 to July 22</p> |
| <p>Statutory Powers and Consents</p> | |
| <p>A22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.</p> | <p>Marine Engineering: Planning permission has been granted 21/00655/FUL.</p> <p>Southern Elevation- Planning has been approved for installation of windows - 20/00068/FUL</p> <ul style="list-style-type: none"> - Date acquired: Tue 17 Mar 2020 - Challenge period: N/A - Date of expiry: 16 March 2023 - Conditions: none onerous <p>Flexible Workspace No planning permission required</p> |
| <p>A23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.</p> | <p>Marine engineering works: -</p> <p>The following procedures are also required for this part of the project</p> <ul style="list-style-type: none"> - Southern Water (Sewer Diversion Licence) - approval halted, discussions on how to satisfy are ongoing - Cowes Harbour Commission (Works Licence), Environment Agency (Flood Risk Activity Permit), Marine Management Organisation (Full Marine Licence) <p>These consents are currently being pursued and will be granted between August – November 2021.</p> |

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

| Project 2 | |
|---|---|
| B1. Project Name | The Victoria Barracks |
| B2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. | |
| This project aligns with the package in terms of geography, sectoral focus and outputs. The package is collectively referred to as the East Cowes Marine Hub and all projects, including the Victoria Barracks, are located adjacent to each other. Isle of Wight Council are taking a leading role in its delivery, with the UK Sailing Academy as a confirmed prospective tenant. All projects have a marine sector theme with the Victoria Barracks providing a sailing academy and pontoon for the UKSA. | |
| B3. Geographical area: Please provide a short description of the area covered by the bid. | |
| The Victoria Barracks is located in East Cowes on the Isle of Wight, north east of the Columbine Building. The area includes the Victoria Barracks itself and a shoreline where the pontoon will be located. The Victoria Barracks building is currently vacant. To the north east of the site is residential and to the south of the site is East Cowes town centre and the East Cowes ferry terminal. | |
| B4. OS Grid Reference | SZ 50285 95913 |
| B5. Postcode | PO32 6RG |
| B6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located) | N/A (Isle of Wight) |
| B7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc. – See Appendices A & B | |
| B8. Project theme Please select the project theme | <input type="checkbox"/> <input checked="" type="checkbox"/> Transport investment <input type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment |
| B9. Value of capital grant being requested for this project (£): | £1,551,219 |

B10. Value of match funding and £317,719 sources (£):

B11. Value for Money

This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment

The Victoria Barracks will deliver direct jobs within the local area, through the development of new accommodation to support UKSA’s activities. Information from UKSA suggest that 35 new FTE jobs would be provided by the development of the site, which is a similar level of jobs to what would be assumed under the HCA Employment Density Guidance for budget accommodation.

Net Direct FTE Jobs Supported Per Annum

| | |
|----------------------------|--|
| Source of New Jobs | <ul style="list-style-type: none"> 32 FTE new jobs supported through enhancements to UKSA’s sailing academy |
| Gross Direct FTE Jobs | 32 |
| Net Direct FTE Jobs | 22 |

To estimate the Gross Value Added (GVA) effects of this additional employment, BRES and ONS data on employment and GVA in relevant sectors have been used to establish GVA per head, using the most recent confirmed data for the Isle of Wight.

GVA per FTE employee for each sector is applied to the net additional direct jobs above and has been calculated over a 10-year period for the purposes of this analysis.

| | |
|----------------------|------------|
| Jobs Created Benefit | £5,827,601 |
|----------------------|------------|

B12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

N/A

| | |
|--|--|
| <p>B13. Where available, please provide the BCR for this project</p> | <p>3.5</p> <p>The Victoria Barracks is expected to generate a benefit-cost ratio of 3.5. This represents a high value for money (based on evidence provided in the Department for Transport Value for Money guidance, which considers a BCR of between 2 and 4 as representing a high value for money).</p> |
|--|--|

| | |
|--|---|
| <p>B14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p> | <ul style="list-style-type: none"> • Support the vitality and viability of East Cowes town centre, bringing new jobs/people into the area. • Construction employment would be needed to deliver the project, helping to support the local construction sector. • Repurposing of historic buildings or underused space will improve the visual appeal of the area and reduce the negative externalities associated with run-down buildings. • Provision of sailing courses will support young people, particularly those from disadvantaged backgrounds, and give them experiences that help their personal development. • Provide public access to the water (on the pontoon), supporting water-based activities. • Exposure to sight of neighbouring skilled marine production during stays inspiring future career choices. |
|--|---|

| |
|--|
| <p>B15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p> |
|--|

Consent for the pontoon is required for a works licence from Cowes Harbour Commission – this is still to be obtained though they have provided support for the proposals.

Planning permission will be required for the proposed change of use of the Barracks. It is notable that permission has previously been granted for the change of use to create a hotel, which did not proceed due to viability issues. The Council's planning team have confirmed they are comfortable with the principle of creating a residential sailing academy in this location, although formal planning permission will be required. This is anticipated to be a low risk proposition.

B16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22

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

| | |
|---|---|
| <p>B17. Does this project includes plans for some LUF expenditure in 2021-22?</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |
| <p>B18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |
| <p>B19. Please provide evidence</p> | <p>Yes this project could be delivered as a standalone project. No part of it is dependant on any other of the projects and the delivery team could proceed with works in isolation. There is a clear route to delivery with a team outlined, key milestones and a procurement strategy in place.</p> <p>Please see delivery plan in Appendix N for more details</p> |
| <p>B20. Can you demonstrate ability to deliver on the ground in 2021-22.</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |

| | |
|---|---|
| B21. Please provide evidence | <p>The following milestones are outlined in the delivery plan in Appendix N:</p> <p>Design – Aug 21 – Nov 21 Consents – by Nov 21 Tender – Dec 21 Construction -Jan 22 to Aug 22</p> |
| Statutory Powers and Consents | |
| B22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan. | Existing consent as part of wider development scheme P/00941/16. |
| B23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them. | <p>Consent is required for a works licence from Cowes Harbour Commission – this is still to be obtained though they have provided support for the proposals. This will be obtained between August – November 2021.</p> <p>Planning permission will be required for the proposed change of use of the</p> |
| | <p>Barracks. It is notable that permission has previously been granted for the change of use to create a hotel, which did not proceed due to viability issues. The Council's planning team have confirmed they are comfortable with the principle of creating a residential sailing academy in this location, although formal planning permission will be required. This is anticipated to be a low risk proposition (Appendix U). Consent will be secured by November 2021.</p> |

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

| Project 3 | |
|---|--|
| C1. Project Name | Public Realm |
| C2. Strategic Linkage to bid: | |
| Please enter a brief explanation of how this project links strategically to the overall bid. | |
| The Public Realm project aligns with the package in terms of geography and outputs. The package is collectively rereferred to as the East Cowes Marine Hub and all projects, including the Public Realm works, are located adjacent to each other. The area of public realm sits directly between the Victoria Barracks and Columbine building and will act as a link between these projects. High quality public realm will compliment the other projects provide placemaking benefits. Like the rest of the package bid the Public Realm works will be managed by Isle of Wight Council. | |
| C3. Geographical area: | |
| Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>) | |
| The Public Realm is located in East Cowes on the Isle of Wight, between the Victoria Barracks and Columbine building. The Public Realm has the shoreline running along its north western boundary. Included in the Public Realm grassed areas and an existing building owned by Southern Water. To the north east of the site is residential and to the south of the site is East Cowes town centre and the East Cowes ferry terminal. | |
| C4. OS Grid Reference | SZ 50220 95935 |
| C5. Postcode | PO32 6RG |
| C6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located) | N/A (Isle of Wight) |
| C7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc. – See Appendices A & B | |
| C8. Project theme Please select the project theme | <input type="checkbox"/> <input checked="" type="checkbox"/> Transport investment <input checked="" type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment |
| | |

C9. Value of capital grant being £700,110 requested for this project (£):

| | |
|--|---------|
| C10. Value of match funding and sources (£): | £77,790 |
| <p>C11. Value for Money</p> <p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment</p> | |

Enhancements to the public realm and improved accessibility supported by improvements to the shoreline will enhance East Cowes as a location to live and work. Proximity to green space provides a wide range of benefits to existing and new communities, and there is evidence which indicates this is reflected in the value of local properties.

Recent research from ONS³⁴ estimated the value of green and blue spaces in urban areas that is capitalised into property prices. The research found that in urban areas, property prices for properties within 500 metres of a publicly accessible park were 3.5% higher.

- There are 340 existing properties and 109 new homes projected to be delivered withing 500 metres the public realm improvements.
- For homes benefits realised in future years, house prices and land values are expected to increase by 4% a year (real terms growth). This is in line with the standard assumptions set out in the MHCLG Appraisal Guide.

| Year | No of Homes Impacted | House Prices | Direct Economic Benefit |
|--|----------------------|--------------|-------------------------|
| 2021 | | £228,800 | 0 |
| 2022 | 340 | £237,952 | £2,831,629 |
| 2023 | | £247,470 | 0 |
| 2024 | | £257,368 | 0 |
| 2025 | | £267,663 | 0 |
| 2026 | 109 | £278,370 | £1,061,982 |
| 2027 | | £289,504 | 0 |
| 2028 | | £301,085 | 0 |
| 2029 | | £313,128 | 0 |
| 2030 | | £325,653 | 0 |
| Total | | | £3,893,611 |
| Present Value Direct Economic Benefits (Gross) | | | £3,630,034 |
| Present Value Direct Economic Benefits (Net) | | | £2,541,024 |

C12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

N/A

³⁴ Valuing Green Spaces in Urban Areas: A Hedonic Price Approach Using Machine Learning Techniques, ONS

| | |
|--|---|
| <p>C13. Where available, please provide the BCR for this project</p> | <p>2.7</p> <p>The public realm improvements are expected to generate a benefit-cost ratio of 2.7. This represents a high value for money (based on evidence provided in the Department for Transport Value for Money guidance, which considers a BCR of between 2 and 4 as representing a high value for money).</p> |
| <p>C14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p> | <ul style="list-style-type: none"> • Catalytic contribution to the regeneration of East Cowes (through the East Cowes Masterplan), through business and public investment. • Support the vitality and viability of East Cowes town centre, bringing new jobs/people into the area. • Repurposing of historic buildings or underused space will improve the visual appeal of the area and reduce the negative externalities associated with run-down buildings. • Improvement to perception of East Cowes as the main ferry arrival point and as a result the wider arrival/departure experience of the whole island. • Encourage health and physical activity amongst local people. • Environmental stewardship of the local area. • Linking town centre to waterfront area • Improving the destination credentials of the town • Complementing community led environment improvement scheme being progressed at end of Esplanade area |
| | <ul style="list-style-type: none"> • New events space for community led activity |

| | |
|---|---|
| <p>C15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p> | |
| <p>Planning permission will still need to be obtained for each of the following elements:</p> <ul style="list-style-type: none"> - Barracks Green and viewing platform works - Under the prom works | |
| <p>C16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p> | |
| <p>C17. Does this project includes plans for some LUF expenditure in 2021-22?</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |
| <p>C18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |
| <p>C19. Please provide evidence</p> | <p>Yes this project could be delivered as a standalone project. No part of it is dependant on any other of the projects and the delivery team could proceed with works in isolation. There is a clear route to delivery with a team outlined, key milestones and a procurement strategy in place.</p> <p>Please see delivery plan in Appendix N for more details</p> |
| <p>C20. Can you demonstrate ability to deliver on the ground in 2021-22.</p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> |
| <p>C21. Please provide evidence</p> | <p>The following milestones are outlined in the delivery plan in Appendix N:</p> <p>Design – July 21 to Nov 21 Consents – Nov 21 Tender - Dec 21</p> |

| | |
|---|---|
| | Construction -Jan 22 to Oct 22 |
| Statutory Powers and Consents | |
| C22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan. | Planning advice (Appendix U) confirms no consents required to progress public realm works (landscaping and seating). |
| C23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them. | If required, planning permission will be sought the following elements: <ul style="list-style-type: none"> - viewing platform and under the prom works These will be obtained between July – November 2021. |

ANNEX D - Check List Great Britain Local Authorities

| Questions | Y/N | Comments |
|---|-----|---|
| 4.1a Member of Parliament support | | |
| MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case? | Y | See Appendix D |
| Part 4.2 Stakeholder Engagement and Support | | |
| Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support? | Y | <p>Appendix E – Columbine Building stakeholder support letters</p> <p>Appendix F – Victoria Barracks support letters</p> <p>Appendix G – Public Realm support letters</p> <p>Appendix M – confirmation of match funding from partner bodies</p> |
| Part 4.3 The Case for Investment | | |
| For Transport Bids: Have you provided an Option Assessment Report (OAR) | N/A | |
| Part 6.1 Financial | | |
| Have you appended copies of confirmed match funding? | Y | See Appendix M |
| The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land. | N/A | |
| Have you appended a letter to support this case? | | |
| Part 6.3 Management | | |
| Has a delivery plan been appended to your bid? | Y | See Appendix N |
| Has a letter relating to land acquisition been appended? | N/A | |
| Have you attached a copy of your Risk Register? | Y | See Appendix O |

Annex A-C - Project description Summary (only required for package bid)

| | | |
|---|---|---------------------------------|
| Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc. | Y | See Appendices A & B |
|---|---|---------------------------------|

Annex E Checklist for Northern Ireland Bidding Entities

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

