



**SCARBOROUGH BOROUGH COUNCIL**

**Business Case Approval Record for  
Whitby Maritime Training Hub**

**Summary Document Submission Date**

**24 March 2022**

## DOCUMENT CONTROL

<b>Author</b>	
<b>Owner</b>	Regeneration
<b>Date</b>	24/03/2022
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## DOCUMENT APPROVALS

		<b>Date</b>
<b>Appraisal completed by</b>		13/01/2022
<b>Financial checks completed by</b>		13/01/2022
<b>Capital Working Group Assessment</b>		13/01/2022
<b>Regeneration Programme Delivery Board Decision</b>		25/01/2022
<b>AGREED:</b> 1. The Board accepts Whitby Maritime Training Hub Business Case with the condition: i) Further work is completed on the operating model and commercial viability at RIBA 2/3. ii) The project compiles Subsidy Control advice The Board recommends that the council approves the submission on the Summary Document for the Whitby Maritime Training Hub Business Case		
<b>Cabinet acceptance of RPDB recommendations and permission to submit Summary Documents</b>		15/02/2022
<b>Or ICM acceptance of RPDB recommendations and permission to submit Summary Documents</b>		
<b>Town Deal Board endorsement of Business Case</b>		17/02/2022

## SUBMISSION OF SUMMARY DOCUMENT

		<b>Date</b>
<b>Town Deal Board Authorisation</b>	Barry Harland	18/03/2022
	Chair	
<b>SBC Authorisation</b>	Nick Edwards	24/03/2022
	Section 151 officer	
<b>Date of Submission</b>		24/03/2022

## Item 6

# Whitby Town Deal Board - 17 Feb 2022

Whitby Maritime Training Hub Business Case Summary

## 1 PURPOSE OF THE REPORT

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- 1.1 This report presents the Business Case (BC) for Whitby Maritime Training Hub to the Whitby Town Deal Board. The Board should consider whether to support the acceptance of the BC and the submission of the Summary Document to the Department of Levelling Up, Homes and Communities.

## 2 BACKGROUND

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- 2.1 The Whitby Maritime Training Hub project will create a new facility on Endeavor Wharf in Whitby to provide training opportunities for the maritime and offshore renewables sectors for residents and the wider market. The Hub will address the recognised need to develop a better supply of technical skills to support the local maritime sector through modern, fit-for purpose facilities. Additionally, the Hub will also provide facilities for maritime businesses and service providers.

## 3 PROJECT APPRAISAL

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- 3.1 The Business Case has been appraised by Scarborough Borough Council. The BC makes the case for investment and demonstrates that there is a demand and value for this scheme in Whitby. The document concludes that the capital element of the project is affordable and achievable. However the operating model needs further development and the revenue consequence will need to be managed.
- 3.2 The Strategic Case makes a strong Case for Change. The need is grounded by relevant, credible, statistical information highlighting socio-economic challenges including significant deprivation, low wages and qualifications, and the lack of further and higher education provision. Opportunities to capitalise on growing offshore and maritime sectors were part of the demand study for the facility and interest has been shown from the offshore industry providers to act as anchor tenants. The demand study also shows an appetite from education and training providers to use the facility.
- 3.3 The project is a core element of the Town Investment Plan and delivers its objectives of establishing the harbour as a 21st century maritime centre and building a beacon of excellence for skills. Without this project these objectives would not be met.

- 3.4 The document shows that the project would address a range of policy priorities and objectives at national, regional and local levels.
- 3.5 The Economic Case concludes that a Benefit Cost Ratio (BCR) of 3.88 can be achieved demonstrating high value for money. During the development phase the project team worked with stakeholders, potential users and the local community to explore options for the facility. The economic case is based on a preferred option that includes classrooms and training spaces, workshops and dedicated office space. This preferred option is compared against 'Do nothing' and Do Minimum options. The methods used appear to be sound.
- 3.6 There is potential to include the survival pool as an additional phase of construction within the site boundary if future plans enable funding to be allocated and there is a demonstrable case for delivery.
- 3.7 The Commercial Case recognises SBC as the lead contracting authority. Procurement will be compliant with the council's procurement rules. Work has been done to take the project to RIBA stage 2 (Development Design). The YORbuild framework will be used to secure a contractor for a Design and Build contract to take the project to completion.
- 3.8 The Financial Case shows that capital costs are affordable within the Towns Fund allocation. The total cost is estimated to be £9,985,000 just under the TF allocation of £10,000,000. This includes 15% contingency and inflation at 14%. Revenue costs and income are considered in the report including the impact on car parking revenue. These are shown to be cost neutral. However it is felt that this needs further work on the revenue case as the scheme progresses.
- 3.9 The Management Case refers to established SBC project management and assurance processes. Additional oversight is provided through the Town Deal Board. Risks are managed by the project team and escalated where required.

## RECOMMENDATIONS

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- 4.1 The Board is requested to consider the Business Case for the Whitby Maritime Training Hub and is recommended to:
  1. endorse the Business Case for the Whitby Maritime Training Hub subject to the sponsor addressing the following conditions;
    - Traffic Impact Assessment carried out at RIBA Stage 3
    - Further work on revenue impacts is carried out
  2. approve the preparation of the project Summary Document and final Monitoring & Evaluation Plan
  3. agree that the Chair signs the Summary Document on behalf of the Whitby Town Deal Board
  4. support the submission of the Summary Document to the Department of Levelling Up, Housing and Communities.

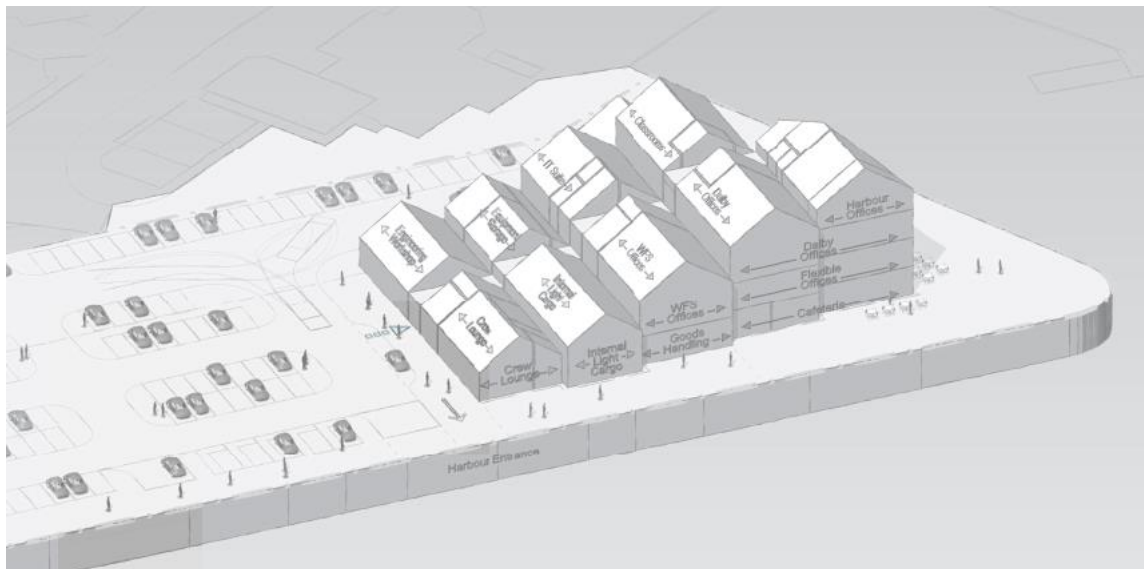
## ADDITIONAL INFORMATION

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WMTH Business Case and appendices

## Stage 2 Business Case – Whitby Maritime Training Hub

February 2022



# VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	19/11/2021	Whitby Maritime Training Hub OBC	████████
2	23/12/2021	Whitby Maritime Training Hub Draft FBC	████████████████
3	09/02/2022	Whitby Maritime Training Hub Final FBC	████████████████████
4	11/02/2022	Whitby Maritime Training Hub Final FBC	████████

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# EXECUTIVE SUMMARY

The Whitby Town Investment Plan (TIP) was submitted in 2020 and identified nine priority projects including the Whitby Maritime Training Hub. On 3<sup>rd</sup> March 2021, the Government announced that Whitby had been successful in securing funds from the Towns Deal and was awarded £17.1m. This document is the Full Business Case for the Whitby Maritime Training Hub.

The Whitby Maritime Training Hub vision was conceived and developed by local stakeholders and seeks to capitalise on Whitby's strategic location and projected growth in the maritime and offshore renewables sectors through the provision of training and certification opportunities for residents and the wider market. The Hub will address the recognised need to develop a better supply of technical skills to support the local maritime sector through modern, fit-for purpose facilities. Additionally, the Hub will also provide accommodation for maritime businesses and service providers, such as the Whitby Harbourmaster and to Dalby Offshore and Whitby Fishing School to provide training activities, to support economic growth and resilience within the local economy.

## STRATEGIC CASE

### *The case for change*

The need for public sector intervention to deliver this scheme is based on a combination of:

- **The socio-economic challenges faced by the town**, many of which have been exacerbated by the Covid-19 pandemic. These include: a stagnating population; the impact of Covid-19 on employment creation and retention; dependency on highly seasonal tourism-related trade and lower-wage sectors; a productivity deficit; the presence of significant areas of deprivation; relatively low qualifications within the working age population; no provision of Higher Education (HE) and limited provision of Further Education (FE) and the town's peripheral location. These issues point to the need to diversify and revitalise the local economy and town centre and stem the outward migration of young people from Whitby.
- **A range of market failures** related to viability issues, positive externalities associated with wider economic spillover productivity benefits to the economy from providing increased access to training and skills development and the need for coordination between stakeholders and activities to implement the scheme in a coherent way.
- **The absence of sufficient local funding** as a result of significant funding cuts over the last ten years along with increased demand for services and inflationary cost pressures.

Investing in the scheme presents opportunities to build on Whitby's maritime strengths, allowing it to capitalise on nationally important investment projects nearby and wider growth opportunities associated with the maritime and offshore renewables sectors. This, in turn, will support the diversification of the local economy, which is highly reliant on tourism that is largely seasonal in nature; and act to stem the flow of younger residents leaving the town to pursue educational and employment opportunities.

### *Policy drivers*

The Whitby Maritime Training Hub project will be instrumental in addressing a range of policy priorities and objectives at the national, regional and local levels. At the local level, the scheme supports multiple objectives stated in Scarborough Borough Council's (SBC) Local Plan, and Building a Better Borough by supporting the growth and diversification of the economic base, investing in improving the skills and educational attainment of the local population and workforce and contributing to thriving and engaged communities by progressing a scheme which was shaped through local engagement undertaken in support of the TIP.

## **Project vision and SMART objectives**

The vision for the Whitby Maritime Training Hub is:

*“To become a renowned centre of maritime training and enterprise which strengthens and supports the local maritime sector and embodies traditional and 21st century maritime culture”*

It is underpinned by the following objectives:

- To support the training requirements of the local industry through certified, technical training and apprenticeships, acting to increase qualification levels amongst the working age population
- To enhance the perception of the maritime and associated industry amongst local people and businesses, generating a more viable sector which becomes more attractive to work in
- To deliver high quality, affordable and flexible commercial space, driving increases in the number of start-ups and/or scaleups and the number of enterprises within the Town Deal Area
- To support high level education and career pathways for local people, delivering higher value in the local area

A range of outcomes are expected from the scheme including: improved business and resident perceptions of Whitby/maritime sector; increased maritime business counts; and increased numbers of the working-age population completing certified technical training courses and qualifications/apprenticeships.

In order to deliver the scheme a number of constraints related to the potential need to secure planning permission/relevant consents; agreement between project partners/stakeholders; Harbour land status need to be resolved.

This business case and the preferred option selected within it should be seen as a first step in the development of the maritime hub. The Project's stakeholders have identified a long term vision that builds upon the Towns Fund investment and will add additional facilities to the hub in the future. This ambition is reflected in the option development process within the economic case. More specifically this includes opportunity for future growth alongside the offshore / marine sector i.e. to provide further specialist training facilities such as training pool / additional simulation equipment should they be required.

## **ECONOMIC CASE**

### **Options appraised**

The specification of the Whitby Maritime Training Hub project has evolved significantly. The scope of the scheme was refined in collaboration between SBC, the Town Deal Board, AECOM and a range of maritime stakeholders including Dalby Offshore, Whitby Fishing School, Maritime Skills Alliance and the Harbourmaster's Office amongst others<sup>1</sup>. This work resulted in the following shortlist of options taken forward for Economic Appraisal:

- **Do Nothing/Reference Case:** in the absence of Towns Fund monies, it is expected that the Whitby Maritime Training Hub project would not go ahead. It is expected that the part of Endeavour Wharf would remain in its current and long-standing underutilised state, being used primarily as surface car parking.
- **Do Minimum:** This option would result in the delivery of classroom, workshop and dedicated office space for Whitby Fishing School, with access also available to wider educational delivery bodies. It

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<sup>1</sup> Note, some of these stakeholders have been identified as potential tenants. Their inclusion is subject only to satisfaction of both public procurement, subsidy control and Constitutional requirements. The Council's Constitution also sets out a requirement as a general rule that all land disposal should be by way of competitive tender, and the Council is bound by the requirements section 123 of the Local Government Act 1972 in respect of realising best possible value when considering land disposals.

also provides 417m<sup>2</sup> of flexible office space to support commercial activity in Whitby town centre, with a specific focus on maritime oriented businesses, and space for the Harbourmaster's Office.

- **Preferred Option:** As under the Do Minimum option, the Preferred Option would result in the delivery of classroom, workshop and dedicated office space for Whitby Fishing School, with access also available to wider educational delivery bodies. This option also includes dedicated office space for Dalby Offshore and wider space to support Dalby Offshore's operations including training, flexible office space, public exhibition space, a Tourist Information Centre and space for the Harbourmaster's Office.

### **Monetised economic benefits**

The various elements of the scheme will support different types of benefits. The monetised benefits covered by the appraisal include: Land Value Uplift; benefits in terms of local employment and GVA and; the economic value of qualifications delivered at the Maritime Training Hub.

### **Economic costs**

The costs for the Preferred Option have been estimated by AECOM based on concept design drawings prepared by AECOM architects dated 16<sup>th</sup> December 2021. The rates used are current day fixed prices at Quarter 4 2021 price levels. Costs include optimism bias at 24% in line with the stage of design work and HM Treasury Green Book Supplementary Guidance.

### **Value for Money assessment**

The Value for Money of the scheme is assessed in line with the requirements and guidance set out in the HM Treasury Green Book (2020). The appraisal period used for the costs and benefits is 15 years. The net present value of all costs and benefits is presented in real terms in 2021 prices, applying the discounting factors set out in the Green Book. Additionality is captured by applying deadweight, displacement and leakage assumptions where relevant.

Value for money assessment (£m, discounted, 2021 prices)		Do Minimum	Preferred Option
<b>Economic benefits</b>			
Land Value Uplift		£0.4m	£0.5m
Employment GVA		£4.4m	£6.1m
Economic Value of Qualifications		£21.7m	£31.6m
Total economic benefits	(A)	£26.4m	£38.3m
<b>Economic costs</b>			
Towns Fund cost/funding	(B)	£7.1m	£9.9m
Co-funding	(C)	-	-
Total public sector funding	(D) = (B) + (C)	-	-
Private sector funding	(E)		
Total economic costs	(D) + (E)	£7.1m	£9.9m
<b>Benefit-Cost Ratio (BCR)</b>	<b>(A) – (E) / (D)</b>	<b>3.70</b>	<b>3.88</b>

The scheme will also provide significant non-monetised benefits which cannot be captured in the Value for Money assessment but need to be considered seriously when assessing this scheme and its potential benefits to the local economy and community over the long-term. These include wider employment and employability outcomes as students access local jobs, with positive implications for

local productivity; spillover effects of the scheme on Whitby town centre through its improved appeal to businesses and their interactions with the town centre; environmental benefits through better and greener design which support the council's transition to net zero and help mitigate the impacts of climate change and the greater amenity value the development will provide compared to current uses on the site at Endeavour Wharf.

## FINANCIAL CASE

### Summary of Costs

The capital costs of the scheme have been estimated by AECOM's quantity surveyors based on outline concept designs developed by AECOM's architectural team. All costs are presented in nominal prices, with contingency of 15% included within the cost estimate, as noted above, to reflect the early stage of the project designs and level of uncertainty. On this basis, the current capital cost estimate for the scheme, including inflation, stands at £9,985,000.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Buildings Shell & Core						
External Works						
Utilities						
Professional Fees (12%)						
Contingency (15%)						
<b>Total</b>		£319,797	£1,389,557	£6,901,473	£149,174	£8,760,000
BCIS TPI Inflation to 04Q 2023 @ 14.0%		£44,720	£194,316	£965,103	£20,860	£1,225,000
<b>Total (inc. inflation)</b>		£364,517	£1,583,873	£7,866,576	£170,034	£9,985,000

Operating/whole life costs associated with the building have been estimated using BCIS benchmarks for comparable schemes. This results in an average cost of £84.89 per m<sup>2</sup> per annum for maintenance, renewal, operation and utilities, applied to the gross internal area associated with the Whitby Maritime Training Hub.

### Summary of Revenues

The rental income forecast is based on property market intelligence and development appraisals prepared by BE Group, a specialist commercial property consultancy. The BE Group analysis considers that the net lettable area within the Whitby Maritime Training Hub would generate a rental income (market rate) of £226,290 per annum. Operating and maintenance costs will be passed on to the respective occupants through a service charge, thereby directly offsetting these costs.

### Summary of how the project will be funded

Towns Fund is the key funding source required to deliver the Whitby Maritime Training Hub scheme.

The Sources and Uses table for the scheme is set out below. This is based on a ten-year period.

Sources	£	Uses	£
Grant Income (Towns Fund)	9,985,000	Development Expenditure	9,985,000
Rental Income		Operating Expenditure	
Tenant Service Charge Income		Lost car-parking income	
Private Sector Co-Funding		Other Costs	
Capital Receipts		Cash surplus generated	
Revenue Stream			

<b>Total</b>	<b>13,825,778</b>	<b>Total</b>	<b>13,825,778</b>
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### **Summary of Financial Risks**

Key financial risks include the inability to secure Towns Fund investment; the risk associated with SBC identifying/selecting an appropriate building operator; expectations risks from occupants and other stakeholders; the risk that the premises do not meet health & safety building requirements and wider project delays due to Covid-19 or other external factors.

## **COMMERCIAL CASE**

### **Delivery Model**

SBC will lead the delivery of the Whitby Maritime Training Hub project, as the contracting authority.

The preferred approach of SBC is a design and build contract to deliver the Maritime Hub project. This is because:

- It results in a single point of responsibility for delivering the project.
- It provides greater certainty of budget.
- The contractor can commence works on site quicker.
- The involvement of the builder in the design results in the project having greater 'buildability'.

### **Procurement Strategy**

The Council will be procuring the works to design and build the Maritime Training Hub. The procurement rules for SBC are set out in the Contract Procedure Rules within its Constitution. The Council will prepare tender documents for the procurement of a D&B contractor using the RIBA Stage 2 design information, with a contractor to be procured from the YORbuild Major Contractors Framework based on a two-stage tender process.

Various aspects of social value will be built into the procurement including employment and skills, sustainability and economic regeneration.

### **Operating Model**

Several options were considered in regard to the operation of the Whitby Maritime Training Hub. The preferred approach of SBC is to operate the facility through a Management Model. The rationale to support this approach is that it provides the requisite cost certainty for both the owner of the building (SBC) and lessees in order to make meaningful investment in the rental spaces, providing continuity and the ability to recover any fit-out investments over lifecycle rental cost.

Proposed leasing arrangements are to offer a 21-year lease with a negotiated break clause. This is subject to satisfaction of both public procurement, subsidy control and Constitutional requirements.

## **MANAGEMENT CASE**

### **Governance Arrangements**

SBC will be the accountable body for the Maritime Training Hub, and responsible for leading on the delivery of the Towns Fund investments. It will use well-tested delivery and project management arrangements which have been applied on other major local projects and have earned the Council the award for the Best Service Team of the Year 2021 in the Housing, Construction and Building Service Category.

<sup>2</sup> Assumed subsidy required by SBC to offset loss of car parking income during the development of the Maritime Training Hub. This subsidy also includes the service charge payable for space occupied by Council functions (TIC and Harbourmaster's Office).

Other organisations will play important roles in the delivery of the scheme: the Whitby Town Deal Board which will oversee implementation while the Maritime Training Hub key stakeholders including Dalby Offshore, Whitby and District Fishing School and the Harbourmaster's Office will form a crucial element of the project governance structure.

A Board of Trustees will be established to further ensure accountability in the ongoing operation, management and future development of the Whitby Maritime Training Hub. By having an oversight role in respect of all key management decisions, the Board will be acting to ensure the best interest of the project stakeholders and local community at all times. Representation on the Board will be from across the community to include SBC, Whitby Town Council, Town Deal Board Members and others.

### ***Project Management Arrangements***

The Council has well developed and tested existing project management arrangements which are being applied to this project and have guided the Council to deliver a large number of complex and award-winning projects.

At a project level, the project will be directed by a Project Board, chaired by the Director of Regeneration and attended by the internal SBC Project Manager, Legal and Financial Managers and selected key stakeholders and consultants. The SBC project manager will closely monitor delivery of task items to avoid scope creep on planned activities.

Project updates and reporting will be implemented by the project manager to the Project Steering Group and by exception upwards to the Capital Strategy and Property Asset Management Governance Board (CSPAMGB). The reporting provided will aid the Group in monitoring the projects performance and risk.

### ***Programme***

The current programme sets out the following delivery milestones:

<b>Milestone</b>	<b>Date</b>
Submission of WMTH business case	March 2022
Receipt of Funding offer	June 2022
Issue documents to tender	August 2022
Receive tender returns	September 2022
Appoint contractor	November 2022
Agreement for Leases Signed	November 2022
Construction start	December 2023
Construction completion	April 2025

### ***Risk Management***

The three-line model will be implemented by SBC to help communicate, understand and embed key risk management and assurance processes into the project. Risk management processes in line with PRINCE2 will be set up to continuously monitor where uncertainty surrounding events or outcomes exists and identify appropriate mitigation measures.

A detailed risk register is provided in Appendix C.

### ***Monitoring and Evaluation***

The Council's Capital Strategy Working Group will monitor and evaluate benefits realisation. During development and delivery phases, the Council's Pentana project risk management system will be regularly updated to aid tracking and reporting of benefits. This will include monitoring of expenditure and delivery against expected milestones, outputs and outcomes.

The following outputs and outcomes will be monitored through the Maritime Training Hub project's benefits realisation plan:

Expected Outputs and Outcomes	Target	Timescale of realisation
Town Deal Funding	£10m	Completion – April 2025
High quality commercial floorspace delivered	2,985m <sup>2</sup>	Completion – April 2025
Number of new learners assisted	800 per annum	Year 2 of operation onwards
Increased working-age population completing certified technical training courses	<ul style="list-style-type: none"> <li>• Short Courses – 596 per annum</li> </ul>	Year 2 of operation onwards
Increased working-age population with qualifications/apprenticeships	<ul style="list-style-type: none"> <li>• Level 2 Diploma in Sea Fishing – 24 per annum</li> <li>• Level 3 Apprenticeship Std Workboat Crew – 12 per annum</li> </ul>	Year 2 of operation onwards
Increased maritime business counts	1 per annum	Ongoing from Q3 2025
Improved perceptions of the maritime sector	Year-on-year increase in course demand / enquiries	Ongoing from Q3 2025
Improved perceptions of the place by residents/businesses/visitors	Monitored as part of ongoing surveys of the residents' panel	Ongoing

# INTRODUCTION

In November 2019, the Ministry of Homes, Communities and Local Government (MHCLG) – now the Department for Levelling Up, Housing and Communities (DLUHC) – announced that Scarborough and Whitby had been identified as two of 101 towns in England that they wish to work with to develop Town Investment Plans and bid for a share of the Government's £3.6bn Towns Fund.

A Town Deal Board made up of representatives from different local organisations in the public, private and voluntary sectors was set up in Whitby to consider investment proposals specific to the town, develop a Town Investment Plan and submit a bid to the Government's Towns Fund by Autumn 2020.

The Town Investment Plan identified nine priority projects, amounting to a total ask of £25m, predominantly focussed on the themes of: skills and enterprise; live here work anywhere; connectivity; heritage, culture and special places; well-being and resilience and sustainability. A bid was submitted to MHCLG on this basis.

On 3<sup>rd</sup> March 2021, the Government announced that Whitby had been successful in securing funds from the Towns Deal and was awarded £17.1m.

Based on this decision, the initial list of projects was adjusted to match the funding available and proceed to delivery stage (Stage 2). This included the Whitby Maritime Training Hub scheme (described in the next section) along with:

- Eastside and Calla Beck Well-Being Centre: expanding the Eastside Community Centre and improving the green spaces at Eastside Park and Calla Beck
- Old Town Hall and Market Place: renovation, investment in market infrastructure and potential new uses to support commercial and tourism activity
- Broomfields Farm Carbon Neutral Village: delivering 60 homes in the first zero carbon, community custom-build housing scheme in Yorkshire
- Wi-Fi Zone and Wayfinding: free wi-fi access in Whitby's harbour area and main routes up to Whitby Abbey and West Cliff, and physical and digital signposting
- Harbourside Public Realm: possible creation of a pedestrianised route along New Quay Road, across Whitby Swing Bridge and to Bridge Street and Grape Lane, plus environmental improvements in the area.

## The Project

The Whitby Maritime Training Hub aims to capitalise on Whitby's strategic location and projected growth in the maritime and offshore renewables sectors through the provision of training and certification opportunities for residents and the wider market. The Hub will address the recognised need to develop a better supply of technical skills to support the local maritime sector by delivering courses relevant to careers in these sectors, including:

- Seafish accredited commercial fishing courses
- Standards of Training, Certification and Watch keeping (STCW) training
- Global Wind Organisation (GWO) certification training
- Marine engineering and electrical engineering
- OPITO approved courses such as offshore safety and emergency training, and
- RYA Powerboat training.

The Hub will accommodate traditional learning environments, such as classrooms and learner accommodation, as well as more bespoke facilities to provide specialist training environments to meet the needs of the maritime sector and training organisations. A range of training providers have outlined interest in the Hub including [REDACTED] and FE and HE providers including CU:

Further, the Royal Navy are supportive of the project and have provided advice on its development with the potential to endorse the facility working in a collegiate approach with other maritime training providers.

Additionally, the Hub will also provide commercial floorspace to maritime businesses and service providers, such as [REDACTED] and the Harbourmaster's Office, to support the local economy and provide a focal point around which wider maritime activity can develop, as well as the Tourist Information Centre. The relocation of the Harbourmaster's Office and Tourist Information Centre would also present an opportunity to redevelop the current building in which they are co-located, with options including the sale of the building or its demolition to provide car parking, of up to 12 spaces.

The desired location for the Hub is on the Whitby harbourside at Endeavour Wharf, in close proximity to the town centre, with the proposed site outlined below:

*Figure 1. Proposed location of Whitby Maritime Training Hub*



## **The Business Case**

This document is the Full Business Case which shows how the scheme:

- i. is supported by a robust case for change that fits with wider public policy objectives – the 'strategic case';
- ii. demonstrate values for money – the 'economic case';
- iii. is commercially viable – the 'commercial case';
- iv. is financially affordable – the 'financial case'; and
- v. is achievable – the 'management case'.

# STRATEGIC CASE

# STRATEGIC CASE

## INTRODUCTION

The Strategic Case presented here:

- Demonstrates the need for intervention based on a detailed understanding of the Town Deal area's constraints and challenges;
- Outlines the relevant policy context including strategic objectives at national, regional and local levels and how the project will contribute to these objectives;
- Articulates how the proposed project will bring about change in line with the Towns Fund's objective to drive the economic regeneration of towns to deliver long term economic and productivity growth. This includes setting out a clear theory of change and describing the preferred way forward to effect this change based on evidence and engagement with stakeholders.

The importance of the Strategic Case has been further emphasised in the latest 2020 update of the Green Book.

## CASE FOR CHANGE

### *Current context and challenges*

The town of Whitby is located in the Scarborough Local Authority area in North Yorkshire. The rationale for public investment is rooted in addressing key challenges described in the Town Investment Plan (TIP), highlighting the need for intervention to achieve regeneration, Covid-19 recovery and long-term economic resilience. The evidence presented in the TIP is summarised below, updated with the latest data from the ONS and supplemented with analysis from the Property Market Review produced by BE Group in August 2021. Where data specific to Whitby was unavailable, Scarborough was used to provide data at local authority level.

Whitby has a population of approximately 13,049 residents, making it the 68<sup>th</sup> largest town in Yorkshire and the Humber. The town is experiencing a number of challenges:

- **A declining and aging population:** the population of Whitby has experienced a slight population decrease (1.1%) over the past ten years in contrast to increasing population levels across England and Yorkshire and the Humber (6.5% and 4.5% increases, respectively). Additionally, the town is facing an aging population; between 2011 and 2020, the proportion of the population of Whitby aged 65 or over grew from 23.0% to 27.7%. Over the same time period, the proportion of the population aged 15 and under fell from 15.7% to 14.7%. This is in part due to the town's peripheral location which makes it difficult to attract new residents and retain young people due to challenges associated with accessing higher education and employment opportunities.
- **Whitby's economy provides approximately 5,500 employee jobs but these are disproportionately provided within select sectors.** Employment in Whitby is driven by the accommodation and food services sector which accounts for 27.2% of all jobs in the town. This is proportionally over four times higher than in Yorkshire and Humber (6.5%) and over triple the national average (7.5%). 21.2% of jobs in Whitby are in the retail industry, which is considerably higher than the regional (9.8%) and national (9.2%) average. At the same time, some higher value sectors and occupations are under-represented in Whitby, for instance professional, scientific and technical activities, which account for 4.6% of employment compared with the regional and national average of 6.9% and 9.0% respectively.
- The dominance of the accommodation and food and retail sectors reflects Whitby's role as a tourism centre. However, while tourism is vitally important to the economic prosperity of the town (generating

£94m worth of spend – the 19th highest of any city/town in England), there is a need to diversify economic activity to address issues around seasonality, part-time work and low productivity and make the local economy more resilient to external factors. Indeed, approximately half of the employees in Whitby are part-time employed, which is significantly higher than both the regional and national averages, and the average number of claimants during summer is 19% lower than the average number of claimants in winter. **Diversifying the economy towards more high value activities is required to address the town's productivity shortfall**, with GVA per head for the local authority in Scarborough sitting 16.2% below the regional average.

- The **local labour market has been particularly hard hit by the pandemic**. The latest data indicate that a cumulative 20,800 jobs had been furloughed out of an eligible population of 41,300, with accommodation and food services, wholesale and retail trades and arts, entertainment and recreation significantly impacted locally. This has fed through to the local unemployment rate, which reached 4.8% in March 2021 – an annual rise of 1.8 percentage points – while the unemployment rate across Yorkshire and the Humber rose by 0.7 percentage points over the same period.
- **Nearly a third of Whitby residents possess no formal qualifications**, significantly higher than the 22% of working age residents that possess no qualifications across England. Additionally, only 30% of Whitby residents hold a level 3+ qualification (e.g. A levels or equivalent) compared to 39% nationally, highlighting challenging conditions at both ends of the skills market. A lack of local employment opportunities has resulted in Whitby struggling to retain young people within the local economy – who often leave to access learning and employment opportunities – while persistent low wages make attracting well qualified working-age residents a challenge despite the quality of life on offer locally. This stifles growth in higher value-added activities, sustaining the towns reliance on tourism and the consistent out-migration of young people, and consequently presents challenges for the expansion and diversification of the local economy.
- There is **no provision of Higher Education (HE) and limited provision of Further Education (FE)** in Whitby, contributing to the low level of qualification attainment and out-migration of young people. The closest towns providing higher education are Scarborough (30 minute-drive, 1 hour by public transport) and Middlesbrough (50 minute-drive, 75 minutes by public transport).
- There are **significant and enduring areas of deprivation** in Whitby in terms of living environment, education, employment, health and income. Areas of Whitby are within the top 10% most deprived Lower Super Output Areas (LSOAs) in England and within the 10% most deprived for education, employment, health, housing and crime.
- There is a **disconnect between the town and its surrounding area**. Whitby's peripheral location, poor transport connectivity and congestion on key routes (particularly during the summer peak) acts as a barrier to accessing employment and learning opportunities outside of the town.

As seen above, Whitby town centre faces significant economic challenges to becoming a growing, thriving and successful place, many of which have been amplified by Covid-19 due to its reliance on the tourism, hospitality and leisure trades. This points to an urgent need to diversify the economy and support Whitby's residents to allow them to access sustainable, long-term employment opportunities within the local economy.

### ***Evidence of need related to the specific project***

Beyond the challenges facing the Town Deal area, as summarised above, the table below outlines the justification for intervention specifically relevant to this scheme and its component parts. It is based on the outcomes of extensive stakeholder engagement, a property market overview prepared by BE Group, and a market assessment prepared by AECOM which reviewed the scheme's core components in relation to market trends, local demand and existing provision in proximity to Whitby.

Table 1: Evidence of Need

Component	Evidence of need for intervention
<b>Training Space</b>	<ul style="list-style-type: none"> <li>- Lack of FE and HE provision in Whitby, exacerbated by poor transport links to nearest providers (CU: Scarborough, Scarborough TEC).</li> <li>- Capacity constraints facing Whitby and District Fishing School, limiting the potential for expansion in terms of both courses (both breadth and level) and facilities.</li> <li>- Poor standard of current facilities at [REDACTED] – classrooms of an insufficient size to deliver to large groups; poor visibility; spread of training over two sites and poor links to town centre.</li> <li>- Relatively high numbers of NEETs and lower than average qualifications locally.</li> </ul>
<b>Commercial Floorspace</b>	<ul style="list-style-type: none"> <li>- Previous proposals to develop Endeavour Wharf from [REDACTED] in 2015 fell down due to potential EU funding being withdrawn.</li> <li>- The supporting property market report (see Appendix) indicates that overall scale of the property market in Whitby is small. The growth of the economy to accommodate a wider function, such as servicing the offshore energy market, is likely to require a broader array of employment spaces than currently provided in Whitby, such as workshop and hybrid workshop/office space (20-150 square metre (sqm) units).</li> <li>- Limited provision of temporary and/or flexible office and event space in Whitby, with the Green Lane Centre within the town being well-used and not able to readily provide additional capacity.</li> </ul>
<b>Incubation Space</b>	<ul style="list-style-type: none"> <li>- Property market report indicates that there is a lack of suitable, flexible spaces for start-up or small businesses, with high demand at St Hilda's Business Centre and Green Lane Business Centre.</li> <li>- Potential opportunities include serviced office space for start-up and microbusinesses (10-100 sqm units).</li> <li>- Business start-ups represented 9.5% of total businesses in Scarborough borough in 2018, significantly lower than the national average (12.9%)<sup>3</sup>.</li> </ul>
<b>Harbourmaster's Office</b>	<ul style="list-style-type: none"> <li>- Currently housed in a 2-storey building at the southern end of Endeavour Wharf, the Harbourmaster's office lacks profile/visibility.</li> </ul>
<b>General site</b>	<ul style="list-style-type: none"> <li>- The site is currently primarily surface car parking and, given its strategic location within the wider town centre and harbour, is underutilised.</li> </ul>

Previous propositions for a maritime focused centre have been proposed and studied by the private sector but have not been progressed due to lack of funding available to support the delivery of the project. In 2015/16, [REDACTED] undertook public consultation on their proposal to develop a business operations hub at the site, incorporating training space alongside office space for its headquarters, as well as space for the Whitby Harbourmaster and for other marine/maritime related to businesses. Whitby Fishing School have also previously formally explored significantly expanding their training offer by delivery of a new building/space to overcome limits with what they can currently offer at their one existing site at Whitby Mission & Seafarers Centre with some courses already being part-delivered at another location where specification requirements are met.

### Opportunities presented by the project

Investing in the scheme is not only needed in order to address the challenges outlined above, but it also presents opportunities to:

- Build on Whitby's maritime strengths and support the diversification of the local economy, which is highly reliant on tourism; a sector characterised by seasonal employment and lower productivity
- Maximise the potential to retain young people within the local economy, by providing access to training and employment opportunities which are currently unavailable, stemming the flow of younger residents leaving the town to pursue educational and employment opportunities.

<sup>3</sup> ONS Business Demography – 2019 Enterprise Births, Deaths and Survivals

- Capitalise on nationally important investment projects nearby and wider growth opportunities:
  - Offshore wind – The UK Government is targeting 40GW installed capacity by 2030, with around 10GW currently operational in the UK. The majority of this potential growth is expected to occur in the North Sea and in regions along the eastern seaboard of the UK, including Dogger Bank, a key offshore wind development zone to which Whitby is the closest serviceable port. Based on current investment forecasts, UK Offshore Wind is forecast to employ 69,848 workers by 2026 – an increase of 43,755 on the current size of the workforce – with investment set to average £10.1 billion per annum over the 2021-2026 period. Employment in Yorkshire and the Humber is expected to rise to 10,507 – almost 3 times current levels. The provision of training opportunities and delivery of commercial space through Whitby Maritime Training Hub has the potential to secure inward investment, grow businesses and generate employment opportunities – both locally and in the wider sector – for Whitby’s residents.
  - Maritime – The UK is committed to building its competitiveness in the post-Brexit environment, with aims to be one of the top shipping 10 registers globally. This not only relates to the UK’s fiscal regime but also investment to retain the competitive advantage within the UK. In this regard, there have been a large number of recent or planned investments in infrastructure, technology and education as well as ambitious environmental targets to support the Maritime sector. These include the establishment of Freeports, the move towards Smart Ports, autonomous vessel research and the creation of a new national maritime research centre, MarRI-UK.
  - Fishing – The UK’s fishing industry is relatively small but offers significant potential for the economy, particularly in view of the UK’s exit from the European Union. With Britain transitioning to an independent coastal state, the fishing industry expected a large quota bonus, with the value of the catch the UK can take in its own Economic Exclusion Zone (EEZ) expected to increase incrementally up to an average of 25%. In monetary terms this will be worth approximately £140 million per year to the UK fishing industry by 2026<sup>4</sup>.
  - Anglo-American’s Woodsmith Project, a Potash Mine, 5km to the south of Whitby is expected to contribute £1 billion to the UK Gross Domestic Product and employ 500 people locally. This presents direct employment opportunities and indirect opportunities through the project’s supply chain for Whitby’s residents. Whitby Maritime Training Hub has the opportunity to support and capitalise upon this through the provision of commercial space and training space accessible to stakeholders in the local economy.
- Re-think the expectations and role of the town centre by re-purposing an underutilised area – currently in use as surface car parking – in collaboration with the private sector, following commitment built through engagement over a number of years.
- Create synergies with the other projects funded by the Towns Fund as well as other initiatives planned across the town in order to transform Whitby town centre and the wider borough.
- Support a range of wider policy objectives with regards to skills, education and training, business growth, productivity, economic diversification/resilience and net zero as described in the next section.

However, in order to deliver these changes, public intervention and funding is required to address market failures and the lack of sufficient local funding as described below.

### ***Need for public sector intervention***

The need for public sector intervention to deliver the Whitby Maritime Training Hub and support the policy objectives described in the next section is based on a combination of the socio-economic challenges faced by the town; a range of market failures related to viability challenges; site-specific constraints and the need for coordination; and the absence of sufficient local funding.

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<sup>4</sup> However, this needs to be balanced against the need to maintain sustainable fisheries and the complementary export-import activities of different parts of the seafood industry, with initial challenges facing the sector in the months following Brexit.

## Market failures

**Viability constraints** – The Endeavour Wharf site has been subject to previous regeneration proposals, put forward by [REDACTED] for a Maritime-focused facility. However, the scheme did not come forward due to viability issues, given the shortfall between the site purchase cost and the asset value which limited [REDACTED] ability to deliver the type of quality development it needed. Public funding sourced from the European Union had previously been earmarked to plug this gap but was withdrawn as a consequence of the UK leaving the European Union. As a result, the site remains in use as surface car parking, meaning a prominent town centre site remains underutilised.

**Coordination requirements** – The Maritime Training Hub proposals involve various elements, stakeholder interests and activities across the public and private sector – as explained in more detail further on in this Strategic Case – meaning that implementing this scheme in a coherent way will require coordination between stakeholders and activities. This is a role that can only be fulfilled by the public sector.

**Positive Externalities** – Many of the benefits derived from the Maritime Training Hub project deliver positive externalities in the form of wider economic spillover productivity benefits to the economy from allowing residents and the workforce increased access to training and skills development, helping increase productivity. Some of these benefits will be captured by the fees charged by the Hub to the learners/employers but there will remain external productivity benefits which will be crucial to addressing productivity shortfalls recorded locally. The Hub will also support economic activity in the town centre through spending on goods and services in the local economy by trainees and visitors throughout the year. The delivery of the Maritime Training Hub, combined with other projects funded by the Towns Fund as well as other initiatives planned across the town, will form a credible offer to attract businesses to the area and stimulate additional inward investment.

**Insufficient local funding** – Scarborough Borough Council has made considerable progress in understanding the challenges and defining the interventions required to transform the Borough. However, it cannot deliver these regeneration schemes alone. The constraints on Local Authority budgets mean that the Council needs to secure external funding in order to fulfil Whitby's potential. The Council has a proven track record of successfully securing and delivering discreet publicly funded projects, such as Coastal Communities Fund, to regenerate areas across the Borough. However, Towns Fund monies are required to drive the economic regeneration of Whitby and deliver long term economic and productivity growth through the Maritime Training Hub which cannot be delivered without Town Deal funding.

## POLICY ALIGNMENT

The Whitby Maritime Training Hub project will be instrumental in addressing a range of policy priorities and objectives at the national, regional and local levels. The most directly relevant are summarised below.

### National Policy

#### National Planning Policy Framework (2021)

The National Planning Policy Framework sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally prepared plans for housing and other development can be produced. It defines three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways:

- *An economic objective* – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure
- *A social objective* – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open

spaces that reflect current and future needs and support communities' health, social and cultural well-being

- *An environmental objective* – to contribute to protecting and enhancing the natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.

### **Build Back Better: Our Plan for Growth (2021)**

The UK Government's plan to Build Back Better aims to address long-term challenges to deliver growth that creates high-quality jobs across the UK and capitalises on the country's key strengths. The Strategy focuses on levelling up the whole of the UK, supporting the UK's transition to net zero, and supporting the Government's vision for Global Britain. In order to achieve this, the Strategy identifies three core pillars of growth and subsequent policies:

- *Infrastructure* – supporting investments in broadband, roads, rail and cities infrastructure as part of the capital spending plans worth £100bn next year. Invest in local areas through the Levelling Up Fund, UK Shared Prosperity Fund, Towns Fund and High Street Fund.
- *Skills* – supporting productivity growth through high-quality skills and training: transforming Further Education through additional investment and reforming technical education to align the post-16 technical education system with employer demand. Additionally, improve the apprenticeship system and introduce the Lifetime Skills Guarantee to enable lifelong learning through free fully funded Level 3 courses, rolling out employer-led skills bootcamps, and introducing the Lifelong Loan Entitlement.
- *Innovation* – supporting the growth of SMEs through two new schemes to boost productivity: Help to Grow: Management, a new management training offer, and Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business. Also, support access to finance to help stimulate innovation, including through reforms to address disincentives for pension funds to invest in high-growth companies, continued government support for startups and scale ups through programmes such as British Patient Capital. Creating a £375 million Future Fund: Breakthrough product to address the scale up gap for our most innovative businesses.

### **Our Plan to Rebuild: The UK Government's Covid-19 Recovery Strategy (2020)**

The UK Government's Covid-19 Recovery Strategy is focused on allowing a “*return to life as close to normal as possible, for as many people as possible, as fast and fairly as possible.....in a way that avoids a new epidemic, minimises lives lost and maximises health, economic and social outcomes.*” The strategy is based on balancing three main factors:

- *Health effects* – consideration of overall health outcomes, not just those directly caused by Covid-19.
- *Economic effects* – protecting and restoring people's livelihoods and improving people's living standards.
- *Social effects* – consideration of the wider effect of the social distancing measures on how the public live their daily lives.

To deliver its phased recovery strategy, the Government will deliver fourteen programmes of work, including the need for “*economic and social support to maintain livelihoods and restore the economy*”. With the global economy set to change markedly, the UK will need to be agile in adapting to and shaping changes to improve living standards across the nation as it recovers from Covid-19.

### **UK Clean Growth Strategy (2017)**

The UK Clean Growth Strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions. It explains how the whole country can benefit from low carbon opportunities, while meeting national and

international commitments to tackle climate change. The key actions that the Government will take as part of this Strategy are set out below:

- Accelerating clean growth
- Improving business and industry efficiency
- Improving the energy efficiency of our homes
- Rolling out low carbon heating
- Accelerating the shift to low carbon transport
- Delivering Clean, Smart, Flexible Power
- Enhancing the benefits and value of our natural resources, and
- Leading in the public sector.

### **Maritime 2050: Navigating the Future (2019)**

The UK Government's Maritime 2050 Strategy is a long-term plan to shape the maritime sector over the next 30 years. Its strategic ambition is to *"grow our maritime workforce and transform their diversity enhancing our reputation as the world leader in the provision of maritime education and training"*, including by developing *"cutting edge seafarer training"*.

The Strategy is underpinned by 10 strategic ambitions, which include:

- Grow our maritime workforce and transform their diversity enhancing our reputation as the world leader in the provision of maritime education and training.
- Support the continued multi-billion pound commercial investment in maritime infrastructure that makes the UK a globally attractive destination for all maritime business.
- Continue to be recognised as the global leader in maritime safety and security standards and expertise worldwide.
- Promote our UK wide leading maritime cluster offer with government, the maritime sector and academia working in partnership to make the UK the place to do maritime business.
- Strengthen our reputation for maritime innovation, maximising benefits to the UK from new maritime technology through our world leading universities, maritime small and medium enterprises (SMEs) and global companies.

### **A Green Future: Our 25 Year Plan to Improve the Environment (2018)**

'A Green Future: Our 25 Year Plan to Improve the Environment', sets out what the Government will do to improve the environment, within a generation. The Plan focuses on six key areas which are:

- Using and managing land sustainably
- Recovering nature and enhancing the beauty of landscapes
- Connecting people with the environment to improve health and wellbeing
- Increase resource efficiency, and reducing pollution and waste
- Securing clean, productive and biologically diverse seas and oceans
- Protecting and improving the global environment.

### **Offshore Wind Sector Deal (2019)**

The Offshore Wind Sector Deal builds on the United Kingdom's global leadership in offshore wind, maximising the advantages for UK industry from the global shift to clean growth. The Sector Deal builds on the UK's global leadership position in offshore wind and seeks to maximise the advantages for UK industry from the global shift to clean growth, consistent with the Clean Growth Grand Challenge. It is built on the foundations of the Industrial Strategy, which include:

- Ideas
- People
- Infrastructure
- Business Environment, and
- Places.

### Department of Education's Post-16 Skills Plan (2016)

The Post 16 Skills Plan is the government's framework to support young people and adults to secure a lifetime of sustained skilled employment and meet the needs of the economy, which requires more highly skilled people, trained effectively, to raise productivity, and ensure prosperity. The Plan aims to reform the technical education option for young people, preparing individuals for skilled employment through 15 routes across all technical education, informed by employers who will be at the heart of designing and setting the standards. It covers college-based and employment-based (apprenticeship) education, building on apprenticeship reforms such as the Apprenticeship Levy.

### UK Government Net Zero Carbon Pledge (2019)

In 2019, the UK Government and the devolved administrations committed to the Net Zero target as recommended by the Climate Change Committee. Reaching net-zero requires extensive changes across the economy, with implications for project investment in the near future.

Table 2. How Whitby Maritime Training Centre supports national policy objectives

Policy	Alignment with objectives
NPPF	The Whitby Maritime Training Hub aligns with the <i>Economic Objective</i> of the NPPF. The provision of high-quality commercial space as part of the project will support growth, employment, innovation and improved productivity, with the mix of floorspace informed by local property market intelligence and local stakeholder opinion. The <i>Social Objective</i> will be met through the provision of a well-designed and safe built environment which will provide accessible services open to visitors. The provision of maritime focused training reflects Whitby's heritage, supporting community and cultural wellbeing through adding to Whitby's sense of place and cohesion, while training space which will help upskill the local community and address current and future needs based on feedback gained from consultation. Moreover, the <i>Environmental Objective</i> will be addressed through the focus on offshore renewables which will while the design of the building will be sympathetic to the local environment and incorporate sustainable design principles.
Build Back Better	Build Back Better highlights that high-quality skills and innovation is crucial for economic growth, boosting productivity and competitiveness. The Whitby Maritime Hub project is clearly aligned with the <i>Skills and Innovation</i> pillars, investing in education and training facilities to provide vital training and upskilling whilst addressing current and future skill gaps within Whitby and the maritime sector. This will lead to the generation of economic value, higher productivity and sustainable economic growth within the local economy, thereby 'supporting levelling up across the UK'.
Our plan to rebuild	As set out in its phased recovery strategy, the Government will deliver fourteen programmes of work, including the need for "economic and social support to maintain livelihoods and restore the economy". With the global economy set to change markedly, the UK will need to be agile in adapting to and shaping changes to improve living standards across the nation as it recovers from Covid-19. Such changes are of particular relevance to the Whitby Maritime Training Hub project, having implications for how people interact with town centres, the world of work and education – as evidenced by the shift towards online learning/working – which will impact and inform project elements such as the education and training facilities and wider commercial spaces.
UK Clean Growth Strategy	The investment in the Whitby Maritime Training Hub stands to contribute to the shift towards 'clean growth'. The offshore wind and wider renewables sector forms a key focus of occupants and training and educational delivery at the Hub, acting to contribute to 'delivering clean, smart, flexible power and enhancing the benefits and value of our natural resources'. Furthermore, the design of the facility will incorporate sustainability targets to ensure that the Hub contributes to 'improving business and industry efficiency'.

Maritime 2050	The Whitby Maritime Training Hub project will align with the objectives of Maritime 2050 by delivering cutting edge maritime focused training, thereby helping to ' <i>grow our maritime workforce and transform their diversity enhancing our reputation as the world leader in the provision of maritime education and training</i> '. Such training and upskilling activities, alongside the delivery of commercial space with a focus on maritime industries, also stands to contribute to strengthening the UK's reputation for maritime innovation, maximising benefits to the UK from new maritime technology, whilst also allowing the workforce to adapt to and embrace these changes. In turn, the high quality and state of the art education and training and commercial facilities have the potential to make Whitby a hub for maritime activity, to encourage future investment and strengthen the <i>UK-wide maritime cluster</i> .
A Green Future	As part of the 10 goals set out in the Plan, the Government aims to use " <i>resources from nature more sustainably and efficiently</i> " and manage pressures on the environment by " <i>mitigating and adapting to climate change</i> ". As the UK shifts increasingly towards renewables and looks for more sustainable ways to provide energy and stimulate economic growth, this will change the way the maritime industry operates. The plans for high quality education and training facilities at Whitby Maritime Training Centre will help upskill local residents and encourage innovative ideas which will help address the Government's goals outlined.
Offshore Wind Sector Deal	The Offshore Wind Sector Deal is aimed at promoting the development of offshore wind as an energy resource and supporting local employment in the offshore renewables sector. The Whitby Maritime Training Hub includes a key focus on supporting the burgeoning offshore renewables workforce, owing to the town's proximity to offshore wind opportunities and nearby clusters, which will directly support local employment in the sector, in clear alignment with the ' <i>People</i> ' pillar.
Department of Education Post-16 Skills Plan	The Whitby Maritime Training Centre project will provide education and training facilities designed to support young people and adults from the local community through upskilling through certified training opportunities and apprenticeships, in line with the Plan's aim to " <i>support young people and adults to secure a lifetime of sustained skilled employment and meet the needs of the economy</i> ". The Hub will <i>prepare individuals for skilled employment</i> and also generate employment opportunities for the local community by forging links between training providers and local employers, with maritime focused commercial space included in the Hub.
Net Zero Carbon Pledge	In order to meet the ' <i>carbon net zero by 2050</i> ' target, the UK will need to quickly adapt and pursue more sustainable resources and sources of economic growth. A major component of this is the change from fossil fuels to renewable sources of energy. The Whitby Maritime Training Hub project supports this change with the potential for offshore renewables focused training and commercial activity based onsite. Additionally, the design of the facility will incorporate sustainability targets and new technologies to ensure that the Hub contributes to the net zero target.

## Regional Policy

### York, North Yorkshire and East Riding LEP Local Industrial Strategy

The Local Industrial Strategy (LIS) outlines the vision for the York and North Yorkshire Local Enterprise Partnership (LEP) area to become England's first carbon negative region. This will be achieved by transforming the way the LEP area's economy works to deliver a carbon negative, circular economy that increases productivity and provides higher paid jobs. The LIS is underpinned by four priorities:

- *Connected and resilient places* – Digitally enabled places that connect residents and businesses to opportunity. Settlements that are resilient to climate change and contribute to a carbon negative region.
- *People reaching their full potential* – People with the skills and aspiration to reach their full potential, earning higher wages and living healthy lives in thriving communities.
- *An economy powered by Good Businesses* – Good businesses with great leadership that prosper from our distinct assets and contribute to a carbon negative region.
- *World leading land management* – World leading land management that transforms the value of the rural economy in the transition to a carbon negative region.

## **York, North Yorkshire and East Riding LEP Workforce Skills Strategy**

The Workforce Skills Strategy aims to create a local workforce that is constantly developing new skills, helping to not only grow Whitby's businesses but also to create fulfilling careers for those who work there. The following cross-cutting themes have been identified as key strategic intervention areas, that will enable the LEP and key stakeholders to achieve the vision of a diverse, high-quality, and inspired workforce;

- *Digital skills* – Technology is a driver of skills and is essential to business development across all sectors. Digital skills are important across all job roles regardless of sectors as they are vital for increasing business productivity and sustainability and growth.
- *Rurality* – Rurality is seen as a barrier to accessing learning opportunities – including delivery of apprenticeships. Financial viability of delivery in some remote areas is a disincentive to providers responding to workforce needs.
- *Leadership and management* – Leadership and management skills needs across sectors in small and micro businesses and sole traders including business and enterprise development and scaling up and succession planning skills.
- *Women* – Gender inequality across the workforce – this means that employers are not maximising the potential of women, and this has a direct impact on business and economic growth.
- *Inclusive workforce* – With a an increasingly tight labour market, across YNYER LEP area, and low unemployment rates, businesses need to be encouraged to develop a more diverse workforce, whilst also developing 'good' work to retain their existing staff.
- *Career progression/ investing in workforce* – In a tight labour market, businesses need to be encouraged to develop their own workforce instead of looking to recruit to fill skills gaps.
- *Sectors/technical* – To ensure the skills gaps and shortages across all key sectors are addressed, through a labour supply with the right skills, thus ensuring continued sustainability and growth of these sectors.
- *Local Economic Investment* – Need for a workforce and businesses that are equipped to take full advantage of the opportunities from current and future investments in local areas of particular significance to YNYER, including those in York and across coastal and rural areas.

## **York, North Yorkshire and East Riding LEP Covid-19 Recovery Plan**

The Greener, Fairer and Stronger Plan is York & North Yorkshire LEP's Covid-19 Economic Recovery Plan. It aims to set a positive vision of the future, enable collaboration, learning and economies of scale and develop significant economic stimulus projects to reshape the economy in a way that will underpin longer term growth. It is split up into four themes:

- *Place and Infrastructure* – Rejuvenate public spaces and town centres as places that work better, making them safe, greener and fairer for those who live work and visit in them.
- *People and Community* – Help people back into employment and rapidly reconfigure skills delivery by responding to new demands and new ways of learning.
- *Business and Innovation* – Support businesses to survive Covid-19 and thrive through resilience and innovation, delivering a greener, fairer, stronger economy.
- *Land Use and Environment* – Stimulate job creation and business growth by accelerating the transition to a greener, carbon negative, region.

Table 3. How Whitby Maritime Training Hub supports regional policy objectives

Policy	Alignment with objectives
YNYLEP Local Industrial Strategy	The Whitby Maritime Training Hub project will contribute to the <i>Connected and Resilient Places</i> priority with the proposed investment leading to a more thriving town centre, by diversifying activity away from tourism – which is highly seasonal – to support long-term, sustainable opportunities for local people. The investment will also contribute to and <i>People Reaching Their Full Potential</i> priority, by providing increased employment and educational opportunities, addressing the local gap in FE/HE provision and allowing local people to deliver higher value and earn higher wages.
YNYLEP Workforce Skills Strategy	The Whitby Maritime Training Hub will support the <i>Local Economic Investment</i> theme through the provision of new education and training facilities, building on Whitby's competitive advantage and strategic location in the maritime sector. The Hub will equip the workforce with the required skills and address maritime skills gaps and shortages to support local business growth and productivity, aligning with the <i>Sectors/technical</i> theme. This in turn will also support the <i>Inclusive Workforce</i> theme by diversifying activity and, in turn, the local employment base to access better paid, higher skilled jobs.
YNYLEP Covid-19 Recovery Plan	Under the <i>People and Community</i> , <i>Business and Innovation</i> and <i>Land Use and Environment</i> themes, key pledges include helping people back into employment, supporting businesses and stimulating job creation and business growth by accelerating the transition to a greener economy. These are key areas of activity for the Whitby Maritime Training Hub, which will see a previously underutilised area transformed through investment to deliver high quality commercial floorspace education and training facilities for local residents, which will help stimulate job creation and sustainable economic growth.

## Local Policy

### Scarborough Local Plan (2017)

The Local Plan sets out the vision and objectives for the borough, allocates sites for housing and other forms of development and sets out development management policies for the Scarborough Borough planning area. It sets the criteria for the determination of planning applications and sets out how other plans and strategies will be implemented. The local plan details the aims:

- To minimise the impacts of the built environment on climate change and mitigate associated localised impacts.
- To concentrate development within and adjacent to the main settlements along the coast.
- To facilitate the delivery of a range of housing to meet local needs.
- To support growth and diversify the economic base including the rural and marine economy.
- To recognise and build upon the tourism opportunities the area offers in respect of its unique position having easy access to both the coast and the countryside (including the North York Moors National Park).
- To minimise the use of resources and to safeguard, enhance and realise the potential offered by the natural, built and historic environment.
- To safeguard and reinforce the distinctive character of the various settlements.
- To make best use of existing infrastructure and secure new or improved infrastructure where required.
- To build upon the excellent opportunities for communities to access good quality open space for recreational and reflective purposes and to increase opportunities for participation in sport and health benefiting activities, and
- To enhance accessibility and connectivity to and from key services, between settlements and outside of the Borough.

## Scarborough Borough Council – Building a Better Borough

The building a better borough initiative aims to shape the future of the council and more importantly, the communities it serves for the benefit of the people who live, visit and invest in the Borough of Scarborough. The plan is built on five building blocks that underpin the themes. These are vision, behaviour, corporate plan, pride in our people and a new relationship with residents – harnessing community energy. Ten themes are then highlighted:

- *Vibrant town centres* – Attractive, clean and well supported centres with something for everyone.
- *A premier visitor destination* – To develop a premier visitor destination that will encourage visitors to spend more, stay longer and return.
- *Happy, healthy people* – A borough where people are healthy, active and happy doing what they enjoy. For people to have a good work/life balance and improved health and wellbeing. To enjoy our parks and open spaces.
- *A good quality home for all* – Ensuring everyone in the borough has a decent home to live in and avoids homelessness, with no-one forced to sleep on the streets. To ensure everyone has access to good quality, affordable housing.
- *A clean, green and attractive environment* – To be a more sustainable borough, to live in a borough we are proud of with clean, green and attractive open spaces that we all look after and enjoy. To be a borough where climate change matters.
- *Economic growth that benefits everyone* – Residents to be able to develop their skills, more businesses and residents to benefit from regeneration and investment in the borough. To create an inclusive economy that benefits everyone. Support work to provide quality jobs for everyone.
- *A vibrant culture and heritage offer* – Culture can bring communities together, attracting visitors and businesses. A culture offer that enhances our borough and creates a place where people want to live, work and visit.
- *Thriving and engaged communities* – A thriving community participating in their local area, feeling engaged and part of the conversation.
- *A well-connected place* – Support work to improve transport and internet connections so people and businesses can connect with each other more easily. Harness the power of digital to improve people's opportunities and improve connectivity in the borough.
- *A borough where we all feel safe* – Working in partnership to reduce crime and anti-social behaviour throughout the borough and ensure residents and visitors feel safe and are safe.

## Scarborough Employability and Skills Plan

The strategy outlines opportunities and sets out how the Council, with its public and private sector partners, will seek to tackle welfare to work issues, the fundamental requirement to resolve skills deficit issues, and the need to raise the levels of aspiration and educational performance in the Borough. Six strategic objectives were identified:

- To enhance cultural provision and the environment in order to rebuild the image of the area as a quality and dynamic place to live, work and invest.
- To improve connectivity to the Borough.
- To diversify the economic base of the area through continued expansion of high value-added advanced manufacturing, the knowledge based and service industries.
- To enhance business performance in the tourism sector and increase visitor expenditure by capitalizing on the area's strengths.
- To improve the skills and the educational attainment of the local population and workforce.
- To target action at specific neighbourhood areas which are economically and socially disadvantaged.

Table 4. How Whitby Maritime Training Centre supports local policy objectives

Policy	Alignment with objectives
SBC Local Plan	A key aim outlined in the Local Plan is “to support growth and diversify the economic base including the rural and marine economy”. The context and challenges section demonstrates Whitby’s over-reliance on the tourism industry and the need to diversify its economic base to facilities productivity and economic growth. The Whitby Maritime Training Hub project will directly support this by developing educational and training facilities specific to the maritime industry with the intention of upskilling the local community and provide employment opportunities within the maritime sector. The long-term aim of this is to generate local economic growth and provide revenue from an alternative economic sector thus reducing the dependency on the tourism industry for growth and increase the town’s economic resilience.
SBC Building a Better Borough	The commercial and educational space within the Whitby Maritime Training Hub will contribute to the Council’s <i>economic growth that benefits everyone</i> target by providing opportunities for residents to develop their skills and spaces for businesses to locate and provide quality jobs. The aim of this is to attract investment – both now and in the future – leading to long term economic growth. The project has been formed through significant consultation with local stakeholders, with ongoing consultation to understand and support the local needs of the community, therefore, the project also aligns with the <i>thriving and engaged communities</i> theme outlined.
Scarborough Employability and Skills Plan	Within the Scarborough Employability and Skills Plan, a key strategic objective identified is the need to <i>improve the skills and the educational attainment of the local population and workforce</i> . The Whitby Maritime Training Centre will contribute to this objective with the proposed implementation of education and training facilities onsite designed to upskill local residents, address local skills and provision gaps and provide people with a long-term career path to ensure people can meet their career and educational goals in the local area. The Hub will also <i>diversify the economic base of the area</i> through its focus on the maritime sector, helping to broaden the local economic base, leading to productivity improvements and making the town less vulnerable to economic shocks.

## VISION AND OBJECTIVES

The vision for the Whitby Maritime Training Hub is:

*“To become a renowned centre of maritime training and enterprise which strengthens and supports the local maritime sector and embodies traditional and 21st century maritime culture”*

It is underpinned by the following objectives:

1. To support the training requirements of the local industry through certified, technical training and apprenticeships, acting to increase qualification levels amongst the working age population.
2. To enhance the perception of the maritime and associated industry amongst local people and businesses, generating a more viable sector which becomes more attractive to work in.
3. To deliver high quality, affordable and flexible commercial space, driving increases in the number of maritime enterprises within the Town Deal Area.
4. To support high level education and career pathways for local people, delivering higher value in the local area.

Project stakeholders’ ambition for the Maritime Hub extends beyond the current Town Deal investment and the preferred option developed through this business case process. The intention is to continue to identify future investment opportunities once the Hub is established to invest in additional facilities when money becomes available.

The extent to which the objectives are met will be underpinned by the following measures of success:

Table 5. Whitby Maritime Training Hub Measures of Success

Objective	Measures of Success	Target / Measure
1	Increased working-age population completing certified technical training courses and qualifications/ apprenticeships	<ul style="list-style-type: none"> <li>• Short Courses – 596 per annum</li> <li>• Level 2 Diploma in Sea Fishing – 24 per annum</li> <li>• Level 3 Apprenticeship Std Workboat Crew – 12 per annum</li> </ul>
2	Improved perceptions of the maritime sector	Year-on-year increase in course demand / enquiries at WFS
3	Increased maritime business counts	1 per annum
	High quality commercial floorspace delivered	2,985m <sup>2</sup>
4	Improved perceptions of the place by residents/ businesses/visitors	Monitored as part of ongoing surveys

## THE PROPOSED INVESTMENT

### *Summary of options considered and how this project was shortlisted*

The Whitby Maritime Training Hub project was identified from a long list of projects considered for inclusion in the Whitby Town Investment Plan across 6 workstreams of activity, namely:

- Skills and enterprise
- Live here work anywhere
- Connectivity
- Heritage, culture and special places
- Well-being
- Resilience and sustainability.

The workstreams were led by Town Deal board members who engaged with relevant parties and external expertise to develop detailed project proposals for Town Deal investment. This resulted in a long list of around 20 projects for further consideration. These project proposals were then tested and prioritised by the Whitby Town Deal Board with input from external consultancy support as well as extensive stakeholder engagement (see TIP for details).

This long list required shortlisting into a set of priority projects that fit with the objective of the Towns Fund (i.e. to drive the economic regeneration of towns to deliver long term economic and productivity growth). The approach to prioritisation was tested and agreed with Scarborough Borough Council and the Whitby Town Deal Board. It scored long listed projects based on a two-phase method. The first phase scored the projects for strategic fit assessing the extent to which schemes aligned with the objectives of the Town Deal Prospectus and local economic development priorities such as those defined in Scarborough's 'Building a Better Borough' initiative and the York and North Yorkshire Local Enterprise Partnership's Local Industrial Strategy.

The projects were then assessed against the principles of the Green Book and typical approaches to business case appraisal. A proportional approach was taken to testing scheme assurance as most of the schemes identified were at an early stage of development. The result of this process was a list of nine projects taken forward in the Town Investment Plan. Since then, this list of nine projects has been narrowed down to six (presented in the introduction) in order to align with the funding allocated to Whitby.

The specification of the Whitby Maritime Training Hub project has evolved since that outlined in the TIP, based on a detailed feasibility study and property market assessment which was subsequently undertaken. This reviewed the scheme's core components in relation to market trends, local demand and existing provision and validated initial stakeholder interest in the Hub.

This process resulted in the preferred specification for the scheme described below. Variations to the design can be considered as part of alternative options, also included in the table below along with the assumptions for the baseline scenario (i.e. should funding for the scheme not come forward).

Table 6. Scheme Specifications

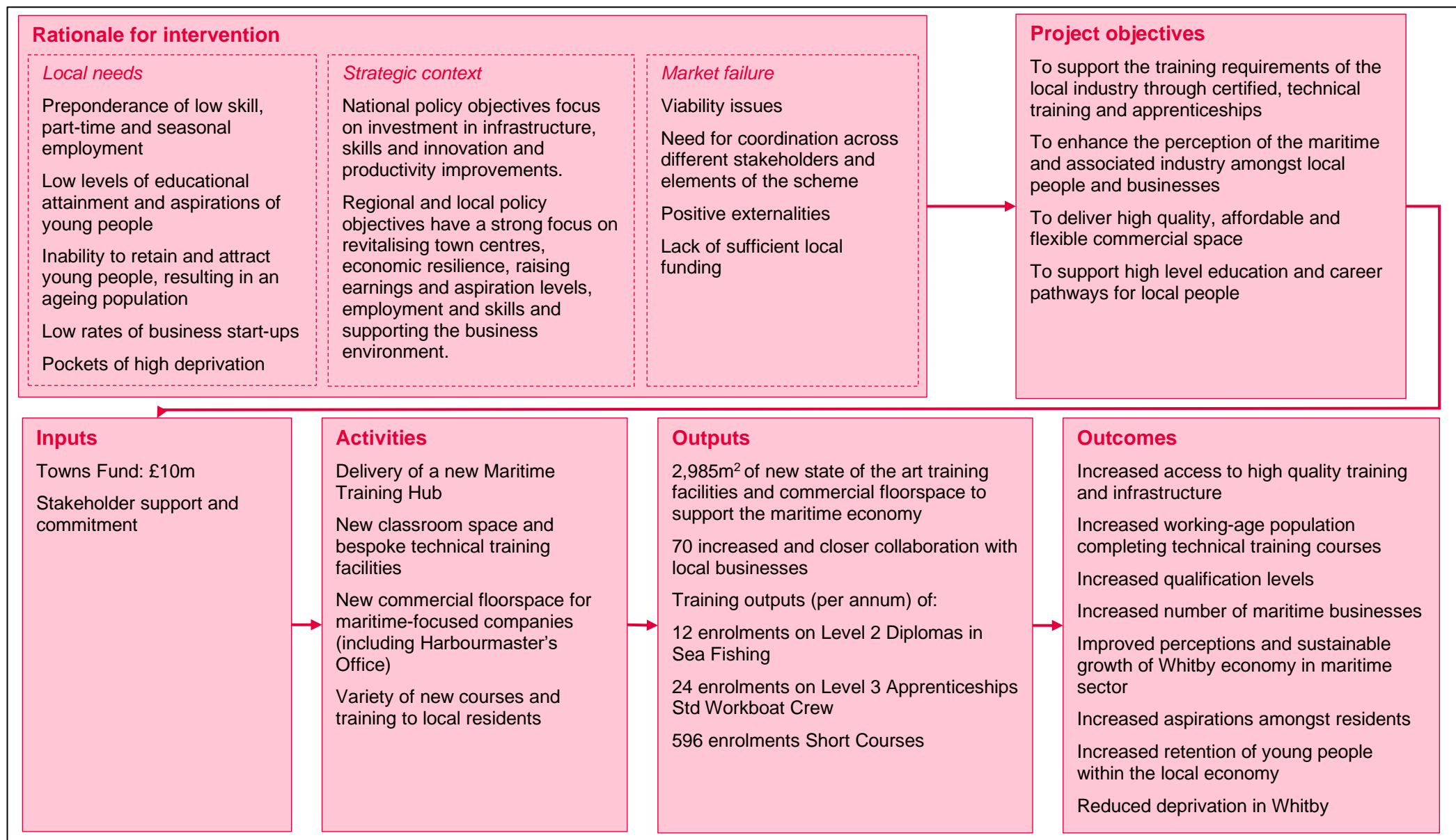
	Option 1: Do Nothing Baseline / Counterfactual	Option 2: Do Minimum	Option 3	Option 4: Preferred Option	Option 5
<b>Training Space</b>	<p>██████████ would remain in its current facility with limited capacity to expand its offer (breadth/level) and deliver courses to larger groups, and outdated facilities/equipment.</p> <p>Delivery from parties including ██████████ ██████████ ██████████ would remain in their current institutions/partners with no direct delivery of FE/HE from these partners in Whitby.</p>	<p>359m<sup>2</sup> Classroom Space 126m<sup>2</sup> engineering workshop 98m<sup>2</sup> Staff Room 173m<sup>2</sup> canteen and kitchen</p>	<p>No dedicated classroom space, as per the counterfactual</p>	<p>287m<sup>2</sup> Classroom Space 129m<sup>2</sup> engineering workshop 211m<sup>2</sup> canteen and kitchen</p>	<p>488m<sup>2</sup> Classroom Space 134m<sup>2</sup> Wet Lab 329m<sup>2</sup> workshop space 96m<sup>2</sup> Staff Room 242m<sup>2</sup> canteen and kitchen 425m<sup>2</sup> survival pool</p>
<b>Commercial Floorspace</b>	<p>The range of commercial floorspace on offer in Whitby would remain limited due to viability constraints. This would impede the growth and diversification of the economy to accommodate wider functions, such as servicing the offshore energy market.</p>	<p>146m<sup>2</sup> ██████████ ██████████ offices 24m<sup>2</sup> meeting room 10m<sup>2</sup> private office</p>	<p>934m<sup>2</sup> office space for ██████████ including board room and 2 meeting rooms 467m<sup>2</sup> Goods Handling, internal light cargo and transit area to support ██████████ operations 195m<sup>2</sup> public exhibition space</p>	<p>322m<sup>2</sup> office space for ██████████ including board room, meeting room and CEO Private Office 175m<sup>2</sup> Goods Handling, internal light cargo and transit 118m<sup>2</sup> crew transfer area 114m<sup>2</sup> public exhibition space 129m<sup>2</sup> ██████████ ██████████ offices</p>	<p>146m<sup>2</sup> ██████████ ██████████ offices 24m<sup>2</sup> meeting room 9m<sup>2</sup> private office</p>
<b>Incubation Space</b>	<p>The lack of suitable, flexible spaces for start-up or small businesses would remain owing to viability constraints, with persistent high demand at St Hilda's</p>	<p>417m<sup>2</sup> Flexible Office Space</p>	<p>395m<sup>2</sup> Flexible Office Space</p>	<p>222m<sup>2</sup> Flexible Office Space</p>	<p>245m<sup>2</sup> Flexible Office Space</p>

	Option 1: Do Nothing Baseline / Counterfactual	Option 2: Do Minimum	Option 3	Option 4: Preferred Option	Option 5
	Business Centre and Green Lane Business Centre, leading to businesses locating elsewhere or thwarted ambition locally.				
<b>Harbourmaster's Office / TIC</b>	The Harbourmaster's Office would remain in its current building, alongside the Tourist Information service, offering limited visibility and lacking complementarity with wider maritime activities.	78m <sup>2</sup> Harbourmaster's Office 26m <sup>2</sup> Terrace	80m <sup>2</sup> Harbourmaster's Office 27m <sup>2</sup> Terrace	60m <sup>2</sup> Harbourmaster's Office 24m <sup>2</sup> Terrace 95m <sup>2</sup> Tourist Information Centre	78m <sup>2</sup> Harbourmaster's Office 26m <sup>2</sup> Terrace
<b>Car Parking</b>	Existing parking capacity 220 public and 30 privately rented	Private tenants' car park: 24 spaces Visitors and Public: 105 spaces	Private tenants' car park: 24 spaces Visitors and Public: 93 spaces	Private tenants' car park: 29 spaces Visitors and Public: 83 spaces	Private tenants' car park: 34 spaces Visitors and Public: 55 spaces
<b>Total Floorspace<sup>5</sup></b>	N/A	2,171m <sup>2</sup>	2,576m <sup>2</sup>	2,985m <sup>2</sup>	3,486m <sup>2</sup>
<b>Net Lettable Area</b>		1,677m <sup>2</sup>	2,168m <sup>2</sup>	2,421m <sup>2</sup>	2,688m <sup>2</sup>

<sup>5</sup> Includes further elements including circulation, ancillary facilities, changing areas and reception/administration areas

### ***Project's theory of change and how it addresses objectives and vision***

Based on the understanding of the local socio-economic context, policy objectives and project specifications described in the preceding sections, the scheme's ability to effect change can be summarised through a logic mapping approach in line with the guidance AECOM co-wrote with the Tavistock Institute ('Guidance for Transport Impact Evaluations'). This summarises the challenges which the scheme aims to address, the critical success factors, the desired outcomes/ impacts and sets out the causal mechanisms between the core elements of the intervention and expected changes, developing a robust Theory of Change.



The activities described above directly align with the objective of the Towns Fund to drive the economic regeneration of towns and deliver long term economic and productivity growth through:

**Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change. Under this theme, the Towns Fund prospectus highlights the importance of perception of place as an important 'pull' factor in business location decisions and a place's capacity to attract and retain workers. The investment proposed here will significantly improve the perception of Whitby, by building on the town's strong maritime heritage and sense of place and investing in an underutilised site under Council ownership to support the regeneration of the town centre.

**Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development. The Towns Fund Prospectus highlights the need to address the skills requirements of local employers and that collaboration between businesses (large and small) and education providers is important to deliver a more highly skilled workforce. The Maritime Training Hub proposals will directly address these needs through investment in a new facility that provides both commercial space and also areas to deliver training.

**Connectivity:** developing local transport schemes that complement regional and national networks. The prospectus highlights that in many towns, there is a disconnection between where people live, and where jobs can be found which render some sites unattractive to businesses. The Whitby Maritime Training Hub will be based at a prime, town centre location, meaning that the Hub is well connected to workers and attractive to businesses, which stands to open up new opportunities for people in the area.

### **Project risks, constraints, and interdependencies**

Implementing the Preferred Option for the scheme presents a number of risks and constraints which need to be managed. These are summarised below and a detailed risk register, with mitigation measures, is provided in Appendix C.

The main risks related to the projects in terms of the severity and likelihood of their potential impacts are set out below:

*Table 7. Whitby Maritime Training Hub Risk Register*

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
The ability to secure sufficient funding, without which the project cannot proceed.	The scheme is not able to proceed.	Heads of Terms have been agreed with DLUHC in relation to the Towns Fund. Development of a robust business case for the project has been undertaken to ensure a successful funding outcome.
Legal advice shows the scheme (or elements thereof) are unviable.	The scheme is not able to proceed on Endeavour Wharf.	SBC to obtain legal advice to determine allowable uses on Endeavour Wharf in line with current statutory position.
The ability of the proposal to receive planning permission given the sensitivity of the site and potential for local residents/business owners oppose the scheme due to loss of provision of car parking.	Project delays / risk that the scheme is not able to proceed on Endeavour Wharf.	Early engagement with planning team and extensive stakeholder engagement, guided by a communications plan, with local residents, businesses and harbour users.
Income generated by the scheme does not offset the car parking revenue foregone.	Net impact of the scheme is a loss to the Council	Preparation of a robust financial appraisal and affordability assessment within the financial case which considers the cashflow impact of the development from the Council's perspective
Inability to secure sufficient commitment and agree Heads of Terms with operator and occupiers / levels of demand and commercial interest for potential commercial uses on the site	Impact on the scheme's ability to progress and deliver against project outcomes	Potential occupiers identified within initial feasibility study commissioned by SBC and engaged throughout the design process and development of the business case. Extensive consultation and stakeholder engagement undertaken which identified a range of potential occupiers outside of those selected within the business case. Early engagement to ensure milestone is met.
The ability to find a suitable development partner and mechanism for the comprehensive re-development of the site	Impact on the scheme's ability to progress in line with the project programme	The Council has a strong track record of delivering design and build schemes, as set out in the commercial case, with an established procurement strategy and frameworks to identify a development partner. Early engagement is planned.
Variations to works contract as the project progresses, leading to cost increases and / or delays.	Impact on the scheme's ability to progress and deliver against project outcomes/programme	Allowances have been made within the financial case and project programme to account for risks to project costs (contingency allowance) and programme delays.

There are also a number of constraints and dependencies which will shape the phasing and influence the deliverability of the scheme. These include:

- Securing planning permission/relevant consents
- Securing agreement between project partners/stakeholders
- Outstanding objection to Council accounts / Harbour land status overcome.

## STAKEHOLDERS

The scheme involves a wide range of internal and external stakeholders listed below.

*Table 8. Internal Stakeholders (SBC)*

Internal Stakeholder	Role and interest
Capital Project Board	Provides project governance, steering and oversight to the Towns Fund Programme
Executive Management Team (EMT)	Council CE & Directors. Provides management of the Council
Project team	Provides management of the project
Leader of the council	Leader of the Council
Cabinet members	Form part of the Council Executive
Councillors – general+	The Council decision making body for Full Council
Planning team (via Marcus Whitmore)	Local planning authority
Estates Team (via Bryan Walker)	Responsible for property on behalf of the Council
Parking team (via Jane Wilson)	Responsible for parking enforcement on behalf of the Council
Regeneration project teams	Responsible for economic regeneration on behalf of the Council
Harbourmaster's Office	Chair of Harbour Users' Group and potential occupier

*Table 9. External Stakeholders*

Name	Organisation	Role and interest
██████████	Whitby Town Council	Mayor of Whitby Town Council, Town Deal Board Member/Project Steering Group member. Local champion with detailed understanding of Whitby, the local community and has undertaken significant stakeholder engagement to inform proposals.
██████████	Scarborough Borough Council	Project Steering Group member and local ward councillor on both Scarborough Borough Council.
██████████	Hull University	Potential user.
██████████	CU Scarborough	Town Deal Board Member and potential user.
██████████	Scarborough TEC	Potential user.
Various	Whitby Sixth Form	Potential user / pipeline.
-	DLUHC (Towns Fund)	Once business cases are complete and approved by S151 officer, requirement to provide Summary Document to DLUHC to review and then provide funding.
██████████	Whitby Seafoods and Whitby Town Deal Board	Board Chair / vital to coordinating business case sign-off. Head of Responsible Business at a key local employer and brand ambassador for Whitby.
██████████	MP	Key role in process of designing and agreeing the Town Investment Plan and previous Minister of State for Agriculture, Fisheries and Food.



- Arts and culture organisations and stakeholders including Whitby Philosophical and Literary Society, Pannett Art Gallery, COAST/Invisible Dust, and officers from North Yorkshire and Scarborough Borough Councils.

### *Engagement with the Local Community*

The general public were invited from the outset to submit their ideas for what they thought was needed most in the town. The consultation process has included public consultation events and exhibitions, over 30,000 engagements/views via electronic and social and traditional media and over 390 direct contributions, nine Town Deal board meetings and over 30 development meetings. The outcomes of this consultation with the community played an important role in prioritisation overall both initially and once the projects for inclusion were identified. Engagement via a range of communication techniques, media and social media was key to achieving a strong level of outreach across the town. The following sources and mediums were utilised:

- HM Government #MyTown website
- The Whitby Gazette
- Scarborough Borough Council Website
- Yorkshire Coast Radio
- Twitter: Whitby MyTown @WMyTown
- Leaflet Distribution
- Email and Written Communications
- A Whitby Town Deal Q&A
- Facebook: Scarborough Borough Council and HM Government Cabinet pages

In addition to this, contact was made with the following groups in particular to encourage members to have their say: Whitby Disablement Action Group, Whitby and District Tourism Association (50 members representing the tourism and hospitality businesses), and Whitby Civic Society, the latter publishing an article on the Whitby Town Deal in its newsletter to its members.

Also, the views of the leaders of four youth groups were sought comprising Whitby Boxing Club, Whitby Youth Assembly, Whitby Air Cadets 740 Squadron and Whitby school federation. This generated comments on the #mytown website from individuals in these groups.

Overall tens of thousands of residents and visitors were reached and invited to contribute to the plans and proposals which were prioritised for inclusion within the Town Investment Plan for Whitby.

### **Whitby Maritime Training Hub**

In order to inform the development of the Whitby Maritime Training Hub project, detailed stakeholder engagement has been undertaken through the Project Steering Group and wider consultancy support.

A consultation exercise was undertaken with representatives from the maritime sector, both local and national, as well as the wider public sector. This covered 30 organisations further wider stakeholders including: Maritime Skills Alliance, North Eastern Inshore Fisheries and Conservation Authority (NEIFCA), York University, Yorkshire Wildlife Trust, Whitby Lobster Hatchery, Whitby Yacht Club, Whitby Cruising Association, Coates Marine (Local chandlers), Parkol Engineering (boat builders) and fish merchants/providers of fish market services. Consultation was also undertaken with major organisations outside the maritime and fishing industries and potential opportunities and synergies between the activities of those organisations and activities to take place at the Whitby Maritime Training Hub. Those organisations included Anglo American, which identified a range of transferable skills between the maritime and mining industries and some common training requirements.

*Table 10. Consultation – Whitby Maritime Training Hub*

Name	Organisation
	Whitby Fishing School

Name	Organisation
[REDACTED]	Anglo American
[REDACTED]	Anglo American
[REDACTED]	Anglo American
[REDACTED]	Dalby Offshore
[REDACTED]	CU (Coventry University)
[REDACTED]	CU (Coventry University)
[REDACTED]	Scarborough TEC
[REDACTED]	University of York
[REDACTED]	University of Hull
[REDACTED]	University of Hull
[REDACTED]	NEIFCA
[REDACTED]	Maritime Skills Alliance
[REDACTED]	Whitby Seafoods
[REDACTED]	Mayor - Whitby Town Council
[REDACTED]	Councillor – Whitby Town Council
[REDACTED]	Whitby Harbour Master
Various	Whitby Harbour Users Group
[REDACTED]	York and North Yorkshire LEP
[REDACTED]	York and North Yorkshire LEP
[REDACTED]	Hambleton District Council E-Campus initiative
[REDACTED]	East Riding Council
[REDACTED]	Whitby Lobster Hatchery

Stakeholder engagement also extended to other Maritime Training Centres across the UK to understand best practice, lessons learnt, indications of demand and facilities requirements, which included conversations with Warsash Academy, South Shields Marine School and Humber Offshore Training Academy.

Expression of Interest forms were extended to local stakeholders to inform the Project Steering Group as to support for the proposal, space/facilities requirements, proposed activities and anticipated demand.

Stakeholder engagement has indicated widespread support for the Maritime Training Hub project such as from Diane Leith (resident February 2020) *“We need to look to the future and the jobs that are on the horizon – green jobs and tech jobs – they need to be supported to come here.”*

Stakeholder engagement has heavily influenced the strategic case. The individual stakeholder conversations undertaken were guided by a detailed consultation guide which was structured around HM Treasury’s 5-Case model, with key findings including:

**Challenges facing the local area** – Stakeholders reflected the challenges associated with the ageing workforce and the difficulty retaining young people within the local economy owing to lack of opportunity and perceptions of work/pay locally (particularly in the maritime sectors). The peripheral location of Whitby was also seen as a challenge in attracting/retaining workers and growth prospects for businesses (difficulty getting people/goods in and out).

**Evidence of need** – Stakeholders reflected the lack of FE/HE provision locally which was felt to result in many dropping out of education or progressing with the wrong options (i.e. moving to 6<sup>th</sup> Form when a vocational route would be more suited to their goals).

Stakeholders such as Dalby and Whitby Fishing School reflected a lack of appropriate space from which to realise growth opportunities within the local economy. This evidence was also vital in informing the Do-Nothing scenario.

**Vision and Objectives** – The Project Steering Group and consultation exercise took stakeholder views on the Vision and Objectives for the Maritime Training Hub, with stakeholder feedback underpinning those presented in the Strategic Case.

### **Future Engagement Activities**

Ongoing and future engagement to support delivery of the Whitby Maritime Training Hub scheme will be managed through a Consultation and Communication Plan. The Plan considers the level of involvement across groups to date, appropriate engagement methods and any changes in social circumstances to ensure compliance with any future restrictions and guidance.

The project will continue to be developed with the established stakeholder group to maintain focus on the original vision for the scheme.

Further detail on stakeholder engagement is provided in the Management Case.

# ECONOMIC CASE

# ECONOMIC CASE

## INTRODUCTION

This section of the Business Case sets out the Economic Case for the Whitby Maritime Training Hub. In line with the requirements of the latest HM Treasury Green Book (2020), this Economic Case quantifies the economic costs and benefits associated with the project. It sets out:

- The approach to economic case, including optioneering
- The assumptions and approach to quantifying economic benefits
- The assumptions and approach to quantifying economic costs
- The value for money assessment for each option, including identification of a preferred option and
- A description of non-quantified benefits.

## APPROACH TO ECONOMIC CASE

### *Developing a long list of options*

In order to develop a long list of options for the Whitby Maritime Training Hub, an in-depth consultation exercise was undertaken with key stakeholders identified by SBC as being interested parties in occupying/utilising the facility or with wider knowledge of the maritime sector which could inform design proposals and the location of the facility.

This exercise built upon previous feasibility studies and designs from key stakeholders:

- **Dalby Offshore** – In 2015 Dalby Offshore developed designs for a Maritime Hub on Endeavour Wharf to house its operations, the Harbourmaster's Office and provide wider commercial floorspace to maritime and related businesses.
- **Whitby and District Fishing School** – In 2014, Whitby and District Fishing School undertook a feasibility study to map out the range of facilities that were required to broaden its offer into offshore renewables and wider maritime courses, as well as to deliver activities to larger groups.

Both of these stakeholders were unable to progress these plans owing to a lack of funding being available.

The consultation exercise considered stakeholders' views regarding the most suitable location for the Maritime Training Hub, with the below options identified:

**Whitby Industrial Estate** – Whitby Industrial Estate is located approximately 1.7 miles to the South East of Whitby town centre, just off the A171. This option would provide ample space for Maritime Hub activities, road connectivity and parking availability. However, its location is peripheral in relation to the town centre offering limited profile to the Maritime Hub and wider issues in relation to its proximity to the marine environment (boat and water access) and accessibility via public transport and active modes. It was therefore discounted.

**Endeavour Wharf and Whitby Industrial Estate** – This option would see the proposed activities split between Endeavour Wharf – which would house the classroom and marine-based learning and office space – and Whitby Industrial Estate, which would house the engineering workshops and other technical training activities. This option would see a smaller footprint on Endeavour Wharf, allowing more car parking to be retained in the town centre, and the more “industrial” aspects of the training to be delivered outside of the town centre. However, the consultation and review of comparator centres reflected negative perceptions of split sites and operational inefficiencies which led to this option being discounted.

**Endeavour Wharf** – This option would see all activities housed at one town centre site, on Endeavour Wharf. This site would provide a prominent location in the heart of the town centre with direct access to the river/berths and the wider maritime stakeholders in Whitby, while also affording greater transport connectivity and the ability to drive wider town centre regeneration through associated footfall and economic diversification. Endeavour Wharf was therefore selected as the preferred location for the Maritime Training Hub.

Following the consultation exercise and confirmation of the location, a detailed Request for Information was provided to each project stakeholder to understand their requirements in detail. This resulted in the following long list of options being drawn up:

- **Option 1 Do Nothing** – This would see the site on Endeavour Wharf remain in its current state as surface car parking.
- **Option 2 Do Minimum** – A 2,171m<sup>2</sup> facility to include the provision of training facilities, including classroom, IT suite and workshop training space, and office space for [REDACTED] with access also afforded to wider FE and HE providers on an open-access basis; and space for the Harbourmaster's office. High specification training facilities such as simulators and pool are excluded.
- **Option 3** – A 2,577m<sup>2</sup> facility with a more commercial focus providing office space to house [REDACTED] activities, with additional flexible office/education space for other users and the Harbourmaster's Office.
- **Option 4** – A 2,985m<sup>2</sup> facility to provide commercial and training space for [REDACTED] education space for [REDACTED] for training<sup>6</sup>, space to accommodate the Tourist Information Centre, Harbourmaster's office and operational facilities, alongside additional flexible office space available to other businesses/start-ups.
- **Option 5** – A 3,486m<sup>2</sup> higher specification maritime training centre to include an environmental training pool, working from height area, wet lab and simulators; flexible office space to support business incubation activities and space for the Harbourmaster's office.
- **Option 6 Do Maximum** – The Do Maximum option represents a mix of Options 3 and 5, allowing the Maritime Training Hub to be capable of meeting the full requirements of [REDACTED] whilst also providing access to training facilities by external organisations; flexible office space to support business incubation activities and space for the Harbourmaster's office. This proposal also includes space for a lobster hatchery.

Longlisted options were assessed against the following critical success factors:

- **Strategic fit:** alignment with vision for Whitby town centre, alignment with Town Deal objectives and priorities, and local support from community and stakeholders.
- **Benefit optimisation:** delivering value for money.
- **Achievability:** ability to secure planning consent, ability to attract suppliers and operators.
- **Affordability:** overall cost and ability to fund the option.
- **Flexibility:** there was an inevitable degree of uncertainty about the future in light of the impact of Covid-19 on the local economy. The proposed development (size and configuration) ideally needed to be able to be adaptable to different uses going forward.
- **Quality:** the proposals therefore need to be of a very high quality (in terms of the proposed uses as well as physical build).

The results of the longlisted options appraisal are presented in Table 11 below which results in the preferred approach being defined and justified.

*Table 11. RAG Rating of Long Listed Options*

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<sup>6</sup> Also available to wider FE and HE providers

Option	Strategic fit	Benefit optimisation	Achievability	Affordability	Flexibility	Quality	Conclusion
Option 1: Do Nothing							This Option would allow revenue from car parking to be maintained but does not achieve any of the intended benefits for the Whitby Town Deal Area and will contribute to the continued decline and a lack of economic diversification/resilience. <b>Taken forward.</b>
Option 2: Do Minimum							This option would provide a higher standard of accommodation for [REDACTED] capacity to accommodate larger groups and use from other educational delivery bodies. It also provides flexible space to support maritime sector businesses and allows more public car parking to be maintained within the red line boundary. However, it lacks the scale, in terms of the building footprint and diversity of commercial uses which stand to create a unique Hub to attract users and occupants, drive employment and change perceptions of the Maritime sector, thereby creating benefits for the town centre and wider economy. <b>Taken forward.</b>
Option 3							This option was discounted owing to it not providing education/training space to meet identified the requirements of stakeholders and the maritime sector more broadly as outlined in the TIP demand. This could compromise the overall ability of the Hub to effect change within Whitby town centre. <b>Discounted.</b>
Option 4							This is identified as the preferred option. It aligns with the TIP by delivering a high value combination of education/training and commercial space of a sufficient scale. The option provides space for two anchor tenants – [REDACTED] School – to support activity and the ongoing viability of the Hub. This has the potential to drive maritime skills delivery and attainment; maritime business activity and employment; and footfall towards this part of the town. <b>Taken forward.</b>
Option 5							This option meets the full requirements of [REDACTED] [REDACTED] However, the limited demand associated with technical training elements and limited ability of this option to accommodate wider commercial uses to support the ongoing viability of the Hub results in this option being <b>Discounted.</b>
Option 6							This option meets the full requirements of key stakeholders such as [REDACTED] [REDACTED] However, the cost associated with this option is prohibitive in light of the Towns Fund ask and the range of uses (and associated floorspace requirements) could not be accommodated within the site red line boundary on Endeavour Wharf. <b>Discounted.</b>

## Options shortlisted for appraisal

This work and further engagement with SBC and wider stakeholders to define the Business as Usual scenario for use as a counterfactual resulted in the following short-list of options taken forward for Economic Appraisal:

- **Do Nothing/Reference Case:** in the absence of Towns Fund monies, it is expected that the Whitby Maritime Training Hub project would not go ahead. It is expected that the part of Endeavour Wharf would remain in its current and long-standing underutilized state, being used as a surface car parking.
- **Do Minimum:** This option would result in the delivery of classroom, workshop and dedicated office space for [REDACTED] with access also available to wider educational delivery bodies. It also provides 417m<sup>2</sup> of flexible office space to support commercial activity in Whitby town centre, with a specific focus on maritime oriented businesses, and space for the Harbourmaster's Office.
- **Preferred Option:** As under the Do Minimum option, the Preferred Option would result in the delivery of classroom, workshop and dedicated office space for [REDACTED] with access also available to wider educational delivery bodies. This option also includes dedicated office space for [REDACTED] flexible office space, public exhibition space, Tourist Information Centre and space for the Harbourmaster's Office.

In line with the requirements of the HM Treasury Green Book (2020), the next sections present the estimated costs and benefits of both options.

Given the nature of the scheme, and in line with Green Book guidance, the appraisal period used for the costs and benefits is 15 years. The net present value of all costs and benefits is presented in real terms in 2021 prices, applying a 3.5% discount factor as set out in the Green Book.

## ECONOMIC BENEFITS

The Maritime Training Hub project will support different types of benefits. The monetised benefits covered by this section are listed below along with how they relate to the scheme's objectives and how they have been appraised. The assumptions and estimates for each are presented thereafter by phase. Wider and non-monetised impacts are described in a separate section but, as stressed in the Green Book, should not be overlooked when considering projects which aim to be transformational and address long-term challenges like spatial inequalities, productivity deficits and town centre decline.

Table 12. Benefits Appraisal Framework

Scheme component	Link to theory of change / investment objectives	Types of benefits appraised
<b>New commercial / educational uses</b>	<ul style="list-style-type: none"> <li>• Repurpose a site with significant development potential and boost land values through new uses / higher occupancy</li> <li>• Support vitality of the town centre by creating centrally located commercial space which in turn drives business incubation, job creation and innovation</li> <li>• New classroom space and bespoke technical training facilities which drive increased delivery of training and qualifications, raising the productivity and earning potential of local residents</li> <li>• Attract private investment and new jobs in Whitby</li> </ul>	<ul style="list-style-type: none"> <li>• Land Value Uplift</li> <li>• Local employment and GVA</li> <li>• Economic value of qualifications</li> </ul>

## Commercial Land Value Uplift

The construction of a new commercial development will generate land value uplift (LVU) benefits as the site is converted into a more productive use. The approach taken for calculating land value uplift is informed by DLUHC Appraisal Guide<sup>7</sup> and LVU guidance detailed in Annex 1 of HM Treasury's Green Book<sup>8</sup>. All prices are 2021 prices.

To perform the analysis, it is necessary to compare the value of the existing land use to the future land value. The change in land value as a result of the scheme is considered to be the land value uplift. In order to calculate the uplift in land values, VOA benchmark values<sup>9</sup> are used in line with the DLUHC Appraisal Guide 2016.

The assumptions used to calculate LVU are presented in the table below:

*Table 13. Assumptions underpinning LVU quantification*

	Do Minimum	Preferred Option	Source
<b>Commercial development LVU</b>			
Site size (ha)	0.994	1.599	AECOM Architects' plans
Current Land Value Benchmark (ha)	£407,925	£407,925	Site is PDL. Use VOA industrial land value for Scarborough (£370,000/ha) as proxy for brownfield site in line with Appraisal Guide 2016 <sup>10</sup> . Inflated to 2021 prices <sup>11</sup> .
Sites current land value	£405,477	£652,272	AECOM calculation
Phasing of delivery	Completion in 2025/26	Completion in 2025/26	Project programme produced by SBC and AECOM.
Future Land Value Benchmark	£953,663	£953,663	Commercial land values in Scarborough (£865,000/ha) have been applied to the whole scheme in the absence of any education facilities land values. This is considered a reasonable and appropriate approach based on experience as commercial is the closest available land value. Inflated to 2021 prices.
Future Land Value	£947,940.53	£1,486,759.84	AECOM calculation
Land Value Uplift	£542,463.08	£834,487.76	AECOM calculation

<sup>7</sup> DCLG (2016) Appraisal Guide

<sup>8</sup> HMT (2021) The Green Book

<sup>9</sup> VOA Land Value Estimates for Policy Appraisal 2019

<sup>10</sup> The use of VOA benchmark values is a standard approach as set out in the DCLG Appraisal Guide Annex E – any previously developed land is assigned as industrial land.

<sup>11</sup> As noted in the DCLG Appraisal Guide: For any additional housing that is expected to be delivered in future years, the values should be uprated by 5% each year in real terms to the relevant year. To simplify and in the absence of further data, we (conservatively) assume that this applies to all elements of net social land value uplift (i.e. agricultural land values, industrial land values, and externality values).

### Additionality

Displacement of 25% has been applied to this component of the scheme. Based on DLUHC Appraisal Guide (2016), low levels of displacement can be expected for commercial schemes which are targeted towards Small and Medium Enterprises (SMEs) and where there is strong evidence of market failure. This is the case with the Whitby Maritime Training Hub. Engagement with Scarborough Borough Council has demonstrated that without the scheme the site would not be developed by the private sector and it would continue to operate as car parking. This is further supported by evidence that previous proposals from Dalby Offshore could not be progressed due to viability constraints / a lack of public sector funding.

Current understanding is that the proposed site on Endeavour Wharf is classified as Harbour Land and as such is subject to the provisions contained within the 1905 Act of Parliament about Whitby Harbour and associated legislation which limits the uses for which it can be developed. Further legal advice is being sought as to allowable use in the context of the WMTH proposals. In this context the most realistic scenario for this site is that it will remain in its current use should Towns Fund investment not be forthcoming. As previously explained in the description of the Reference Case, there are no realistic prospects of development for the site without this funding, so deadweight is assumed to be 0%.

Drawing on the assumptions set out above, we have estimated **the NPV of land value uplift to be £545,406** for the preferred option after accounting for existing land values, deadweight and displacement.

### Job Creation

The Towns Fund's Green Book Checklist states that second round effects (e.g. genuine job creation) can be included in the Economic Case. This aligns with Green Book guidance in Appendix A2 on the use of place-based analysis for certain schemes. The guidance states that place-based analysis is appropriate for "*proposal with an objective that is specific to a particular place or area or type of area / where proposals have a focus on a specific part of the UK*". The core focus of the Towns Fund is to target specific areas around the UK, specifically towns, and drive their economic regeneration to deliver long term economic and productivity growth.

According to the guidance, place-based appraisal may include employment changes in the area under consideration. A core objective of this scheme is to drive job creation through the education/training and commercial space elements of the scheme, and wider activities supported within the Whitby Maritime Training Hub. For this reason, and due to the challenges inherent to applying Land Value Uplift analysis to places with lower land values, the economic benefits of the Maritime Training Hub are appraised in terms of employment and GVA.

The potential number of jobs is estimated through primary evidence from the occupants associated with the respective options:

- [REDACTED] under the Preferred Option (Option 4) once the Maritime Training Hub is operational.
- [REDACTED] in year 2 of operation and 4 FTEs by Year 3 of operation onwards under both Options 2 and 4

The employment associated with the flexible office space delivered under Options 2 and 4 is calculated by applying a job density of 1 employee per 13m<sup>2</sup> NIA for office uses, as set out in the HCA Employment Density Guide 3<sup>rd</sup> Edition. This produces estimates for the gross direct job numbers which may be accommodated in the Maritime Training Hub.

In order to estimate additional employment impacts, leakage and displacement are applied as follows:

Table 14. Job Creation Additionality Assumptions

Additionality Factor	Assumption	Rationale
Deadweight	-	██████████ in Whitby which will be transferred to the Maritime Training Hub. These are treated as deadweight.
Leakage	15%	This is based on the analysis of travel-to-work pattern data provided by the 2011 Census which shows that 15% of workers in the Whitby Town Deal Area come from elsewhere in the country.
Displacement	50%	50% is applied to the jobs associated with the development which represents a medium level of displacement as presented in the HCA Additionality Guide 4th Edition (2014).

The net additional direct job estimates are then multiplied by ONS data on GVA per worker in Scarborough and converted to 2021 prices through the use of UK GDP deflators. These jobs are assumed to persist for a period of 10 years, in line with evidence from PwC<sup>12</sup>. The results for each option are presented below.

Table 15. Assumptions underpinning employment and GVA quantification

	Do Minimum	Preferred Option
Primary evidence from occupants	██████████ Year 1 – 4.5 FTEs; Year 2 – 6.5 FTEs; Year 3 onwards 8.5 FTEs	██████████ Year 1 – 4.5 FTEs; Year 2 – 6.5 FTEs; Year 3 onwards 8.5 FTEs ██████████ 20 FTEs
Flexible Office Space (NIA)	333.6m <sup>2</sup>	222m <sup>2</sup>
Job density (FTE per sqm GIA)	1 FTE per 13m <sup>2</sup>	1 FTE per 13m <sup>2</sup>
Estimated direct gross jobs <sup>13</sup>	34.5	41
<b>Net additional direct jobs</b>	<b>12.6</b>	<b>17.5</b>
<b>GVA per worker</b>	£47,414	£47,414
<b>NPV GVA impacts (2021 prices)</b>	<b>£4,379,259</b>	<b>£6,104,729</b>
Sources	Primary evidence from ██████████ AECOM WMTH Architecture Schedules HCA Employment Density Guide – 3 <sup>rd</sup> Edition (2015) ONS Regional gross value added (balanced) by industry: Scarborough ONS BRES 2019	

The net present value of additional GVA impacts for the preferred option, based on the potential for new employment, amounts to **£6,104,729**.

<sup>12</sup> Project Appraisal guidance note: Return on Investment / Persistence of benefits. PWC

<sup>13</sup> At peak in Year 3 of operation

## Economic Value of Qualifications

The education and training space associated with both Options 2 and 4 will result in the delivery of recognised qualifications through [REDACTED]. This is set out below:

Table 16. [REDACTED] outputs under Option 2

Course	Level	Duration	Delivery once operational									
			Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Diploma in Sea Fishing	2	12 months	24	24	24	24	24	24	24	24	24	24
Apprenticeship Std Workboat Crew	3	24 months	12	12	12	12	12	12	12	12	12	12
Short Courses <sup>14</sup>		1 – 5 days	400	430	460	500	500	500	500	500	500	500

Table 17. [REDACTED] under Option 4

Course	Level	Duration	Delivery once operational									
			Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Diploma in Sea Fishing	2	12 months	24	24	24	24	24	24	24	24	24	24
Apprenticeship Std Workboat Crew	3	24 months	12	12	12	12	12	12	12	12	12	12
Short Courses		1 – 5 days	400	462	524	596	596	596	596	596	596	596

The benefits are quantified using economic value per learner benchmarks from the Unit Cost Database<sup>15</sup>, which estimates:

- An annual economic benefit of £557 per learner per annum for NVQ Level 2 Qualifications
- A Marginal Lifetime Benefit of Achieving a Level 3 Apprenticeship compared to level 2 qualifications for males (£212,683) and females (£95,104). Although women represent just 1.2% of the global seafarer workforce<sup>16</sup>, we have assumed 25% of learners will be women to reflect the need to target a gender balance within the sector in the future, resulting in a lifetime benefits of £183,288 per achievement.

For Short Courses, an economic value for developmental learning<sup>17</sup> of £31,435 per achievement from BIS Research Paper Number 38 Measuring the Economic Impact of Further Education<sup>18</sup>.

In order to estimate additional impacts from qualifications, the following adjustments are made:

- Achievement rate – It is assumed that 80% of starts will convert to achievements.
- Deadweight – The current delivery of [REDACTED] from its current facilities is subtracted as deadweight. This is based on average delivery across 3 years before the Covid-19 pandemic as set out below:

<sup>14</sup> Certified training courses through bodies including: Seafish accredited commercial fishing courses; Standards of Training, Certification and Watch keeping (STCW) training; Global Wind Organisation (GWO) certification training Marine engineering and electrical engineering; OPITO approved courses such as offshore safety and emergency training; and RYA Powerboat training.

<sup>15</sup> New Economy (2019) Unit Cost Database. Benchmarks inflated for 2021 prices using GDP deflator.

<sup>16</sup> <https://www.imo.org/en/OurWork/TechnicalCooperation/Pages/WomenInMaritime.aspx>

<sup>17</sup> This includes qualifications below level 2, excluding basic skills qualifications, which are typically used as an initial step to help people to progress to level 2 qualifications and beyond

<sup>18</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32329/11-816-measuring-economic-impact-further-education.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32329/11-816-measuring-economic-impact-further-education.pdf)

Table 18. [REDACTED] (Deadweight)

Course	Level	Duration	Delivery once operational									
			Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Diploma in Sea Fishing	2	12 months	10	10	10	10	10	10	10	10	10	10
Apprenticeship Std Workboat Crew	3	24 months	5	5	5	5	5	5	5	5	5	5
Short Courses		1 – 5 days	400	400	400	400	400	400	400	400	400	400

- Leakage (13.5%) – In line with HCA Additionality Guide for people and skills intervention types for sub-regional areas;
- Displacement (17.9%) – In line with HCA Additionality Guide for people and skills intervention types for sub-regional areas.

Based on this assumption, the total net additional present value of economic benefits for the preferred option is **£31,616,231**.

## ECONOMIC COSTS

The costs have been estimated by AECOM based on concept design drawings (RIBA Stage 1). The rates used are current day fixed prices at Quarter 4 2021 price levels.

Optimism bias (OB) has been applied in accordance with Green Book guidance. The first step was to identify the appropriate project type by considering the characteristics of the scheme. The appropriate project type is “standard buildings”, as the Green Book defines such projects as: *“those which involve the construction of buildings not requiring special design considerations i.e. most accommodation projects e.g. offices, living accommodation, general hospitals, prisons, and airport terminal buildings.”* The recommended adjustment range for standard buildings is 2% (lower) to 24% (upper)<sup>19</sup>. Owing to the stage of the project designs, the upper boundary of 24% is applied to the capital cost of the Whitby Maritime Training Hub project. Operating/whole life costs associated with the building have been estimated using BCIS benchmarks for comparable schemes. This results in a cost of £84.89 per m<sup>2</sup> per annum for maintenance, renewal, operation and utilities in Q4 2021 prices (a total cost of ~£255,000 per annum). However, feedback from SBC indicates that these costs will be passed on to the tenants through a service charge and they are therefore excluded from the economic appraisal. Further detail is provided within the financial case. The inclusion of operating costs within the economic appraisal is included within the sensitivity analysis.

## VALUE FOR MONEY ASSESSMENT

The Economic Appraisal presented below combines the cost and benefit estimates described above, applying the discounting, deadweight and appraisal period presented in the previous sections and summarised here:

- Optimism bias applied in line with the HM Treasury Green Book Supplementary Guidance at 24% and reflecting the early stages of design.
- A 15-year appraisal period.
- Costs and benefits are presented in 2021 prices.
- A discount rate of 3.5% has been applied in line with the HM Treasury Green Book.
- Costs have been discounted based on the project programme.
- 10 years’ persistence of employment benefits.
- Course/training delivery assumed over 10 years of operation for prudence.

<sup>19</sup> Values taken from Green Book supplementary guidance: optimism bias Table 1: Recommended Adjustment Ranges

Table 19. Value for Money Assessment

Value for money assessment (£m, discounted, 2021 prices)		Do Minimum	Preferred Option
<b>Economic benefits</b>			
Land Value Uplift		£0.4m	£0.5m
Employment GVA		£4.4m	£6.1m
Economic Value of Qualifications		£21.7m	£31.6m
Total economic benefits	(A)	£26.4m	£38.3m
<b>Economic costs</b>			
Towns Fund cost/funding	(B)	£7.1m	£9.9m
Co-funding	(C)	-	-
Total public sector funding	(D) = (B) + (C)	-	-
Private sector funding	(E)		
Total economic costs	(D) + (E)	£7.1m	£9.9m
<b>Benefit-Cost Ratio (BCR)</b>	<b>(A) – (E) / (D)</b>	<b>3.70</b>	<b>3.88</b>

From Green Book (2020) guidance (p. 40): When considering proposals from a UK perspective the relevant values are viewed from the perspective of UK society as a whole. Where appraising a place-based policy or a UK wide proposal with place-based effects the relevant values include effects in the place of interest and similar nearby travel to work areas. The relevant costs and benefits which may arise from an intervention should be valued and included in Social CBA unless it is not proportionate to do so. The priority costs and benefits to quantify are those likely to be decisive in determining the differences between alternative options. The appraisal of social value involves the calculation of Net Present Social Value (NPSV) and Benefits Cost Ratios (BCRs) the ratio of benefits to costs.

The sensitivity analysis below tests the impact on the BCR of changing some of the key assumptions and variables. The sensitivity tests undertaken are summarised include:

- Higher costs (+10%). Given the current costs include the highest levels of OB, this is considered a pessimistic scenario
- Higher benefits (+20%), to provide a sense of potential societal value of the scheme if at least some of the wider impacts presented in the next section could be monetised
- Higher displacement of employment – assumed to be 75% compared to 50% according to the core assumptions
- Higher leakage of employment – assumed to be 30% compared to 15% according to the core assumptions
- Higher LVU displacement – assumed to be 50% compared to 25% according to the core assumptions
- 50% reduction in delivery of courses
- Removal of economic benefits associated with short courses

Table 20. Sensitivity Analysis

	Do Minimum	Preferred Option
BCR	3.70	3.88
Higher costs (+10%)	3.36	3.52
Higher benefits (+20%)	4.44	4.65
Higher displacement of employment	3.39	3.57
Higher leakage of employment	3.59	3.77
Higher LVU displacement	3.68	3.86
Reduction in delivery of courses	2.18	2.28
Removal of economic benefits associated with short courses	2.27	1.84
Inclusion of operating costs in the economic appraisal	3.03	3.12

The sensitivity analysis demonstrates that the Preferred Option retains a BCR which indicates good value for money under all changes to assumptions.

Switching analysis suggests that:

- In order to achieve a BCR of 1.0, the monetised benefits achieved under the preferred option would have to fall by £28,394,877 (NPV)
- In order to achieve a BCR of 2.0, the monetised benefits would have to fall by £18,523,389 (NPV).

## NON-QUANTIFIED BENEFITS

The scheme will also provide significant non-monetised benefits which cannot be captured in the Value for Money assessment presented above but need to be given significant weighting when assessing this scheme given that these represent important potential benefits to the local economy and community over the long-term that will address Towns Fund objectives. They include:

**Employment and employability outcomes:** The quantified assessment has considered the direct employment generated by the scheme but has not included the range of wider impacts on employment and employability created as a result of the scheme. The range of training opportunities afforded by the scheme under the Preferred Option will support employment outcomes for participants, assisting them to become employment-ready and also support existing employees' progression to higher level jobs. In turn, this will help to reduce the welfare burden and increase productivity in the local area, with Whitby becoming an increasingly attractive destination for employers to locate with its greater pool of skilled workers.

**Wider education and training delivery:** The economic value of qualifications considers the qualifications to be delivered by Whitby Fishing School under the respective options, for which there are available forecasts. However, it is envisaged that the space will be used flexibly by other providers, with stakeholders such as [REDACTED] having an interest in delivering training and courses on an ad hoc basis. Furthermore, [REDACTED] has discussed the possibility of a dedicated Crew Transfer Vessel Training School in the Maritime Training Hub to meet demand from the offshore sector. With there being no robust method to quantify this ad hoc/uncertain demand, the value of qualifications to be delivered at the Whitby Maritime Training Hub is likely to be underreported.

**Sustainability and resilience:** The climate crisis has highlighted the importance of creating sustainable, resilient places, that are adapted to and help to mitigate the impacts of climate change on their populations. The Whitby Maritime Training Hub scheme can support positive sustainability and

environmental performance through the building design, which will incorporate modern, efficient heating/insulation and electricity solutions, in line with BREEAM Standards and the Code for a Sustainable Built Environment. Additionally, the scheme will replace surface car parking on Endeavour Wharf which has the potential to generate wider environmental benefits through an associated reduction in vehicular traffic in the town centre and the uptake in alternative, sustainable modes such as public transport and active travel.

**Spillover effects of the scheme on Whitby town centre through its improved appeal to businesses and their interactions with the town centre:** The scheme will help to reduce Whitby's reliance on seasonal, lower value activities associated with tourism. The provision of the Whitby Maritime Training Hub will support local enterprise and will change the existing perceptions of Whitby town centre. The scheme will increase the attractiveness of Whitby as a destination for maritime business activity which will help to encourage inward investment in the town. In turn, this will have a knock-on impact on Whitby town centre, with additional businesses and workers leading to increased footfall on the High Street which is non-seasonal, thus increasing the demand and expenditure in the town centre and creating economic benefits for local businesses. Additionally, the improved reputation of Whitby may attract wider non-maritime businesses to locate in the town centre and help drive local economic growth.

**Amenity value:** The scheme will provide significant amenity value to Whitby town centre. The Endeavour Wharf site is currently in use as a surface car park. However, the scheme plans to house a modern facility, with architectural design which respects and complements the town's heritage and the local natural and built character. This will not only provide a visual amenity value, benefitting perceptions of the town, but could also improve the perception of maritime careers through affording the sector an attractive, prominent location within the town centre. Stakeholder engagement and wider research has highlighted the perception challenges facing the maritime sector – often viewed as low-skilled, unexciting, and focused on handling fish as well as wider negative perceptions in terms of long hours, low pay and poor opportunities for. The ability of the scheme will help to raise the profile of the sector and encourage people to undertake a career in maritime would therefore have positive implications for the local sector and area.

**Cost of Doing Nothing:** It is also important to understand that there is a cost to doing nothing to address the challenges faced by Whitby. By not investing there will be minimal change to the town centre and a missed opportunity to diversify the local economy through the provision of space to support the maritime economy and job creation.

# FINANCIAL CASE

# FINANCIAL CASE

## INTRODUCTION

This section sets out the financial case for the Whitby Maritime Training Hub project and addresses issues of affordability and funding requirements of the preferred option described in the Strategic and Economic Cases.

The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.

## APPROACH TO FINANCIAL CASE

The costs and key assumptions which have informed the financial case are set out below. The total project cost of delivering the Preferred Option (Option 4) is £9,985,000, which is to be funded solely through Town Deal capital funding.

## COSTS

### *Capital costs*

The capital costs of the scheme have been estimated by AECOM's quantity surveyors based on outline concept designs developed by AECOM's architectural team. These are assumed to be at RIBA Stage 1.

The estimates presented in this section are dated 16<sup>th</sup> December 2021. All costs are presented in nominal prices, with BCIS inflation indices applied to reflect the forecasted construction totals when work is assumed to start on site in Q4 2023.

The costs include allowances for professional fees for project delivery (12%).

A functional quality standard of building is assumed.

A range of costs are excluded unless stated otherwise. They include:

- Tenant fit-out – currently assumed that the construction stage would be taken to a shell and core Cat A fit out<sup>20</sup>.
- Site acquisition fees / costs, sale or letting fees / costs, compensation payments costs, air rights, rights to light (or any third-party compensation settlements), over sailing licenses, sale or letting fees / costs and other developer costs
- Interest charges, Client finance costs, funding costs and Client insurances
- Charges / taxes such as; Value Added Tax (VAT), CIL, Section 106 and / or Section 278 agreement etc.
- Developer's risk allowance / overall project contingency
- Any enhancements which may be necessary to facades or services installations to meet future revisions of the Building Regulations; BREEAM, Part L etc.
- Major diversion and / or reinforcement costs of services, within or outside the site boundary outside of those currently allowed for with the Cost Plan.

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<sup>20</sup> The developer fit-out ("Category A") achieves a level of readiness for operation which will support the generic requirements of a majority of users, without necessarily being able to occupy the building, but which seeks to avoid any tailoring to specific needs which may be suitable for one type of organisation but unsuitable for another.

- Road closures & diversions.

Contingency of 15% is included within the cost estimate, to reflect the early stage of the project designs and level of uncertainty.

On this basis, current capital cost estimate for the scheme, including inflation, stands at £9,985,000.

*Table 21. Whitby Maritime Training Hub Capital Cost Estimate*

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Buildings Shell & Core						
External Works						
Utilities						
Professional Fees (12%)						
Contingency (15%)						
<b>Total</b>		£319,797	£1,389,557	£6,901,473	£149,174	£8,760,000
BCIS TPI Inflation to 04Q 2023 @ 14.0%		£44,720	£194,316	£965,103	£20,860	£1,225,000
<b>Total (inc. inflation)</b>		£364,517	£1,583,873	£7,866,576	£170,034	£9,985,000

Any project overspend will be the responsibility of SBC, and will be covered using alternative funding sources.

### Operating costs

Operating/whole life costs associated with the building have been estimated using BCIS benchmarks for comparable schemes. This results in an average cost of £84.89 per m<sup>2</sup> per annum for maintenance, renewal, operation and utilities.

*Table 22. Whitby Maritime Training Hub Operating/Whole Life Costs*

	Floorspace (GIA)	Maintenance & Renewal	Operation	Utilities	Budget Allowance (per annum)
Whitby Maritime Training Hub	2,985m <sup>2</sup>				

The ongoing monitoring and evaluation costs for the scheme will be covered within existing project management costs (as part of the Project Manager role at no additional cost).

## FUNDING AND REVENUES

### Funding

Towns Fund is the key funding source required to deliver the Whitby Maritime Training Hub scheme. The funding profile for the scheme is presented below.

*Table 23. WMTH Funding Profile*

Source	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Towns Fund (Capital)		£364,517	£1,583,873	£7,866,576	£170,034	£9,985,000
<b>Total</b>		<b>£364,517</b>	<b>£1,583,873</b>	<b>£7,866,576</b>	<b>£170,034</b>	<b>£9,985,000</b>

Alternative funding options to deliver the project have been considered, however Covid has significantly impacted on availability of external funds and no options outside of Towns Fund were identified. The Council had also considered prudential borrowing as an alternative, however this had been ruled out. Any rental income generated from the building will be used to offset the loss of car parking income for the Council.

Fit-out costs are excluded from the financial estimates and these will be covered by the tenants.

### **Revenues**

The rental income forecast is based on property market intelligence and development appraisals prepared by BE Group, a specialist commercial property consultancy. This considers the varying uses within the Whitby Maritime Hub and evidence from the local commercial property market as to the market rent achievable. The BE Group analysis considers that the net lettable area within the Whitby Maritime Training Hub would generate a rental income (market rate) of [REDACTED] per annum.

The operating and maintenance costs associated with the Maritime Hub will be directly offset through a service charge.

The rental and operating arrangements need further dialogue and are yet to be agreed with potential partners.

## **AFFORDABILITY ASSESSMENT**

### **Viability Analysis**

The analysis of sources and uses suggests sufficient annual cashflow for the Whitby Maritime Training Hub.

The Sources and Uses table is set out below. The following are the key assumptions:

- Estimates of rental income are informed by property market analysis and development appraisals prepared by BE Group. These income projections are based on a market rent payable by the occupants, with actual rents payable to be agreed with prospective tenants.
- No rent is assumed from the Harbourmaster's Office and Tourist Information Centre due to this being internal SBC resource and the Council being the ultimate owner of the Hub
- Building related operational spend (including insurance, cleaning, maintenance and utilities) will be passed on to all occupants through a service charge.
- Revenue elements (operating costs and car parking income) are assumed to increase in line with inflation, which is set in line with a long-term GDP deflator of 2%.
- The Endeavour Wharf site under ownership of Scarborough Borough Council is currently in use as surface parking. The loss of revenue associated with the reduction in parking spaces – falling from 220 to 83 under land take associated with the preferred option – has been calculated on a revenue per space basis using a benchmark of [REDACTED] Displacement of 30% is assumed to cover users using other car parks within the town centre. [REDACTED]
- The forecasts have been prepared over a ten-year period.

Table 24. Whitby Maritime Training Hub Sources and Uses

Sources	£	Uses	£
Grant Income (Towns Fund)	9,985,000	Development Expenditure	9,985,000
Rental Income	■■■■■	Operating Expenditure	■■■■■
Tenant Service Charge Income	■■■■■	Lost car-parking income	■■■■■
Private Sector Co-Funding		Other Costs	
Capital Receipts		Cash surplus generated	
Revenue Stream			
Other Income / Funding <sup>21</sup>	■■■■■		
<b>Total</b>	<b>13,825,778</b>	<b>Total</b>	<b>13,825,778</b>

A detailed cashflow is provided below. This identifies the potential for the scheme to generate a positive return from 2025/26 onwards.

Table 25. Whitby Maritime Training Hub Cashflow Forecast

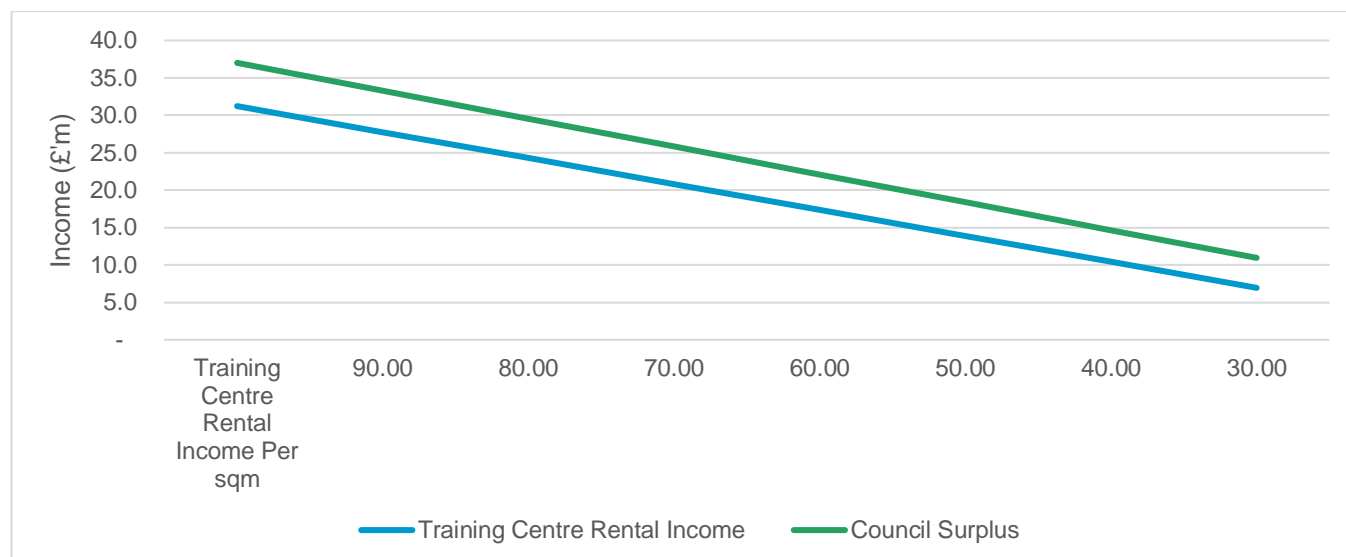
Annual Cashflow	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Investment / Income (£m)</b>										
Towns Fund Grant	0.36	1.58	7.87	0.17	0.00	0.00	0.00	0.00	0.00	0.00
Private Investment	-	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Rental Income	-	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Tenant Service Charge	-	-	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
<b>Total Investment / Income</b>	<b>0.36</b>	<b>1.58</b>	<b>7.87</b>	<b>0.59</b>	<b>0.50</b>	<b>0.51</b>	<b>0.52</b>	<b>0.53</b>	<b>0.54</b>	<b>0.55</b>
<b>Expenditure (£m)</b>										
Development Expenditure	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Operating Expenditure	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Lost parking income	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
<b>Total Expenditure</b>	<b>0.36</b>	<b>1.65</b>	<b>8.07</b>	<b>0.65</b>	<b>0.49</b>	<b>0.50</b>	<b>0.51</b>	<b>0.52</b>	<b>0.53</b>	<b>0.54</b>
<b>Surplus / (Subsidy)</b>	<b>0.00</b>	<b>(0.07)</b>	<b>(0.21)</b>	<b>(0.05)</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

<sup>21</sup> Assumed subsidy required by SBC to offset loss of car parking income during the development of the Maritime Training Hub. This subsidy also includes the service charge payable for space occupied by Council functions (TIC and Harbourmaster's Office).

## Sensitivity Analysis

Sensitivity analysis demonstrates that as the rental income received from the Maritime Hub falls from the base-case estimate of £90 per sqm (estimated by BE Group), the Council surplus falls<sup>22</sup>. If the rental income were to fall to £55 per sqm or below, the project would require a subsidy. However, this would be negligible.

Figure 2. Sensitivity Analysis showing the Change in Council Surplus as the Training Centre Rental Income Falls



## Financial Risks

The cost estimate includes a 15% contingency, and all financial risks will be managed within this allowance. It is expected that the level of contingency will reduce as the scheme design is refined, resulting in lower levels of uncertainty.

The financial risks which affect the timing, quality and output of the proposed scheme are outlined below in Table 26.

Table 26. Key Financial Risks

	Risk	Impact	Mitigation
1	Inability to secure Towns Fund and Levelling Up Fund investment	The scheme is not able to proceed.	Heads of Terms have been agreed with DLUHC in relation to the Towns Fund. Development of a robust business case for the project has been undertaken to ensure a successful funding outcome.
2	Risk associated with the operation of the building by SBC.	This may result in SBC experiencing higher costs/ lower revenues than forecast.	Capital costs and operating costs have been based on BCIS benchmarks, with significant contingency built into the capital costs. SBC intends to lease the facility on a 21-year lease with a negotiated break clause to provide confidence in future income streams/rental receipts and intends to pass on operational and maintenance costs to the operator through a service charge.

<sup>22</sup> Financials based on anchor tenancies, at market rentals being agreed with Dalby and Whitby Fishing School.

	<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
3	Expectations risks from occupants and other stakeholders	Delays to programme and increase in costs	The occupants and wider interested parties in the Whitby Maritime Hub Stakeholder Group/Harbour Users Group have been engaged throughout the design process (which has utilised previous designs drawn up for proposals by [REDACTED] and wider stakeholder engagement exercise and will continue to be engaged as the design is finalised.
4	Risks associated with the early stage of the building designs	Higher costs / delays to the project programme	Programme developed in line with BCIS benchmarks and contingency of 15% to cover potential cost increases. Further certainty in future stages of technical design.
5	Premises do not meet health & safety building requirements	Additional cost implications as increased capital outlay and reduced revenue due to service delay	Project plans designed in line with latest building standards.
6	Wider project delays due to Covid-19 or other external factors.	Delays to programme and increase in costs	The Council is working with industry specialists to design the programme and phasing and ensure costs follow best practice standards. High level of contingency in costs to reflect uncertain environment.
7	Risk associated with assumptions underpinning loss of car parking revenue	Additional cost implications	The Council has assumed 30% displacement in relation to the loss of car parking revenue (due to utilisation of other town centre car parks). This assumption will be reviewed as the project progresses.
8	Location of development and unknown ground conditions	Risk of cost increases given the location	The Council is working with industry specialists to identify constraints and design around these where possible. High level of contingency in costs to reflect uncertain environment.
9	Inability to secure agreement on the financial arrangements with prospective tenants	Risk to scheme's ability to proceed / programme delays	Early and ongoing engagement between SBC and prospective tenants to agree Heads of Terms.
10	The Council will need to opt to tax the site and to charge VAT on rents.	Risk of increased costs to occupiers if they cannot reclaim this VAT in full.	SBC to explore further as the terms around the operating model is developed and VAT advice will be sought for this project.

The project is supported by stakeholders, with strong relationships already in place with the end occupants [REDACTED] which will support the financial success and viability of the project.

## WIDER FINANCIAL IMPLICATIONS

The project aligns with the Council's Asset Strategy and the Council has considerable experience in purchasing and managing assets in compliance with Financial Regulations.

In March 2021 the Council's external auditors issued the Council with a recommendation in respect of land forming part of the harbour undertaking at Whitby. The recommendation was that the Council should seek a court declaration as to the status of the land in contention, with a claim being issued by 31 December 2021. That is to say, the Council should take proceedings to seek a ruling on the land and property which comprises the statutory 'harbour undertaking', and whether all income from activities associated with that land and property is revenue received by the Council in respect of the 'harbour undertaking'. In the event that the Court decides that any revenue is received by the Council in respect of the 'harbour undertaking', the Court should be invited to give a direction as to the rectification of the accounts, including the financial years which should be rectified.

The Council submitted the application by the end of December 2021. Whilst a court date has not yet been set, Endeavour Wharf is potentially affected by this application. Should the Court rule that income from Endeavour Wharf should be ring-fenced for harbour activities then the Council would need to review the treatment of income related to the project in the context of the court direction.

# COMMERCIAL CASE

# COMMERCIAL CASE

## INTRODUCTION

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

This section presents SBC's current approach to delivering the scheme to time and budget, based on the current understanding of the services, outputs and milestones required to be achieved and of how the potential risks in the Design, Build, Funding and Operational (DBFO) phases of the scheme can best be allocated between the public and private sectors and reflected in the charging mechanism and contractual arrangements.

Agreements for lease should be in place with the proposed tenants prior to works being commenced on site to provide the Council with security of income streams.

Advice from a specialist planning barrister is that a Harbour Revision Order will not be required if the works will not potentially affect public rights of navigation or the layout or operation of the harbour and the works are not in or below the water. The preferred option does not affect any of these matters.

Planning permission will be required before the works can commence.

## COMMERCIAL DELIVERABILITY

Scarborough Borough Council will lead the delivery of the Whitby Maritime Training Hub project, as the contracting authority.

The Council has commissioned the multi-disciplinary consultancy AECOM to develop a feasibility study and the concept designs for the Whitby Maritime Training Hub project. The current concept designs (RIBA Stage 1) have been costed by AECOM's Quantity Surveyors and underpin this business case.

The procurement options available for the Maritime Training Hub scheme are summarised below:

### ***Option 1 - Developer Led***

- If the contracting authority wish to take less risk, they can appoint a developer to carry out the works on their behalf.
- The developer can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. Pagabo Developer Framework).
- The developer employs the design team and the main contractor.
- There are a number of options for the financial arrangements within a developer arrangement, but the most common is the developer incurs all of the development cost and leases the completed development back to the contracting authority on a long head lease.

### ***Option 2 - Traditional Design and Separate Construction***

- The contracting authority appoints a design team to prepare the full design of the works.
- The design team can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. YORconsult framework).
- The design team prepare the full design and the tender documents to procure a main contractor to construct the works.
- The contracting authority appoints a contractor to construct the works.

### **Option 3 - Design and Build**

- The contracting authority appoints a main contractor to design and build the whole of the works.
- The contractor can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. YORcivils or YORbuild frameworks).
- The contractor prepares the full design and then constructs the works.

The preferred approach of SBC is a design and build contract to deliver the project. This is because:

- It results in a single point of responsibility for delivering the project.
- It provides greater certainty of budget.
- The contractor can commence works on site quicker.
- The involvement of the builder in the design results in the project having greater 'buildability'.

Scarborough Borough Council has an experienced internal team working on the Whitby Maritime Training Hub project, as set out within the Management Case. The Council has overseen a range of Design and Build projects which have been successfully completed:

- Scarborough Market Hall Refurbishment.
- Runswick Bay Coast Protection Scheme
- Scarborough Spa Cliff Stabilisation
- Whitby Piers Refurbishment
- Church Street Flood Alleviation.

The Council has been very successful in winning awards for the delivery of these projects at both a regional and national level. Indeed, the Council was awarded the winner of the Best Service Team of the Year 2021 in the Housing, Construction and Building Service Category.

## **PROCUREMENT STRATEGY**

The Council will be procuring the works for the Whitby Maritime Training Hub. The procurement rules for Scarborough Borough Council are set out in the Contract Procedure Rules within its Constitution.

The Council will:

- Prepare tender documents for the procurement of a contractor using the RIBA Stage 2 design information.
- The contractor will be procured from the YORbuild Major Contractors Framework. Other public sector frameworks are available, but the Council is a contracting authority and board member of the YORhub Frameworks. The YORhub frameworks are specifically aimed at helping the public sector deliver great construction projects at the best value, whilst also improving the lives of those living and working in Yorkshire and the Humber via its social value outputs.
- Documents will be based on the NEC3 ECC form of contract using the templates provided by the Framework.

The Council will hold a mini competition between all contractors on the Lot. Tenders will be invited on a two-stage basis. Assessment criteria will be quality and price weighted 60%: 40%. In the first stage, contractors will be invited to submit quality information on programme, method statement, proposed team, and social value as well as price information on preliminaries, proposed cost plan and overheads and profit (the Fee).

Key milestones are:

- Issue documents to tender: August 2022

- Receive tender returns: September 2022
- Appoint contractor: November 2022

In addition, the following aspects of social value will be built into the procurement:

- **Employment and skills.** A key strand of the Council's social value is delivering employment and skills outcomes for the communities it serves. This is a fundamental building block for social mobility and a sustainable local economy and is an integral part of our construction procurement strategy.
- **Sustainability.** Construction activity is one of the largest contributors to landfill waste and carbon emissions and the Council is focused on reducing site waste and carbon. SBC aims to produce less than four tonnes of waste per £100k, of which no more than two tonnes of waste per £100k are to be sent to landfill through our construction procurement.
- **Supply chain engagement.** Supply chain engagement programme aims to provide local opportunities to local suppliers including 'Meet the Buyer' events which offer suppliers the chance to meet main contractors and learn how to become part of their supply chains.
- **Economic regeneration.** The framework community fund, YOR4Good, supports economic regeneration in the area covered by YORhub's frameworks. It is funded by donations of cash or benefits in kind from contractors and consultants when they're awarded projects through our frameworks and provides grants of up to £10,000 to community groups to support local economic regeneration projects.

Where development partners are required, the Council will procure them from the Pagabo Developer Led Framework. This is also a framework for the public sector providing flexibility, competition and choice when it comes to working with a developer on a project. The framework has nine lots covering three contract structures: Property Development via Joint Venture and Special Purpose Vehicle, Long Income Lease and Lease Back, and Property Development Single Site by Development Agreement. The Pagabo framework uses a combination of NEC forms of contract and also bespoke contracts for certain developer elements.

The Principal Contractor will be procured under a design and build contract which will further include the RIBA Stages 3-6 professional service contract to provide pm/surveyor/architect Project Management, Supervision, Principal Designer and Quantity Surveying services to the scheme.

The professional services will be procured under the NEC3 ECC Option C Contract as a "back to back" contract by the Principal Contractor. The traditional design and build arrangement allows close control of the design process by the client the Principal Contractor who can work with the client collaboratively under the NEC3, Option C Contract to fix the target cost and allow value engineering to the works before commencing.

This form of contract places emphasis on the Principal Contractor to introduce economical and innovative construction methods, which will be necessary to bring in and drive savings and the enhanced performance of the finished scheme.

Formal Tender Process via the Procurement Unit using any framework mini competitions via DPS or OJEU compliant open tender.

Suppliers are engaged through a competitive tendering process on a quality and cost ration to determine the most advantageous tenderer, as follows:

- Expression of Interest via frameworks or Prior Information Notices (PIN) if taken to open tender.
- Tender issue to include, Pre-construction, Scope and supporting information to tender portal.
- Respond to tenderers clarifications.
- Moderate on Tender returns.
- Create shortlist from longlist of tenderers (Optional).
- Conduct shortlist interviews (Optional).

- Corporate approval from the Section 151 Officer to appoint winning tenderer.
- Award contract.

In this case, the Design and Build route has been will be followed where a scheme designer has been procured initially to take the scheme to RIBA 2 Concept Design, a Principal Contractor will be procured to a competitive tender stage covering RIBA Stages 3-6 in mid-2022 The RIBA Stages 1-2 Design Contract was awarded in July 2021.

It is anticipated that Practical Completion (RIBA 5) of the scheme will be reached in quarter 3 - 2025.

## CONTRACTUAL ARRANGEMENTS

SBC uses the NEC3 suite of contracts for Framework, Open Tender or DPS for the procurement of professional, construction or civil engineering activities and services. The principal objectives of the NEC contracts are clarity, flexibility and a stimulus to good management:

- Flexibility

The NEC3 ECC Option C allows for a Principal Contractor to engage their own multidisciplinary Professional Services Team as part of the Design & Build Contract with a “back to back” contract approach that can easily be applied to a ‘management’ contract. The NEC3 Engineering and Construction Contract (ECC) can be applied to all engineering and construction activities and includes a variety of specific options which can be tailored to a specific scheme while maintaining the core clauses of the main contract.

- Clarity & Simplicity

The NEC3 uses simple language commonly used and is free from complex legal jargon as it is predicated on the law of contract, not the law of the land, also giving it international appeal. It reduces the number of clauses compared with other forms of contracts and offers flowcharts and guidance documents to assist in easier application and monitoring.

- Stimulus To Good Management

The concept of the NEC3 ECC and in particular clause 10.1 is that its implementation contributes to the effective management of the work through mutual trust and co- operative management, where the Project Manager remains a neutral party between the employer and the consultant/contractor, who helps to identify and mitigate risk, improve buildability, sustainability and the safe execution of the works.

- Subcontracts

The ECC has been designed so that works can be sub-contracted and provides separate contracts for construction and design services on a back to back basis.

- Nominated Subcontractors

The NEC3 ECC allows for subcontractors or suppliers to be novated into the contract under Z Clauses where the principal contractor takes responsibility from the employer. This approach reduces disputes and strengthens the motivation for the parties to manage their activities.

- Financial Control

Both the NEC3 PSC and the NEC3 ECC uses Clause 50 within all options to define the mechanism for assessment and payment to be followed by the employer and consultant or contractor, which includes rigid timescales for agreed payment intervals.

The NEC3 PSC and ECC has 6 Option which can be used by the employer to reflect the scope of works to mitigate risk, incentivize acceleration, best practice and collaborative working between the employer and contractor, or cover elements of reactive, unforeseen works where the activity is largely speculative:

- Option A: Priced contract with activity schedule.
- Option B: Priced contract with bill of quantities.

- Option C: Target contract with activity schedule.
- Option D: Target contract with bill of quantities
- Option E: Cost reimbursable contract.
- Option F: Management contract.

Five of the pertinent options are listed in Table 1. Option, (E) Cost Reimbursable Contract stipulates that the payment mechanism is based on the actual cost of the activity where the contractors' costs are reimbursed together with a fee percentage for overheads and profit for the works completion and would not be considered due to the cost uncertainty of this option.

Table 1. Option, (C) is the preferred option for the design and build NEC3 ECC contract as it allows for, a collaborative approach to work with the client to identify and cost risk, where savings can be passed or shared with the client or the costs beyond the clients agreed budget is borne by contractor in entirety.

#### Option A

- Priced Contract with Activity Schedule:
  - Contractor has to stay inside of tendered price.
  - Limited for SBC unless agreed scope change or unforeseen elements are encountered.
  - Contractor takes on risk for accuracy of activity schedule, with risk being included in the tender price.

#### Option B

- Priced Contract with Bill of Quantities (BoQ):
  - SBC has responsibility for design and surveying the work to qualify payment.
  - Risk transferred to Contractor for completing the works within the tendered price.
  - Accuracy of BoQ would be SBC's risk.

#### Option C:

- Target Cost with Activity Schedule:
  - Collaborative arrangement where best practice and prudent value engineering can lead to savings.
  - Pain/Gain mechanism allows savings to be split with contractor as a gain share, but the employer pays nothing if the cost increase past the target price agreed.
  - Requires significant commercial management with open book audit.
  - Cost certainty when applied to contracts requiring funding where there is a large potential contribution by the client and risk can be mitigated by the pain gain mechanism.

#### Option D

- Target Cost with Activity Schedule:
  - Collaborative working through open book accounting. SBC retains responsibility for design for design and remeasuring.
  - Pain/Gain shared between parties. There is no incentive for the Contractor to produce an economic design.
  - Completeness and accuracy of activity schedule becomes SBC's risk.

#### Option E

- Cost Reimbursable Contract:
  - Unsuitable for a contract where a scope and design has been concluded.

- SBC carries risk.
- Uncertain project costs.

## COMMERCIAL DELIVERABILITY

The Deliverability challenges arise out of land ownership / acquisition, physical difficulties around buildability, disruption levels, stakeholder support and political support.

The projects status was heavily influenced by positive engagement with stakeholders both tenants within the scheme boundaries and the town's population at large throughout the planning stage. The level of stakeholder buy-in is positive and supports the development of a robust buildable and deliverable proposal.

### *Risk Allocation and Transfer*

The Treasury Green Book states that the key to successful risk management is the allocation of risk to that party which is best placed to manage it.

Project risks will be managed by the Project Manager as required under the NEC3 contract. At contract award, any designs will be novated to the contractor, a robust risk register will be included in the pre-construction information as part of the tender documentation and include mitigation measures.

In construction projects, there will invariably be some departure from the original scope and designs prepared by the Architectural and Professional Services Team. While some scope changes are unavoidable, they will be minimized as far as reasonably practicable by robust pre-construction information and diligent execution of the principal designer's role within the professional services team by ensuring that inconsistencies and ambiguities are removed prior to the award of contract. This will be achieved by:

- Thorough site investigations and condition surveys.
- A project scope is comprehensive and is supported by stakeholders.
- Reviewing legislative requirements for the project.
- Properly identifying risks.
- Co-ordinated designs are in place prior to tender.
- Ensuring the contract is unambiguous and explicit.
- Agreeing fixed delivery costs without provisional or contingency sums.
- Designs are achievable and cost effective, robust activity schedules, detailed programmes, and specifications, are clear and provide for reasonable endeavours in their accuracy by the parties named in the contract.

### *Sustainability & Equality*

In adherence to the Public Services Social Value Act 2012, SBC is committed to ensuring a high standard of ethical trade practices, across its procurement activities.

The responsibilities for securing and ensuring delivery of social value align with SBC's overall model for procurement and contracts. SBC will ensure that suppliers are made aware of social value requirements within contracts and track delivery against the social value commitments via regular performance reporting with suppliers after contract award. The Project Delivery Team will also be responsible for updating the Council's Social Value Register. Social Value areas of focus within the scheme may require that local skills and employment are positively impacted; that there are approaches that respond to climate emergency, such as proposals to deliver benefits whilst minimising the carbon footprint from the scheme.

SBC is committed to ensuring that, through its own activities, we have a minimal impact on the environment. In addition, we actively seek to encourage both residents and visitors to minimise their own impact on their environment and will facilitate, as far as possible, this process.

SBC's sustainable development strategy sets out the Authorities' aims in relation to Sustainable Development, the principles we will adhere to and the mechanism by which sustainable development will form a cornerstone of all future Borough Council policies, strategies, activities and future developments.

### ***SBC Environmental Sustainability Strategy and Policy Objectives (Extract)***

Scarborough Borough Council is committed to caring for the environment and the principles of sustainability. The Council, in partnership with the community, recognises its responsibility for the environment, for the Borough's current and future prosperity and the health and wellbeing of its residents.

One of our key aims is Quality Environments and it is acknowledged that one of the Borough's greatest assets is its heritage - both the natural and built environment. The quality of the environment affects all our day-to-day lives. We need to protect it now, and manage, and improve it for the future

## **OPERATING MODEL**

Several options have been considered in regard to the operation of the Whitby Maritime Training Hub. Commercial space can be operated in several ways. In the past, the standard practice has been to sign a long-term lease between an occupier and the property owner. However, with commercial space becoming increasingly flexible, both in terms of space and length of leases, operating models have evolved to accommodate different level of flexibility. Fully flexible commercial spaces (workspaces) will also usually introduce an intermediate between the occupier and the property owner.

There are mainly 5 operating models that could be considered. A building can be operated under more than one model as long as there is a clear separation between the spaces being operated under different models (to avoid complications in terms of rights and duties between the different stakeholders).

### ***Operating Model 1: Lease Model***

- The operator signs a lease (usually 10 to 20 years which could include a break clause).
- The operator makes contractual payments following the lease terms.
- An operator (sub-letting flexible space to external users, on short and flexible term basis) will likely experience negative cash flows over the initial months of operation as upfront costs will be greater than income.
- There have been considerations for the Whitby Maritime Training Hub to be operated by a community group. Registered as a charity, this community group could ensure that rent is kept as low as possible (no margin is made on the rent charged to occupiers; they can claim rate relief).
- Parts of the building can be leased out separately to alternative occupiers taking a long-term lease for the full-time and private use of that specific space. They would make contractual payments following the lease terms.
- Under this model, most of the risk is placed on the operator.

### ***Operating Model 2: Joint Venture Model***

- The operator and the property owner enter a joint venture agreement.
- The property owner (investing partner) contributes the majority of the initial investment and has the priority in receiving profits following the terms of the JV agreement.
- The operator (managing partner) contributes a small amount of capital and has the operational control of the space(s). The operator usually will receive a smaller share of the profit initially, until the JV generates higher operating profit (at which point the operator may receive a higher share of the additional profit).
- Under this model, the risk is shared. Both parties have a mutual interest and are both benefitting from profits or both suffer from losses.

### ***Operating Model 3: Management Model***

- The property owner and the operator enter a management agreement.
- The property owner is responsible for all the capital investment..
- The operator is in charge of the operation, maintenance, marketing, sales and management including
  - Leasing,
  - Licensing
  - Letting and space management
  - Sponsorships
  - Caretaking
- The operator usually does not contribute (or minimally) towards the capital investment.
- The property owner receives a rent from the operator.
- The remaining profit goes to the property owner (who is also liable for any loss).
- This model allows each party to focus on their specialities but can lead to disagreements on business strategy (i.e. property owner refusing additional capital investment requested by operator to boost revenue).
- This model allows the property owner to adapt the management contract in order to achieve their own objective (i.e. a Local Authority, as property owner, could influence the curation of the space under the management agreement).
- Under this model, the risk is predominantly on the property owner.

#### ***Operating Model 4: Franchise Model***

- The property owner operates the space.
- The property owner is responsible for capital investments and operating costs.
- The property owner signs a franchise agreement with an operator.
- As a franchisee, the property owner pays a fee to the operator (usually upfront franchise fee and annual royalty fee) to use the operator's brand, member network, technologies.
- The operator, as a franchisor, provides guidance, support, staff training.
- Under this model, the financial risk is solely on the property owner (although the operator takes some risks in terms of image of the brand which could be damaged by the failure of a franchisee).

#### ***Operating Model 5: Owner-Operator Model***

- The property owner operates the space OR the property owner sells the space to an operator (who becomes the property owner).
- Technically, the property could be transferred to another community interest company or charity with appropriate experience of managing or a trust.

The preferred approach of SBC is Operating Model 3: Management Model. The rationale to support this approach is that it provides the requisite cost certainty for both the owner of the building (SBC) and lessees in order to make meaningful investment in the rental spaces, providing continuity and the ability to recover any fit-out investments over lifecycle rental cost. SBC will recover annual rental from the operator without risk.

## WIDER COMMERCIAL IMPLICATIONS

There are various legal agreements required to facilitate the delivery of this project projects including a funding agreement, development/construction agreements to complete the works as well as pre let agreements/agreements for lease to secure the income streams associated with the occupation of the completed development. The Council has the legal ability to enter into these agreements by virtue of the GPC contained in the Localism Act 2011 as well as the wellbeing provisions contained in the Local Government Act 2000.

There are also specific statutory powers of local authorities to grant a lease contained in the Local Government Act 1972, Local Authorities (Land) Act 1963 and the Local Government, Planning and Land Act 1980.

There are also specific statutory powers of local authorities to enter into contracts associated with the discharge of its functions contained in the Local Government Act 1972, Local Government (Miscellaneous Provisions) Act 1976, Local Authorities (Land) Act 1963 and Local Government (Contracts) Act 1997.

Under section 123 of the Local Government Act 1972 a local authority may not dispose of land for less than the best price reasonably obtainable unless it has obtained the consent of the Secretary of State, or the disposal falls within general consent provisions. The Council's Constitution also sets out a requirement as a general rule that all land disposal should be by way of competitive tender. It is accepted that subject to the prior approval of the Cabinet Member that an alternative method might be preferable.

Furthermore the Council's Constitution also contains requirements for the award of contracts for works, goods or services. In addition the Council must comply with the public procurement regulations.

The Council must also be mindful of its obligations under the subsidy control regime formerly known as state aid. Since 1 January 2021, subsidy control in the UK has been based on the subsidy control provisions in:

- The UK-EU trade and co-operation agreement (TCA)
- The UK's free trade agreements (FTAs).
- The World Trade Organisation's (WTO)

The primary subsidy risk is always to a beneficiary thereof in case it would be found to be unlawful, the consequence of which being a need to repay it.

Any proposals must therefore satisfy the above compliance requirements and where appropriate specialist advice obtained to ensure the Council is acting lawfully.

# MANAGEMENT CASE

# MANAGEMENT CASE

## INTRODUCTION

The Whitby Maritime Training Hub management case presents how the project will be managed through its life and how its benefits will be captured through monitoring and evaluation procedures.

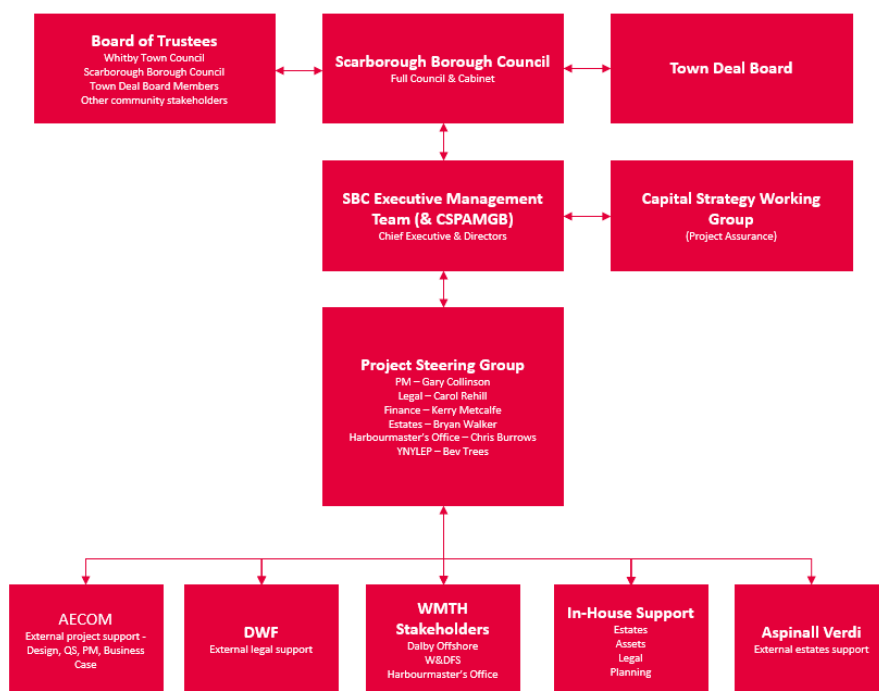
Demonstrating that the preferred option can be successfully delivered requires evidencing that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

As set out in the Whitby Town Investment Plan, Scarborough Borough Council will be responsible for leading on the delivery of all Towns Fund investments. The delivery plan utilises the experience and well-tested arrangements within SBC applied to the implementation of various other successfully regeneration projects.

## PROJECT ORGANISATION AND GOVERNANCE

The governance structure of this project is illustrated in Figure 3 and explained further below setting out the roles and responsibilities of each entity.

Figure 3. Whitby Maritime Training Hub Governance Structure



### Whitby Town Deal Board

The Town Deal Board was established to develop and agree a programme of interventions for the TIP; approve a capacity funding expenditure plan; oversee its delivery; approve the approach to communications and engagement associated with the Whitby Town Investment Plan; and oversee its implementation. The Town Deal Board will have an ongoing oversight role and any significant changes to the project will be presented to the quarterly Town Deal Board meetings following approval by SBC.

The Whitby Town Deal Board voting members are listed in Appendix B.

The Town Deal Board also has a number of advisory members providing insights into the projects it oversees. These are:

- [REDACTED] Director at Scarborough Borough Council
- [REDACTED] Regeneration Manager at Scarborough Borough Council
- [REDACTED] Corporate Director of Business and Environmental Services at North Yorkshire County Council
- [REDACTED] Clerk at Newby and Scalby Parish Council
- [REDACTED] Clerk at Cayton Parish Council
- [REDACTED] Deputy Area Lead for the Cities & Local Growth Unit at BEIS
- [REDACTED] Communications & Engagement Advisor at Four Tigers Media
- [REDACTED] Head of Development & Regeneration at Beyond Housing

### **Scarborough Borough Council**

Scarborough Borough Council will be the accountable body for the Towns Fund Projects, including the Whitby Maritime Training Hub, and responsible for leading on the delivery of the Towns Fund investments.

Major Decisions will be taken by the Council's cabinet or Full Council in accordance with the Constitution of the Council.

Day to day oversight of the projects will be carried out by the Council's Executive Management Team of the Chief Executive and Four Directors, including the Monitoring Officer and S151 Officer.

Day to day running of the project will be delegated to the Project Team.

### **Board of Trustees**

Also, to further ensure accountability in the ongoing operation, management and future development of the Whitby Maritime Training Hub, a Board of Trustees will be established. By having an oversight role in respect of all key management decisions, the Board will be acting to ensure the best interest of the project stakeholders and local community at all times. Representation on the board will be from across the community and will include from SBC, Whitby Town Council, Town Deal Board Members and other community stakeholders.

### **DWF**

DWF is a leading global provider of integrated legal and business services.

### **Aspinall Verdi**

Aspinall Verdi is a regional property consultancy providing pragmatic, robust advice and deliverable solutions to the most difficult of regeneration, development and planning challenges.

### **AECOM**

AECOM is a large multi-disciplinary consultancy providing technical support to SBC in designing and costing the project as well as applying to the Towns Fund.

### **WMTH Occupants**

As eventual occupants, [REDACTED] and the Harbourmaster's Office will form a crucial element of the project governance structure.

## **ASSURANCE**

The three lines model has been used as a tool to help communicate, understand and embed key risk management and assurance processes into the project. The model has been used to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk

management. The use of the model highlights the contribution risk management makes to achieving the objectives and creating and protecting value.

The Council broadly follows the three lines model for this project as follows:

- **Governing bodies and senior management:** The Council and Executive Management Team and senior management sit above the three lines. They collectively have responsibility for setting policies and organisational objectives, defining strategies to achieve them and establishing the necessary governance risk management and control frameworks to manage the risks to their achievement.
- **First line:** Primary responsibility for managing organisational risks through designing and implementing appropriate mitigating controls rests with operational management who own and manage risks. This is the Council's Project Board.
- **Second line:** Reporting to senior management, the second line comprises risk management and compliance functions to help build and/or monitor the first line of defence controls. This is provided by Heads of Service for Legal, Finance, Projects and Estates who sit on the Project Steering Group. Risk management functions are designed to facilitate and monitor the implementation of effective risk management practices by management throughout the organisation, assisting risk owners in defining target risk exposure and providing adequate risk reporting. The principal purpose of compliance functions is to monitor compliance with applicable laws and regulations. The Council has multiple compliance teams with responsibility in areas such as health & safety, human resources, legal, supply chain, environmental or quality.
- **Third line:** The third line is provided by the Council's capital Strategy Working Group providing project assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls. Reports are also taken to the Audit Committee and Overview & Scrutiny Committee.

Key decisions will be taken at key decision points such as movement between RIBA stages or when a major decision needs to be taken or contractual or financial commitment made.

## SCOPE MANAGEMENT

A detailed description of the scope can be seen within the Project Summary and the Proposed Investment section of the strategic case. In summary the project will see the development of an underutilised, town centre site to provide a hub for maritime-focused enterprise and training consisting of:

- Classroom, workshop and dedicated office space for [REDACTED] access also available to wider educational delivery bodies.
- Office space for [REDACTED] and wider space to support [REDACTED] operations;
- Public exhibition space
- Harbourmaster's Office and terrace

The requirements of the project are specified in a Project Brief prepared by the Council. The project brief aligns with the outputs specified in the Heads of Terms by DLUHC.

The requirements are managed on an ongoing basis by the Project Steering Group who meet monthly. All solutions are prepared by AECOM and approved by the Project Manager of Project Steering Group.

## PROGRAMME/SCHEDULE MANAGEMENT

Based on the current programme for the scheme, the key milestones including key decision points, assurance, consents, approvals are as follows:

Table 27. Key Milestones

Milestone	Date
Submission of WMTH business case	March 2022
Receipt of Funding offer	June 2022
Issue documents to tender	August 2022
Receive tender returns	September 2022
Appoint contractor	November 2022
Agreement for Leases Signed	November 2022
Construction start	December 2023
Construction completion	April 2025

The key risks and dependencies which might impact the delivery programme have been summarised in the Strategic Case. In summary:

- Viability of business case / the ability to secure sufficient funding.
- Obtaining statutory consents.
- Contractual negotiations with contractors and development partners.
- Inability to secure sufficient commitment from occupiers/delivery partners
- Variations to works contract as the project progresses, leading to cost increases and / or delays.
- Spending the grant funding by any deadlines imposed.

The key dependencies are:

- Securing planning permission/relevant consents
- Securing agreement between project partners/stakeholders
- Outstanding objection to Council accounts / Harbour Land status overcome

A detailed risk register is provided in Appendix C.

## RISK AND OPPORTUNITIES MANAGEMENT

At monthly project team meetings, the team will go through the risk register to log new risks along with the removal of any old risks no longer posing a threat to the delivery of the project. All members of the project team will be asked to contribute to discussions on risk and means of mitigation. By assessing risks regularly the project team will be able to be actively aware of where uncertainty surrounding events or outcomes exists and be able to help identify steps that can be taken to protect the projects objectives and budget from risk occurrence. As risk management is an ongoing activity throughout the project the project manager and project team will be well placed to monitor and mitigate risk with the aim of achieving the desired outcomes of the project.

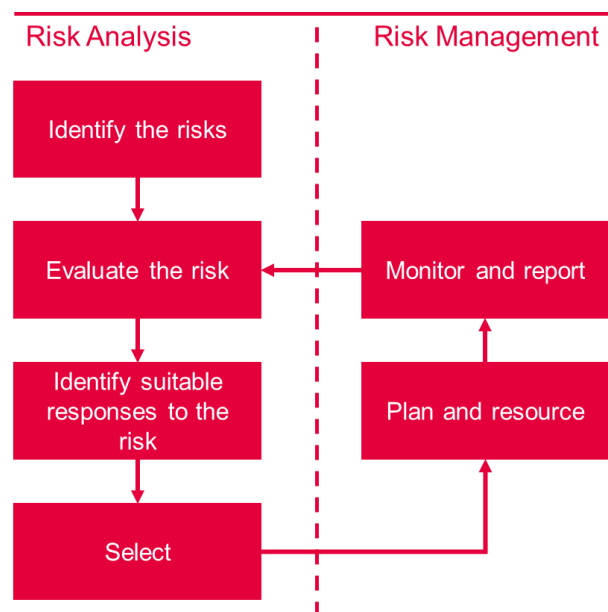
Actions to deal with risk are in line with PRINCE2 and include:

- **Prevention** – terminate the risk by doing things differently and thus removing the risk, where it is feasible to do so. Counter measures are put into place that either stop or treat the problem from occurring or prevent it having any impact on the project.
- **Reduction** – treat the risk; take action to control it in some way where the actions either reduce the likelihood of the risk developing or limits the impact on the project to acceptable levels.
- **Transference** – risk reduction by passing the risk on to a third party.

- **Acceptance** – tolerate the risk, either due to their being nothing that can be done at a reasonable cost to mitigate it or the likelihood and impact of the risk occurring are at an acceptable level.
- **Contingency** – actions that are planned and organised to come into force as and when risk occurs.

The risk management strategy will be qualitative and involve the use of live spreadsheet document logs to record and amend project risks throughout the project's life cycle. Risk analysis and management will be undertaken in line with PRINCE 2 following the process identified in Figure 3.

Figure 4. Risk Analysis and Management Process



Project risks and issues will be addressed in line with PRINCE2 methodology to determine their impact on the project. All project issues and risks raised will be logged and any activities required to accommodate or resolve them will be managed and documented.

Project risks and issues if they occur are likely to arise from the following situations or sources:

- User requirements change
- Legislation changes
- Organisation or business changes
- Suppliers being unable to deliver
- Resource availability changes
- Questions or concerns relating to the project

The 'Project risks, constraints and interdependencies' section of the Strategic Case presents a summary of the key risks and current mitigation approach, with a detailed Risk Register provided in Appendix C. Contactors will be encouraged where possible to aid the delivery team to reduce project risk, uncertainty and to explore opportunities. Opportunities to gain from possible industry productivity initiatives will be explored if relevant.

## PROJECT MANAGEMENT

### *Approach to project management*

The Council has well developed and tested existing project management arrangements which are set out in internal project management procedures. These are being applied to this project and have guided the Council to deliver a large number of complex and award-winning projects.

The Council's approach has seen its Project Service awarded the Best Service Team of the Year: Housing, Construction and Building Service in the ASPE annual service awards 2020.

Governance and oversight will be provided by the Capital Programme and Property Asset Management Project Board comprised of the Chief Executive and Directors including S151 and Monitoring Officer (EMT) ensuring legal and financial compliance.

At a project level, the project will be directed by a Project Board, chaired by the Director of Regeneration and attended by the internal SBC Project Manager, Legal and Financial Managers and selected key stakeholders and consultants. The SBC project manager will closely monitor delivery of task items to avoid scope creep on planned activities.

Project updates and reporting will be implemented by the project manager to the Project Steering Group and by exception upwards to the Capital Strategy and Property Asset Management Governance Board (CSPAMGB). The reporting provided will aid the Group in monitoring the projects performance and risk.

Compliance and consent management will be monitored by the SBC project manager in relation to procurement and the meeting of any planning conditions imposed on the project. Project delivery interfaces on site will be led by each contracting authority.

Consultants have been employed to prepare the business case, and will be appointed to act as designers, project manager, contract administrator and supervisor in the construction contracts awarded.

The project will be managed in line with the principles of the PRINCE2 project management methodology. The appointed SBC project manager will be PRINCE2 trained. PRINCE2 encourages and supports involvement of the user and the other stakeholders who have an interest in the projects outcome or who are affected by it in any way. Due to this project involving a large number of different stakeholders, good communication will be key to successful outcomes.

### *Change management*

The Council operates a Change Management Protocol – Proposed changes may reflect any of the following:

- Risk register/issues log (identified risks)
- Legislative changes
- Corporate
- New customer / supplier
- Change of project management team
- Reorganisation
- Specification reductions/increases for cost or programme reasons

Change management will be led by the Project Manager at Scarborough Borough Council. Minor changes not impacting on the delivery of the project or outcomes may be implemented by the Project Manager.

All other changes are escalated to the Project Steering Group, or EMT if concerning changes to scope, outputs or organisational change.

The following approvals thresholds will be applied to the scheme:

- £0-£5,000 (and within contingency) – Project manager approval;

- £5,000-£139,999.99 (and within contingency) – Project Board approval; and
- £140,000 and over – Cabinet

The Council has Change Management Documents that should be completed defining the proposed change and its effects on the Project:

- Evaluate the proposed change in terms of project impact, cost, time and quality against the original project objectives. Consult with Stakeholders.
- Identify the source of funding. Is the project budget being increased? Is it coming out of a contingency fund?
- Project Manager to make a decision, or if impact threshold is above the delegated level of the Project Manager's authority, then escalate to Project Board.
- Accept or reject proposed change. Record decision.
- Maintain a record of all changes

Each professional services contract or third-party agreement will have one lead person allocated as the contract manager. In the case of the main NEC3 Professional Services Contract with Aecom, this is the Project Manager, Gary Collinson.

## STAKEHOLDER ENGAGEMENT

The project has a wide range of stakeholders including the public sector, HE and FE training providers, industry bodies, local businesses, harbour users and local residents. A list of key stakeholders has been identified within the Strategic Case.

Extensive and wide-reaching consultation is ongoing with the Towns Deal Board, who approved the Town Investment Plan and projects within it. The local MP and businesses have also been updated.

The Council and partners have engaged in extensive consultation, and continue to work with a number of key stakeholders, including:

*Table 28. Whitby Maritime Training Hub Ongoing Stakeholder Engagement*

Stakeholder	Interest and power to influence delivery
██████████	██████████
██████████████████	██████████
Harbourmaster's Office	Occupier
██████████	██████████
██████████████	██████████
██████████	██████████
██████████	██████████
Harbour Users' Group and local businesses	Proposals must ensure minimal interruption to normal working life for other harbour users such as Coates Marine and Parkol Marine Engineering and well as town centre businesses.

Further consultation will take place in relation to the Whitby Maritime Training Hub project as the project continues to be developed.

Stakeholders will be engaged throughout the duration of the project as appropriate and in accordance with the Communication Plan set out but the Council. It sets out its approach to communications and how it will engage with all parties involved in the project.

Communications and engagement will continue between the Council and its key stakeholders throughout the life cycle of the project. Throughout the development, delivery and operations stages, press releases will be prepared to engage with wider stakeholders. Other platforms include the use of social media, newsletters, and website which can all be utilised to aid engagement.

## BENEFITS, MONITORING AND EVALUATION

The Council's Capital Strategy Working Group will monitor and evaluate benefits realisation. During development and delivery phases, the Council's Pentana project risk management system will be regularly updated to aid tracking and reporting of benefits. This will include monitoring of expenditure and delivery against expected milestones, outputs and outcomes.

As part of the grant funding agreement, the Council will demonstrate progress against the milestones and the outputs achieved to release grant funding from the accountable body. The project will adhere to the evaluation and monitoring plan in place and will be overseen by Scarborough Borough Council.

The following outputs and outcomes will be delivered and measured as part of the project:

*Table 29. Benefits Realisation Table*

Expected Outputs and Outcomes	Target	Timescale of realisation
Town Deal Funding	£10m	Completion – April 2025
High quality commercial floorspace delivered	2,985m <sup>2</sup>	Completion – April 2025
Number of new learners assisted	800 per annum	Year 2 of operation onwards
Increased working-age population completing certified technical training courses	<ul style="list-style-type: none"> <li>Short Courses – 596 per annum</li> </ul>	Year 2 of operation onwards
Increased working-age population with qualifications/apprenticeships	<ul style="list-style-type: none"> <li>Level 2 Diploma in Sea Fishing – 24 per annum</li> <li>Level 3 Apprenticeship Std Workboat Crew – 12 per annum</li> </ul>	Year 2 of operation onwards
Increased maritime business counts	1 per annum	Ongoing from Q3 2025
Improved perceptions of the maritime sector	Year-on-year increase in course demand / enquiries	Ongoing from Q3 2025
Improved perceptions of the place by residents/businesses/visitors	Monitored as part of ongoing surveys of the residents' panel	Ongoing

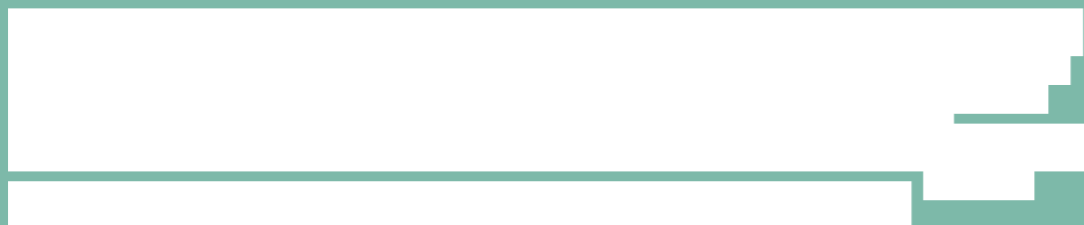
# **APPENDIX A: OUTLINE FEASIBILITY OPTIONS REPORT**



HM Government

# Whitby Maritime Training Hub

Architecture >> Outline Feasibility Options



# Contents

<b>Introduction</b>	<b><u>0.01</u></b>
<b>Option 01</b> >> Do Nothing	<b><u>1.01</u></b>
<b>Option 02</b> >> Do Minimum	<b><u>2.01</u></b>
<b>Option 03</b> >> Do Something 1	<b><u>3.01</u></b>
<b>Option 04</b> >> Do Something 2	<b><u>4.01</u></b>
<b>Option 05</b> >> Do Something 3	<b><u>5.01</u></b>
<b>Option 06</b> >> Do Maximum	<b><u>6.01</u></b>
<b>Opportunity</b> >> Option 04 (A)	<b><u>7.01</u></b>
<b>Comparison</b>	<b><u>8.01</u></b>

# Introduction

## Whitby Maritime Training Hub >> Mixed Use - Mixed Tenant Scheme

The following document outlines possible project configuration options for the Whitby Maritime Training Hub (WMTH) scheme to be procured at the Endeavour Wharf, Whitby, for the consideration



Existing Site Boundary - 8,970m<sup>2</sup> Approx



Location

## OPTION 01

\\ Do Nothing  
Existing Car Park Remains



# Option 01

## Do Nothing >> Existing Car Park Remains

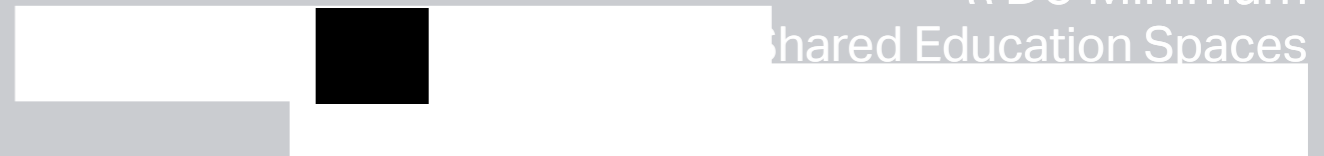
No further works are undertaken - the site remains with its existing occupiers and functions including Public Car Parking and Tourist Information Centre.  
Existing parking capacity 220 public 30 private rented



Existing Site Boundary - 8,970m<sup>2</sup> Approx

## OPTION 02

\\ Do Minimum  
Shared Education Spaces



Option 02

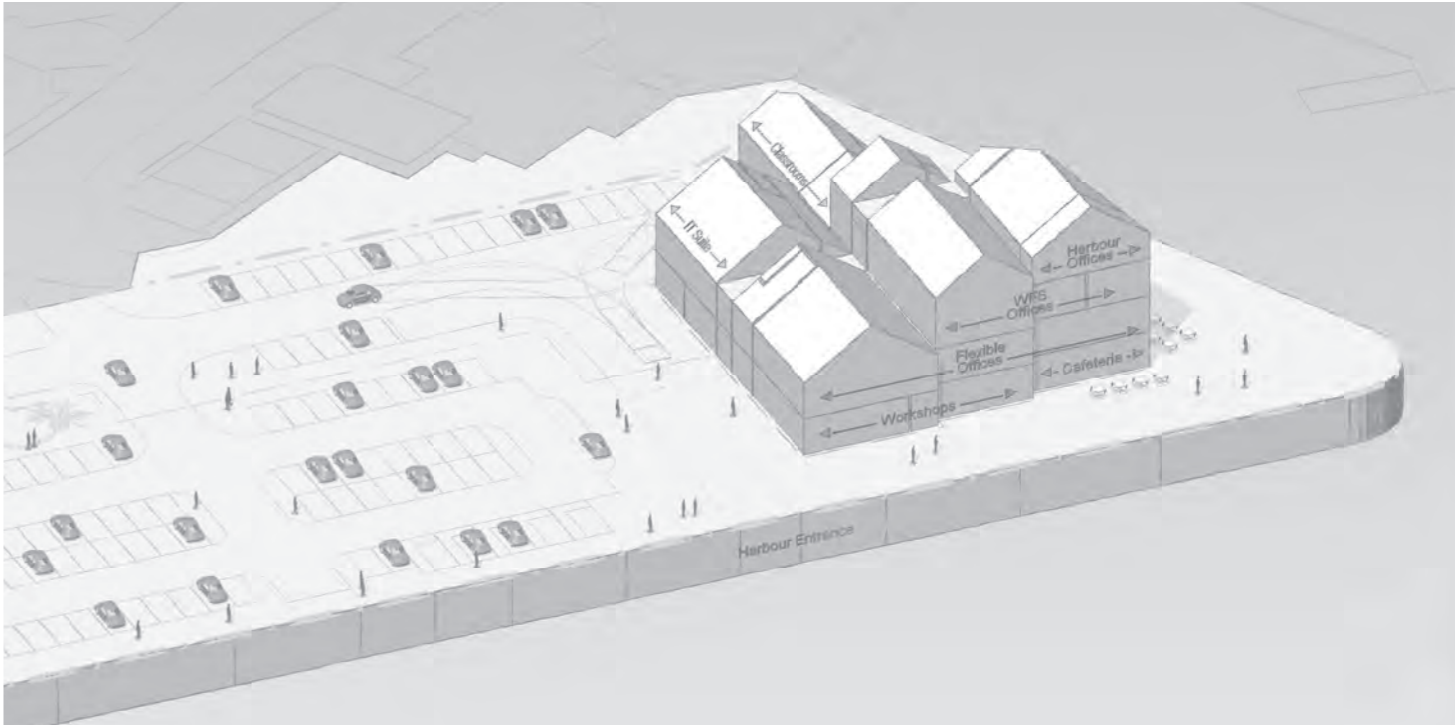
Do Minimum >> Min. [redacted] + Min. Flexible  
Shared Education Sp

Stakeholders

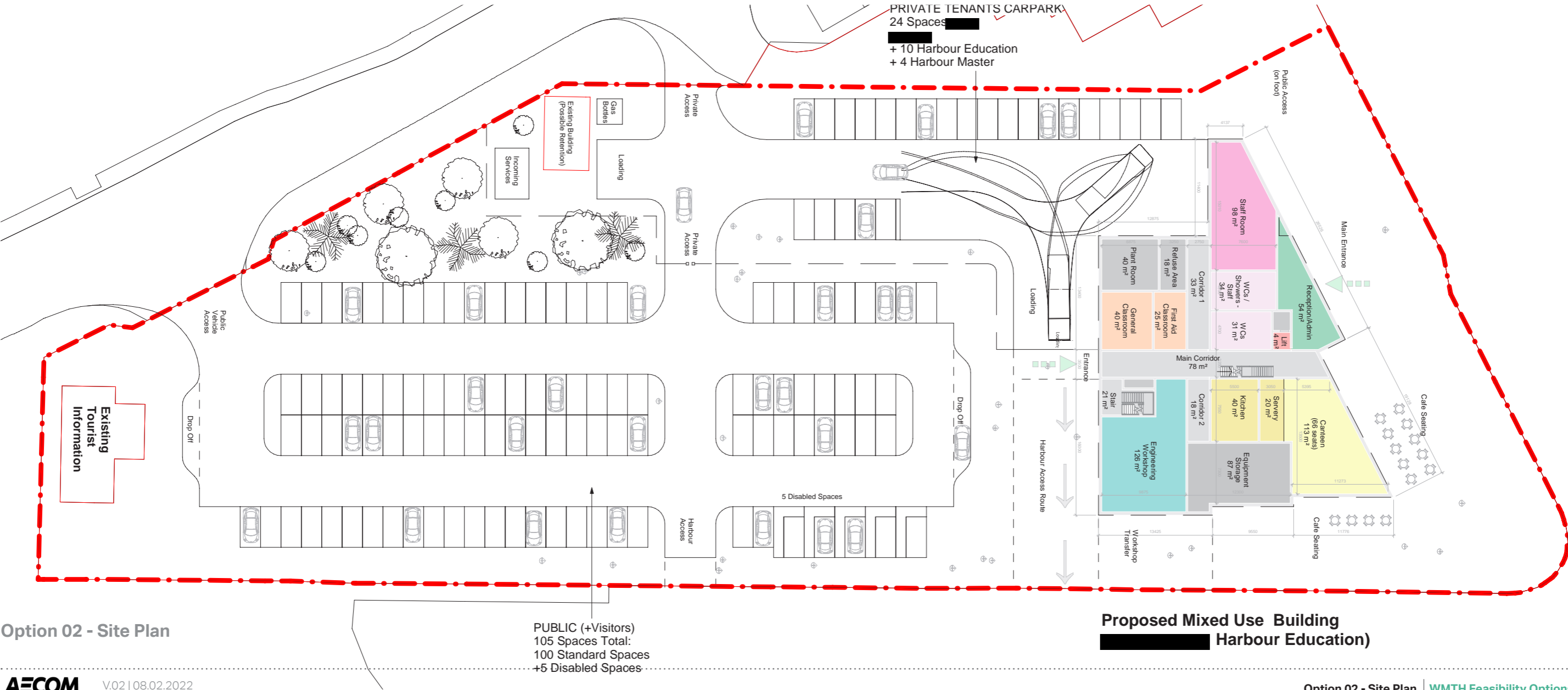
- WFS
- Maritime and offshore industry supply chain
- HE providers (Universities / Colleges / Other)
- Harbour Master

Overview

[redacted] offering to provide flexible accommodation for [redacted] Harbour Education Providers. The scheme e [redacted] s the more functions of WFS, with a focus on flexible office and training classroom spaces.



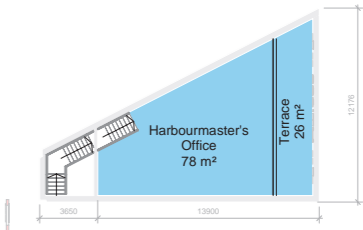
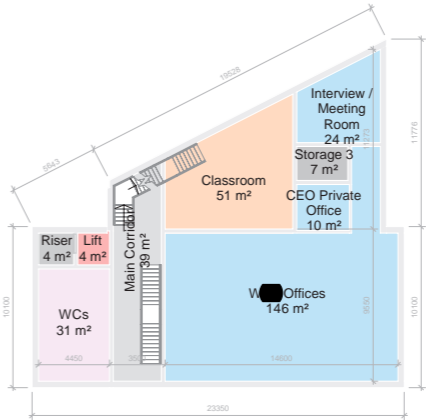
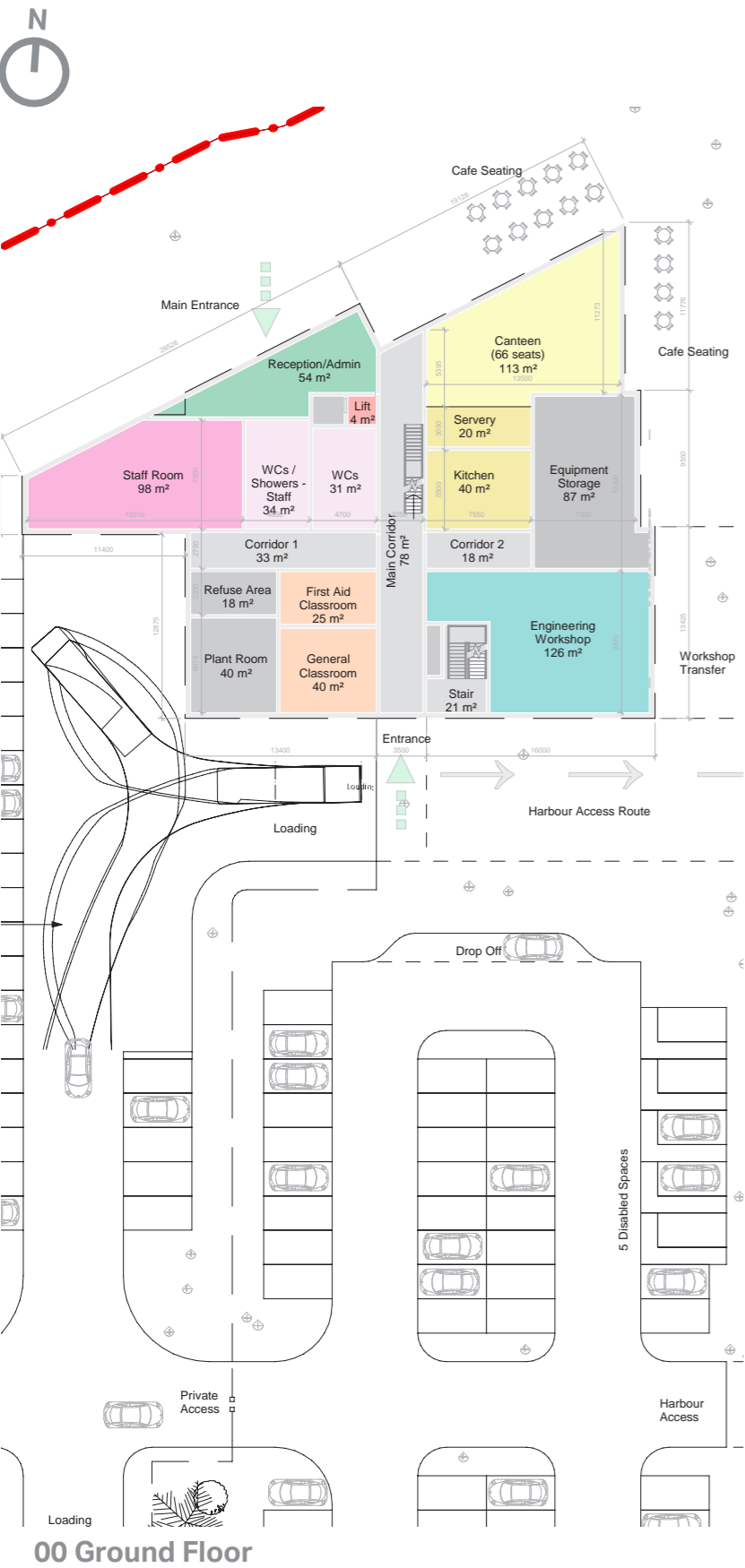
Option 02 - 3D Massing



Option 02 - Site Plan

Option 02

Do Minimum >> Min. [redacted] + Min. Flexible Shared Education Sp [redacted]



Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Exhibition	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Tourist Information	
Training	
Workshop	

01 First Floor

02 Second Floor

03 Third Floor

The scheme locates more sacrificial and less technologically advanced functions at ground level since there is a flood risk associated with this site. These functions are also at this level due to loading / connection to the waterfront operational requirements. Flood defense measures will include c [redacted] utomated flood barriers.

The sha [redacted] xible use are situated at first floor level and the more private offices [redacted] and the Harbour Master located on the uppermost levels offering the bes [redacted]

The canteen is aimed at full service flexibility to enable a franchise to open the unit for public usage. Its capacity is calculated to accommodate 60% of the anticipated medium-upper level of total building occupancy.

The building is outlined for CAT A + Shell and Core delivery. It is envisaged that the CAT B development will be procured separately once tenants and detailed requirements of space usage are agreed in full.

The site, many of the key Stakeholders and Scarborough Borough Council have an aspiration to implement renewable energy technologies and measures to optimise the energy efficiency of the development and move towards Net Zero targets. AECOM is committed to reducing the environmental impact of all its projects.

Option 02

Do Minimum >> Min. [redacted] + Min. Flexible Shared Education Sp

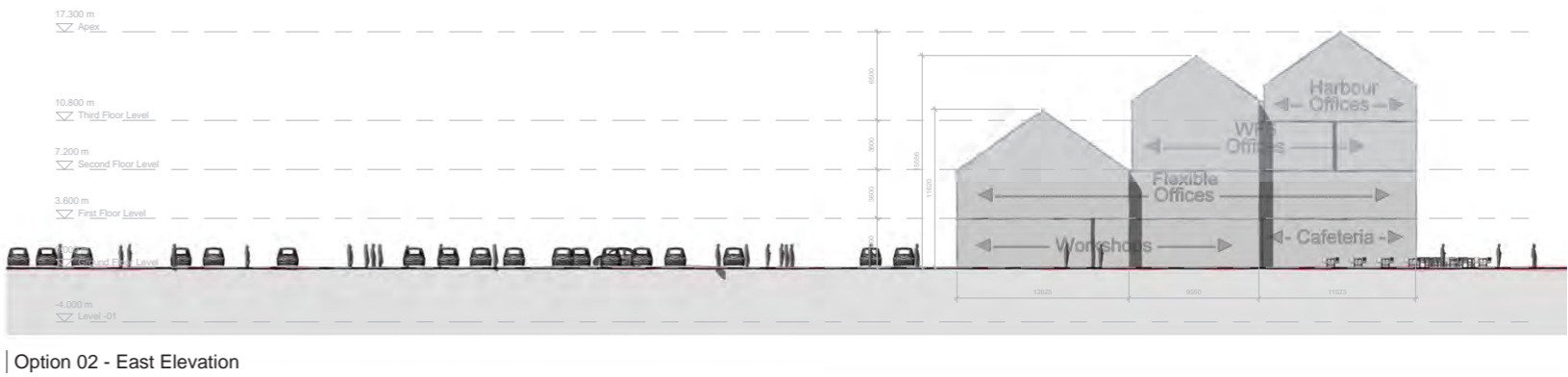
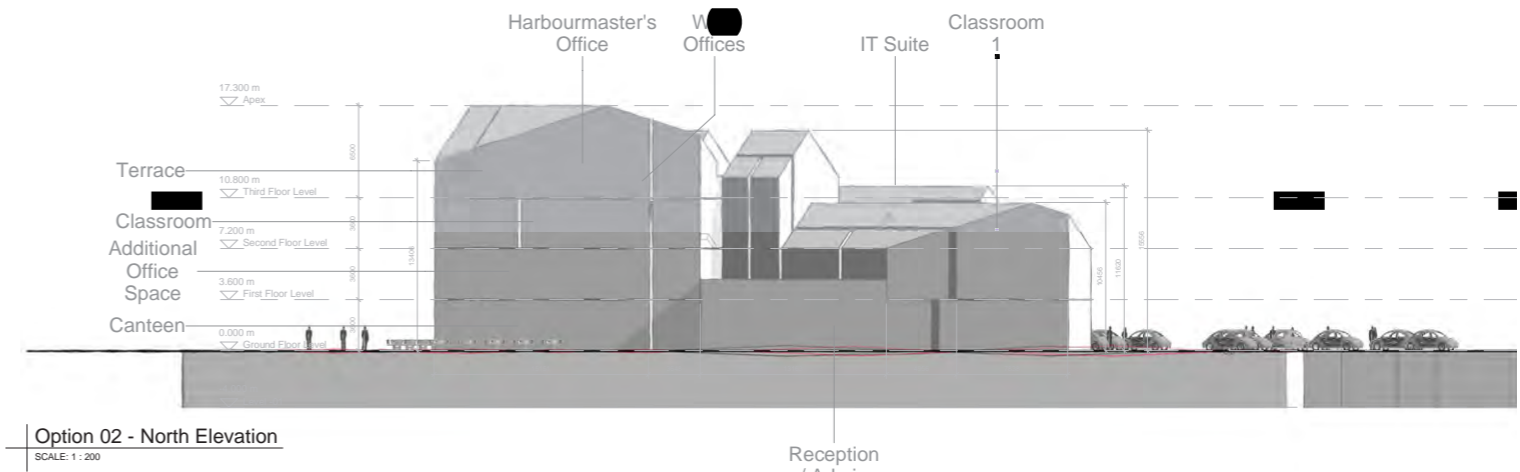
-		
Room Name	Floor Area	Gross Volume
Canteen	113 m²	407.0 m³
Corridor 1	33 m²	117.0 m³
Corridor 2	18 m²	65.7 m³
Engineering Workshop	126 m²	452.5 m³
Equipment Storage	87 m²	314.8 m³
First Aid Classroom	25 m²	89.9 m³
General Classroom	40 m²	144.0 m³
Kitchen	40 m²	144.5 m³
Lift	4 m²	14.4 m³
Main Corridor	78 m²	280.0 m³
Plant Room	40 m²	143.1 m³
Reception / Admin	54 m²	249.1 m³
Refuse Area	18 m²	64.8 m³
Riser 1	4 m²	15.8 m³
Riser 2	4 m²	12.6 m³
Servery	20 m²	73.6 m³
Staff Room	98 m²	351.0 m³
Stair	21 m²	75.7 m³
WCs	31 m²	112.9 m³
WCs / Showers - Staff	34 m²	121.5 m³
	887 m²	3250.0 m³

-		
Room Name	Floor Area	Gross Volume
Additional Office Space	417 m²	1873.7 m³
Classroom 1	79 m²	428.1 m³
Classroom 2	47 m²	255.9 m³
Corridor 3	33 m²	145.4 m³
IT Suite	117 m²	715.9 m³
Lift	4 m²	14.4 m³
Main Corridor	78 m²	280.0 m³
Riser 1	4 m²	15.8 m³
Riser 2	4 m²	23.3 m³
Server Room	10 m²	62.3 m³
Stair	21 m²	116.9 m³
Storage 1	11 m²	48.3 m³
Storage 2	9 m²	38.7 m³
WCs	31 m²	112.9 m³
	864 m²	4131.8 m³

-		
Room Name	Floor Area	Gross Volume
CEO Private Office	10 m²	34.4 m³
Classroom	51 m²	185.3 m³
Interview / Meeting Room	24 m²	85.3 m³
Lift	4 m²	23.2 m³
Main Corridor	39 m²	222.8 m³
Riser	4 m²	25.5 m³
Storage 3	7 m²	24.5 m³
WCs	31 m²	219.5 m³
[redacted]	146 m²	948.7 m³
	316 m²	1769.2 m³

-		
Room Name	Floor Area	Gross Volume
Harbourmaster's Office	78 m²	367.2 m³
Terrace	26 m²	122.0 m³
	104 m²	489.2 m³

Room Schedule - Total Option 02	
Floor Area	Gross Volume
2171 m²	57249.8 m³

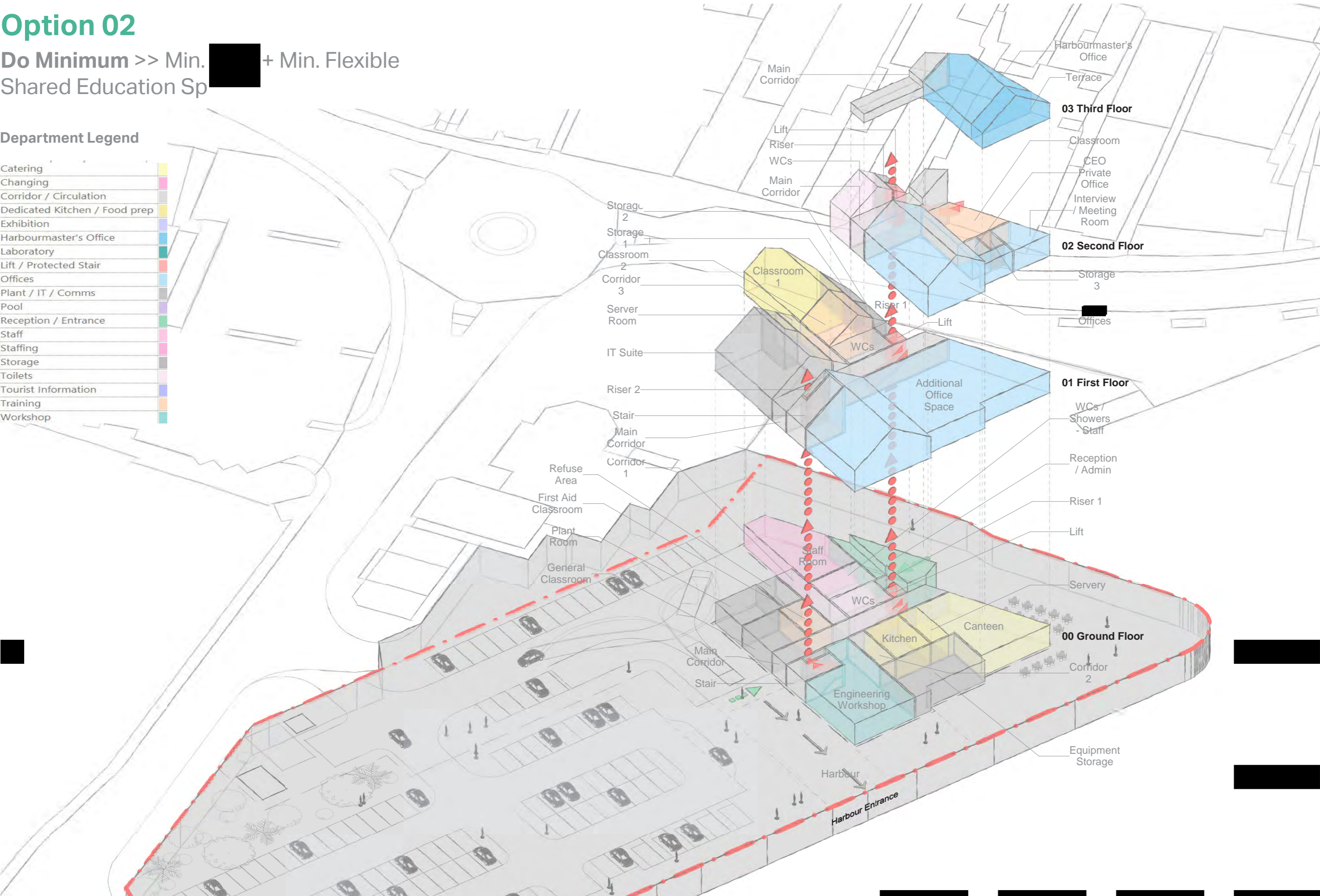


Option 02

Do Minimum >> Min. [redacted] + Min. Flexible Shared Education Sp

Department Legend

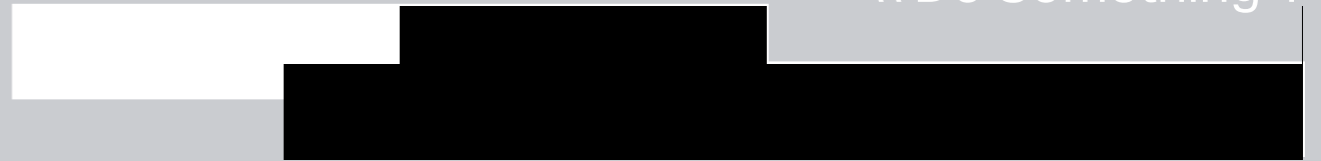
- Catering
- Changing
- Corridor / Circulation
- Dedicated Kitchen / Food prep
- Exhibition
- Harbourmaster's Office
- Laboratory
- Lift / Protected Stair
- Offices
- Plant / IT / Comms
- Pool
- Reception / Entrance
- Staff
- Staffing
- Storage
- Toilets
- Tourist Information
- Training
- Workshop



Option 02 - Uses - Exploded 3D View

## OPTION 03

\\ Do Something 1



# Option 03

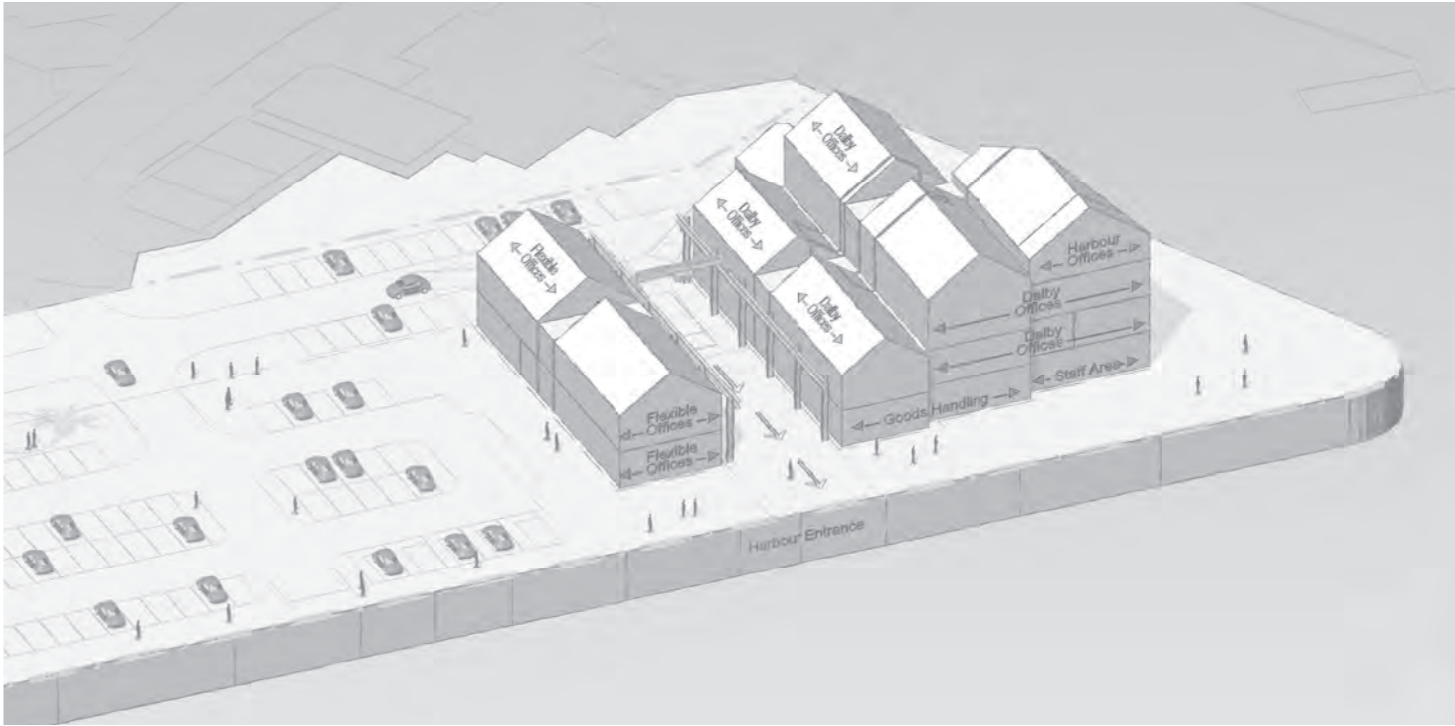
Do Something (1) >> Max [redacted] exible  
Shared Accommodation ([redacted])

Stakeholders

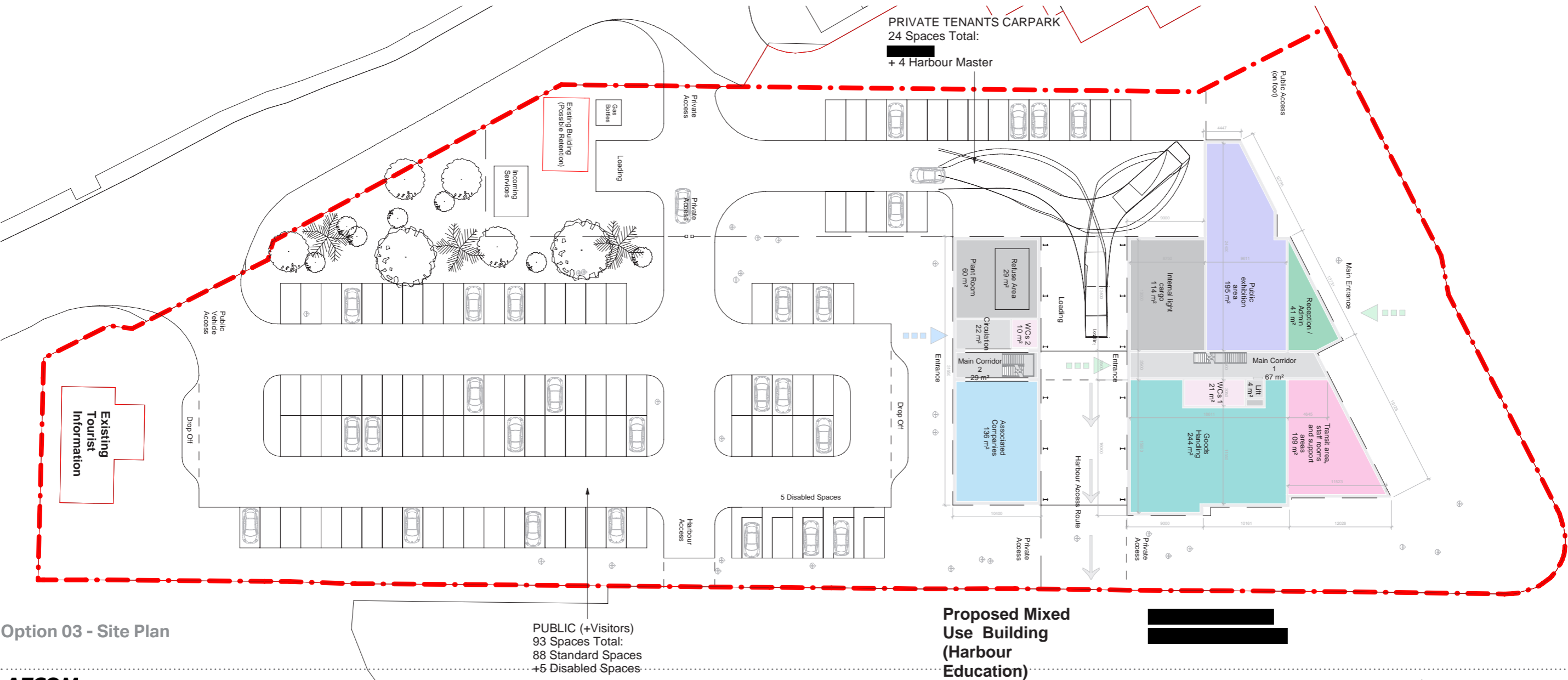
- Dalby Offshore
- Maritime and offshore industry supply chain
- HE providers (Universities / Colleges / Other)
- Harbour Master

Overview

Proposal replicates the existin [redacted] signed [redacted] in 2015/6.  
This is the maximum offer for [redacted] as an [redacted] building cluster at the  
more private/secure North en [redacted] with a [redacted] and a community use  
exhibition area. The other building cluster facing the [redacted] public South side of the site includes a  
notional offering of flexible mixed use classroom / training spaces for associated users such as Harbour  
Education Providers.

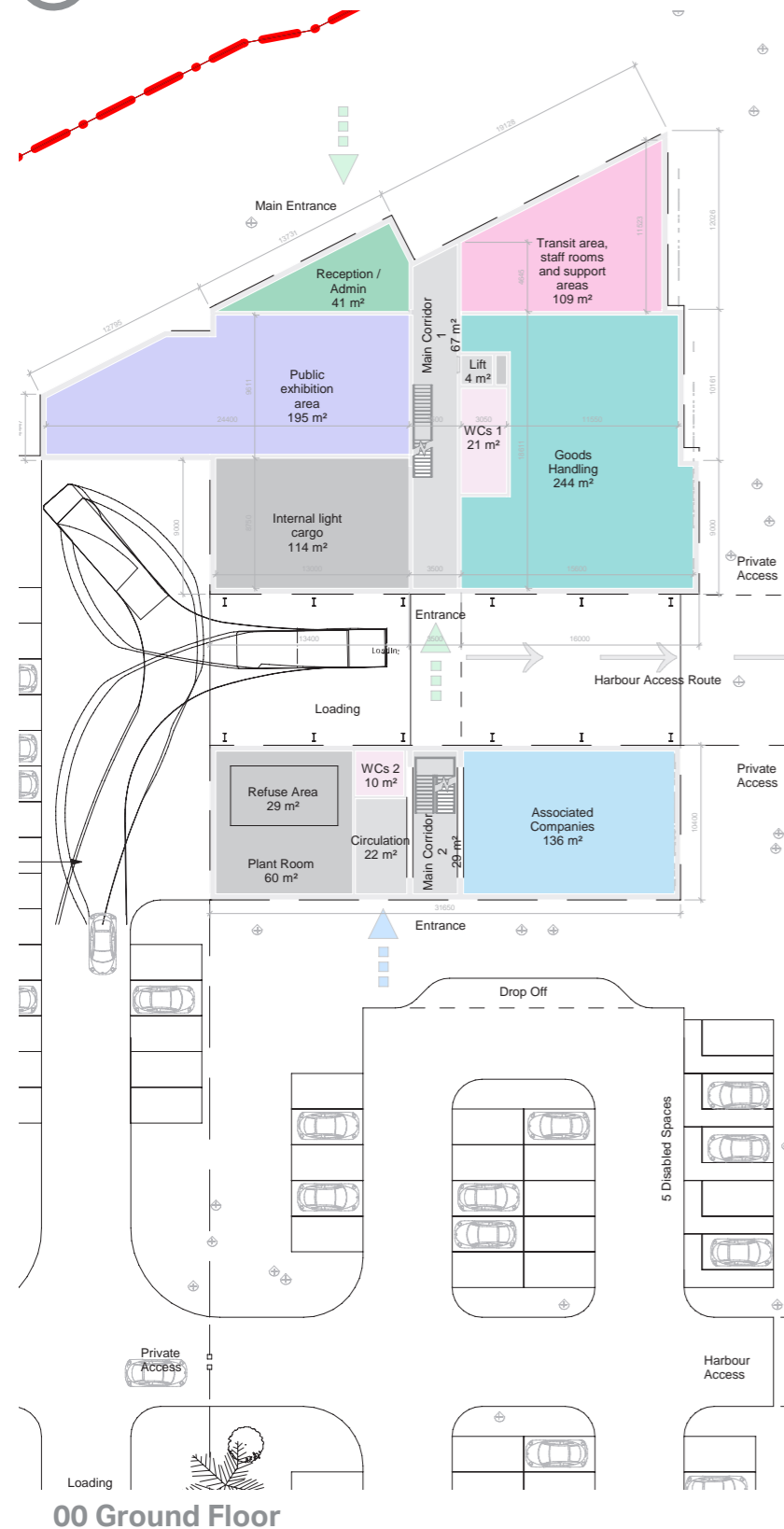


Option 03 - 3D Massing



Option 03 - Site Plan

**Do Something** (1) >> Max. [REDACTED] + Notional Flexible Shared Accommodation (G [REDACTED] 16 Proposal)



The floor plan of the 1st floor is divided into several functional areas, each color-coded and labeled with its name and area in square meters (m²). The plan also includes various dimensions for sections and the overall building footprint.

**Rooms and Areas:**

- Offices 1:** 195 m² (Large blue area on the left)
- Meeting Room 2:** 16 m² (Small blue area in the center-left)
- Main Corridor:** 31 m² (Grey area in the center)
- Lift:** 4 m² (Red area in the center-right)
- WCs:** 21 m² (Pink area in the center-right)
- Board Room:** 37 m² (Blue area in the top right)
- Offices 2:** 318 m² (Large blue area on the right)
- Associated Companies 1:** 123 m² (Blue area in the bottom left)
- Associated Companies 2:** 136 m² (Blue area in the bottom right)

**Dimensions:**

- Overall Dimensions:** 13250 (width) x 19000 (depth).
- Section Dimensions (from left to right):** 13400, 3500, 16000.
- Section Dimensions (from top to bottom):** 7900, 19400.
- Internal Section Dimensions (from left to right):** 6000, 6000, 6000, 6000, 6000.
- Internal Section Dimensions (from top to bottom):** 29 m² (Main Corridor 4), 31 m² (Main Corridor 2).

The floor plan shows a large office space divided into several areas. On the left is a large blue area labeled 'Offices 3' with an area of 121 m². To its right is a narrow vertical strip containing a 'Main Corridor' (21 m²) and a 'Lift' (4 m²). Further right is a pink-shaded area labeled 'WCs' (15 m²). On the far right is a large blue area labeled 'Offices 4' with an area of 231 m². The plan includes various dimensions: a vertical dimension of 13250 on the left, a horizontal dimension of 13000 at the bottom left, a horizontal dimension of 4347 at the bottom center, and a horizontal dimension of 15000 at the bottom right. A diagonal dimension of 13697 is shown at the top right. A staircase is located between the Main Corridor and Offices 4.

The diagram shows a triangular plot of land with a base of 17550 and a height of 12520. The area of the triangle is 80 m². The plot is divided into two sections: a smaller triangle on the left with a base of 3484 and a height of 1957, and a larger trapezoidal area on the right. The area of the trapezoid is 27 m². The text 'Harbourmaster's Office' is written in the center of the plot.

# Department Legend

Catering	Yellow
Changing	Pink
Corridor / Circulation	Grey
Dedicated Kitchen / Food prep	Yellow
Exhibition	Light Blue
Harbourmaster's Office	Blue
Laboratory	Teal
Lift / Protected Stair	Red
Offices	Light Blue
Plant / IT / Comms	Grey
Pool	Purple
Reception / Entrance	Green
Staff	Pink
Staffing	Pink
Storage	Grey
Toilets	Light Grey
Tourist Information	Light Blue
Training	Orange
Workshop	Teal

The site, many of the key Stakeholders and Scarborough Borough Council have an aspiration to implement renewable energy technologies and measures to optimise the energy efficiency of the development and move towards Net Zero targets. AECOM is committed to reducing the environmental impact of all its projects.

Option 03

Do Something (1) >> Max. [redacted] + Notional Flexible Shared Accommodation (G [redacted] 16 Proposal)

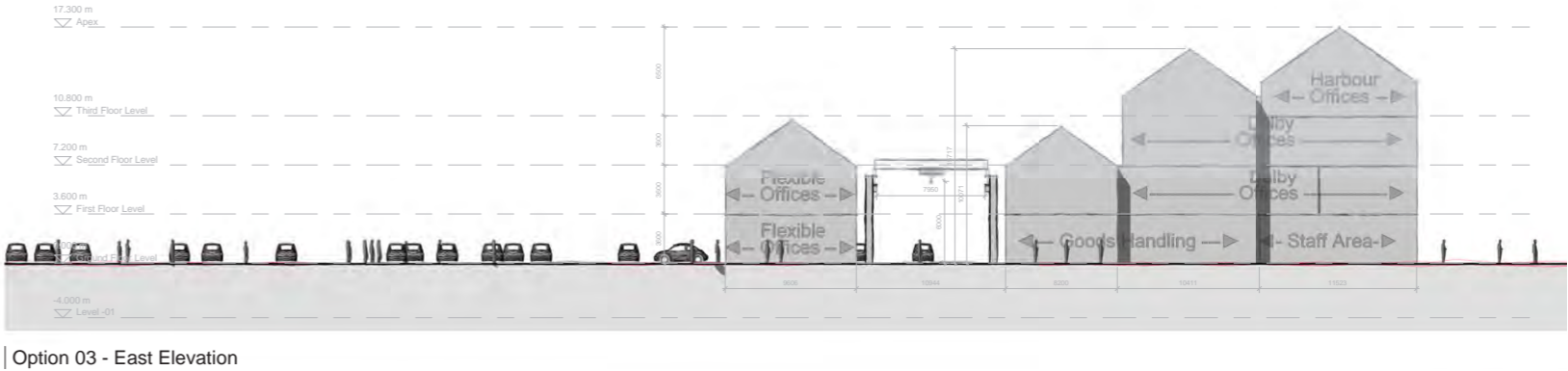
Room Schedule - Ground Floor Level - Option 3		
Room Name	Floor Area	Gross Volume
Associated Companies	136 m²	490.8 m³
Circulation	22 m²	79.5 m³
Goods Handling	244 m²	878.7 m³
Internal light cargo	114 m²	409.5 m³
Lift	4 m²	14.8 m³
Main Corridor 1	67 m²	241.5 m³
Main Corridor 2	29 m²	103.7 m³
Plant Room	60 m²	214.3 m³
Public exhibition area	195 m²	851.7 m³
Reception / Admin	41 m²	204.2 m³
Refuse Area	29 m²	103.7 m³
Riser	1 m²	4.9 m³
Transit area, staff rooms and support areas	109 m²	392.9 m³
WCs 1	21 m²	77.3 m³
WCs 2	10 m²	35.1 m³
	1082 m²	4102.5 m³

Room Schedule - First Floor Level - Option 3		
Room Name	Floor Area	Gross Volume
Associated Companies 1	123 m²	651.4 m³
Associated Companies 2	136 m²	719.8 m³
Board Room	37 m²	133.3 m³
[redacted]	195 m²	841.7 m³
[redacted]	318 m²	1323.8 m³
Lift	4 m²	14.8 m³
Main Corridor 1	19 m²	69.8 m³
Main Corridor 2	31 m²	110.4 m³
Main Corridor 3	16 m²	58.3 m³
Main Corridor 4	29 m²	103.7 m³
Meeting Room 1	16 m²	58.4 m³
Meeting Room 2	16 m²	66.3 m³
Riser 1	6 m²	22.9 m³
Riser 2	1 m²	4.9 m³
WCs	21 m²	80.8 m³
	970 m²	4260.4 m³

Room Schedule - Second Floor Level - Option 3		
Room Name	Floor Area	Gross Volume
[redacted]	121 m²	820.1 m³
[redacted]	231 m²	1204.4 m³
Lift	4 m²	31.6 m³
Main Corridor 1	19 m²	123.5 m³
Main Corridor 2	21 m²	109.5 m³
Riser 1	4 m²	29.9 m³
Riser 2	1 m²	10.5 m³
WCs	15 m²	100.3 m³
	417 m²	2430.0 m³

Room Schedule - Third Floor Level - Option 3		
Room Name	Floor Area	Gross Volume
Harbourmaster's Office	80 m²	376.5 m³
Terrace	27 m²	123.2 m³
	107 m²	499.7 m³

Room Schedule - Total Option 03	
Floor Area	Gross Volume
2576 m²	58902.3 m³

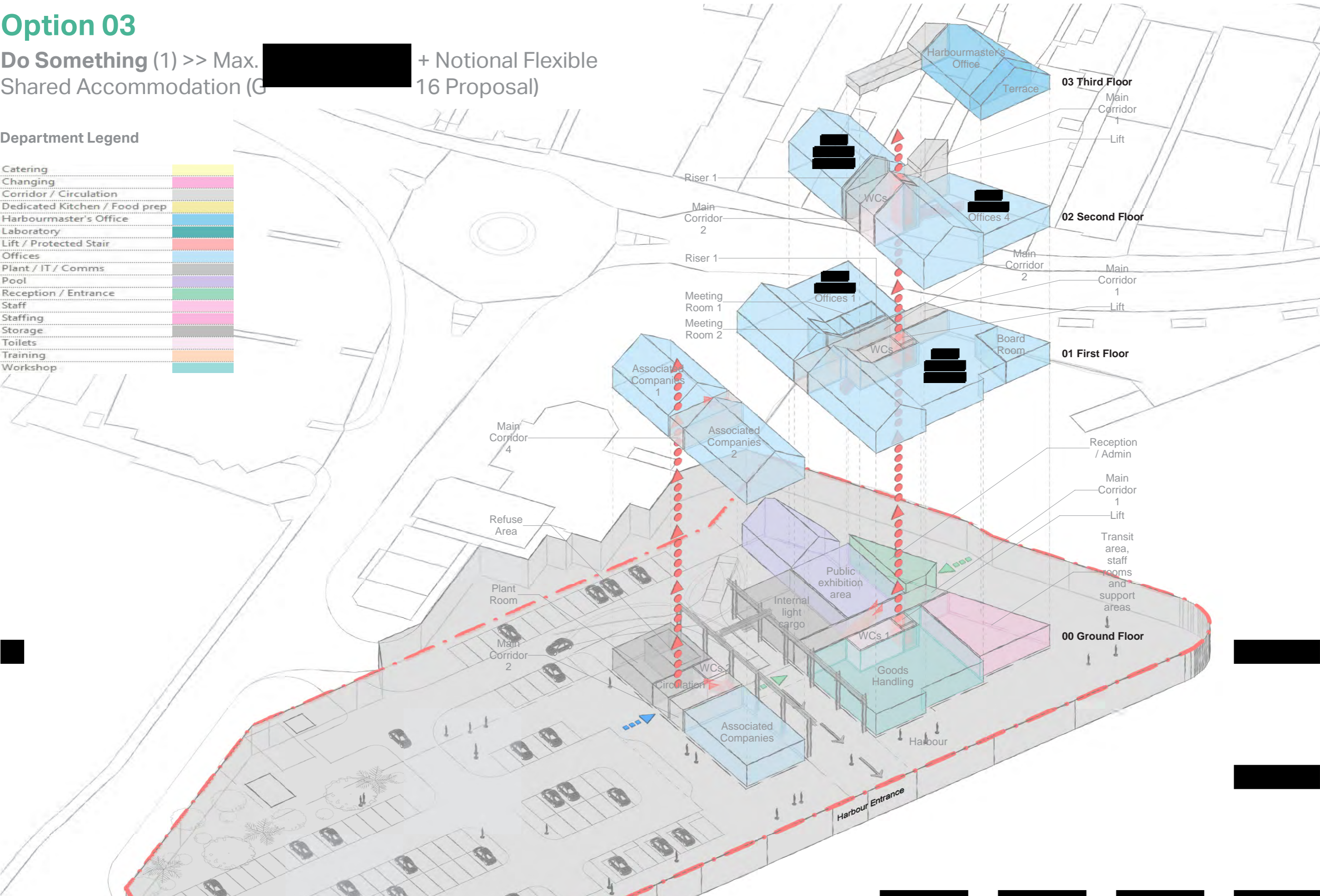


Option 03

Do Something (1) >> Max. [redacted] + Notional Flexible  
Shared Accommodation (G [redacted] 16 Proposal)

Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Training	
Workshop	



Option 03 - Uses - Exploded 3D View

## OPTION 04

\\ Do Something 2  
ning + Education Spaces

>>



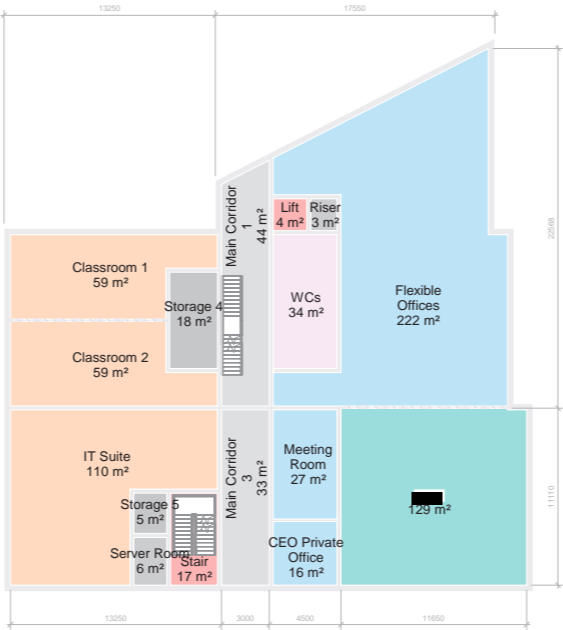


Option 04

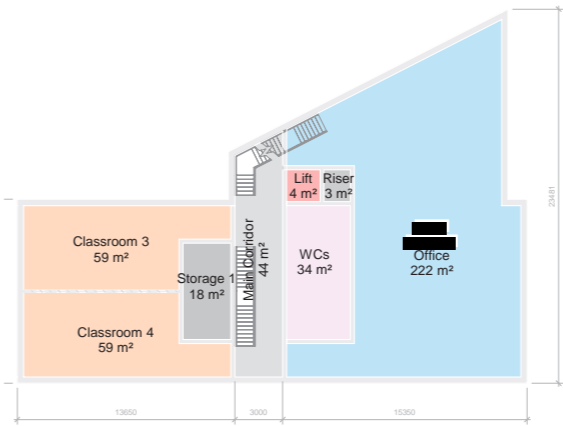
Do Something (2) >> Flexible Shared Training + Education Spaces



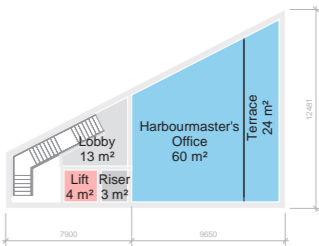
00 Ground Floor



01 First Floor



02 Second Floor



03 Third Floor

Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Exhibition	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Tourist Information	
Training	
Workshop	

The scheme locates more sacrificial and less technologically advanced functions at ground level since there is a flood risk associated with this site. These functions are also at this level due to loading / connection to the waterfront operatio perimeter low wall to all ground floor areas and threshold automated flood barriers.

There is a dedicated maritime activities lounge for crew to prepare for embarkation activities (this pod can operate autonomously to the rest of the building). Adjacent to this there are equipment/cargo storage rooms and an Engineering Workshop for practical machinery/equipment training use. The public frontage on the northernmost side offers a franchisable cafeteria, the capacity is calculated to accommodate 60% of the anticipated medium-upper level of total building occupancy. The relocated Tourist Information Centre (previously in existing building at south of the site) is accessible through the main reception. Adjacent to this is a Public Exhibition space for flexible community usage.

Offices are s oss the 3 upper levels. The accommodation is geared towards a wide variety of harbour education users / local businesses. tion to indicate how it would be sectioned off for specific users if required. The second and third floors are shown dedicated to ur Master respectively.

The building is outlined for CAT A + Shell and Core delivery. It is envisaged that the CAT B development will be procured separately once tenants and detailed requirements of space usage are agreed in full.

The site, many of the key Stakeholders and Scarborough Borough Council have an aspiration to implement renewable energy technologies and measures to optimise the energy efficiency of the development and move towards Net Zero targets. AECOM is committed to reducing the environmental impact of all its projects.

Option 04

Do Something (2) >> [redacted] + Flexible Shared Training  
+ Education Spaces

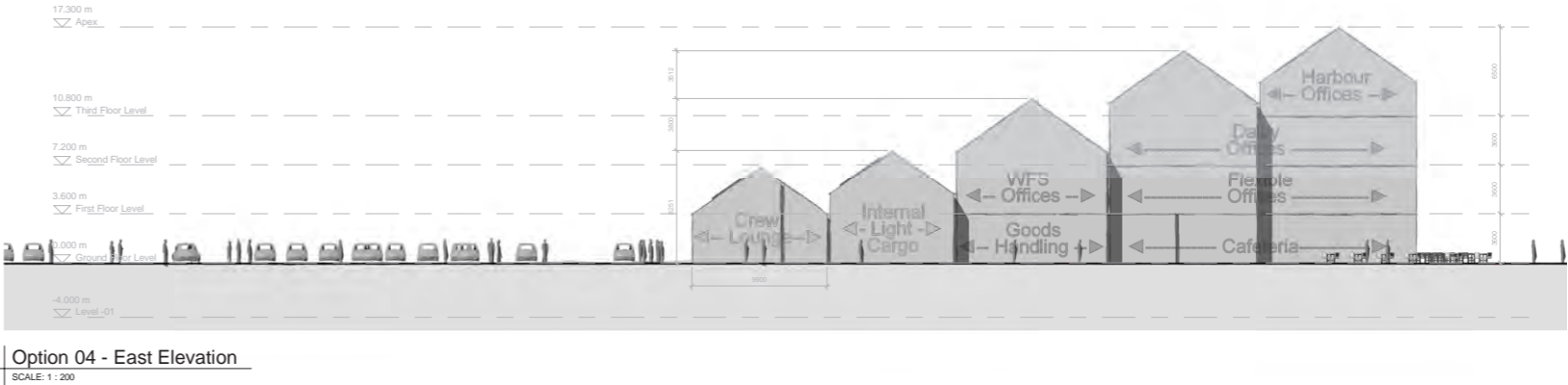
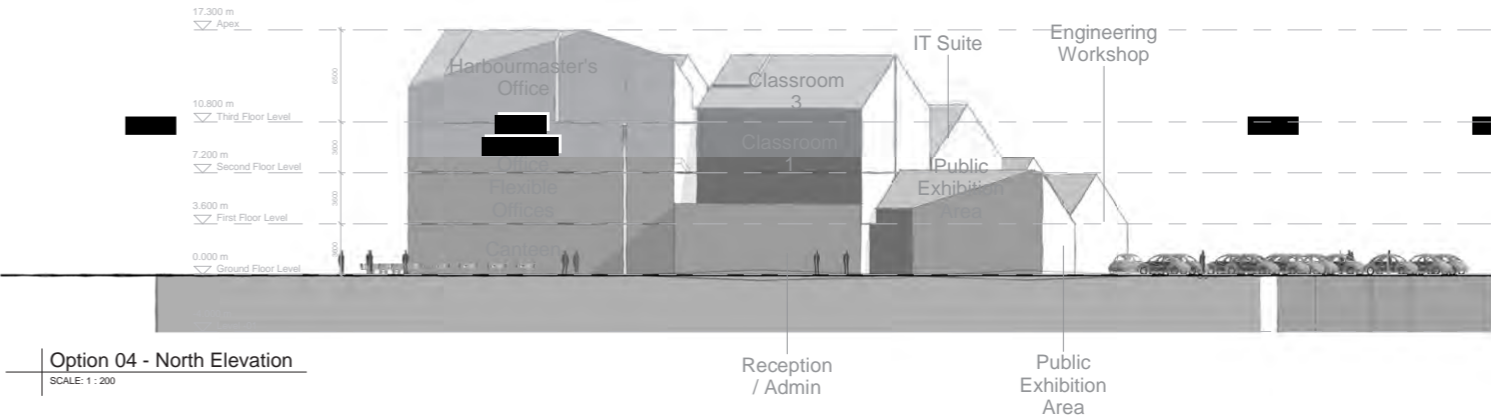
Room Schedule - Ground Floor Level - Option 4		
Room Name	Floor Area	Gross Volume
Canteen	137 m²	492.0 m³
Changing	24 m²	119.0 m³
Changing	28 m²	157.5 m³
Cleaner	5 m²	18.1 m³
Corridor 1	8 m²	30.2 m³
Corridor 2	24 m²	138.2 m³
Corridor 3	7 m²	34.0 m³
Crew Lounge/ Training	65 m²	362.7 m³
Engineering Workshop	129 m²	686.4 m³
Equipment Store	53 m²	370.6 m³
First Aid Classroom	35 m²	239.1 m³
Goods Handling	175 m²	629.6 m³
Internal light cargo	154 m²	1027.4 m³
Kitchen	50 m²	179.2 m³
Lift	4 m²	15.1 m³
Main Corridor 1	136 m²	531.0 m³
Plant Room	43 m²	154.3 m³
Public Exhibition Area	106 m²	560.8 m³
Reception / Admin	60 m²	274.4 m³
Reception / Entrance	15 m²	73.3 m³
Reception Desk	16 m²	58.5 m³
Refuse Area	31 m²	111.2 m³
Riser	3 m²	11.9 m³
Servery	24 m²	86.0 m³
Stair	17 m²	61.3 m³
Storage 1	19 m²	68.1 m³
Storage 2	20 m²	70.8 m³
Storage 3	10 m²	45.3 m³
Tourist Information	89 m²	319.7 m³
WCs 1	34 m²	121.0 m³
	1519 m²	7046.7 m³

Room Schedule - First Floor Level - Option 4		
Room Name	Floor Area	Gross Volume
CEO Private Office	16 m²	96.0 m³
Classroom 1	59 m²	210.8 m³
Classroom 2	59 m²	210.8 m³
Flexible Offices	222 m²	798.7 m³
IT Suite	110 m²	711.9 m³
Lift	4 m²	15.1 m³
Main Corridor 1	44 m²	158.3 m³
Main Corridor 3	33 m²	151.8 m³
Meeting Room 2	27 m²	186.9 m³
Riser 2	3 m²	11.9 m³
Server Room	6 m²	34.7 m³
Stair	17 m²	112.7 m³
Storage 4	18 m²	65.3 m³
Storage 5	5 m²	40.1 m³
WCs 2	34 m²	121.0 m³
[redacted]	129 m²	841.5 m³
	786 m²	3767.5 m³

Room Schedule - Second Floor Level - Option 4		
Room Name	Floor Area	Gross Volume
Classroom 3	59 m²	370.4 m³
Classroom 4	59 m²	370.4 m³
[redacted]	222 m²	1137.9 m³
Lift	4 m²	15.1 m³
Main Corridor 1	44 m²	232.6 m³
Riser 2	3 m²	11.9 m³
Storage 6	18 m²	132.6 m³
WCs	34 m²	227.7 m³
	442 m²	2498.6 m³

Room Schedule - Third Floor Level - Option 4		
Room Name	Floor Area	Gross Volume
Harbourmaster's Office	60 m²	286.0 m³
Lift	4 m²	13.3 m³
Lobby	14 m²	71.9 m³
Riser 2	3 m²	10.4 m³
Terrace	24 m²	109.3 m³
	105 m²	490.9 m³

Room Schedule - Total Option 04	
Floor Area	Gross Volume
2853 m²	61413.4 m³

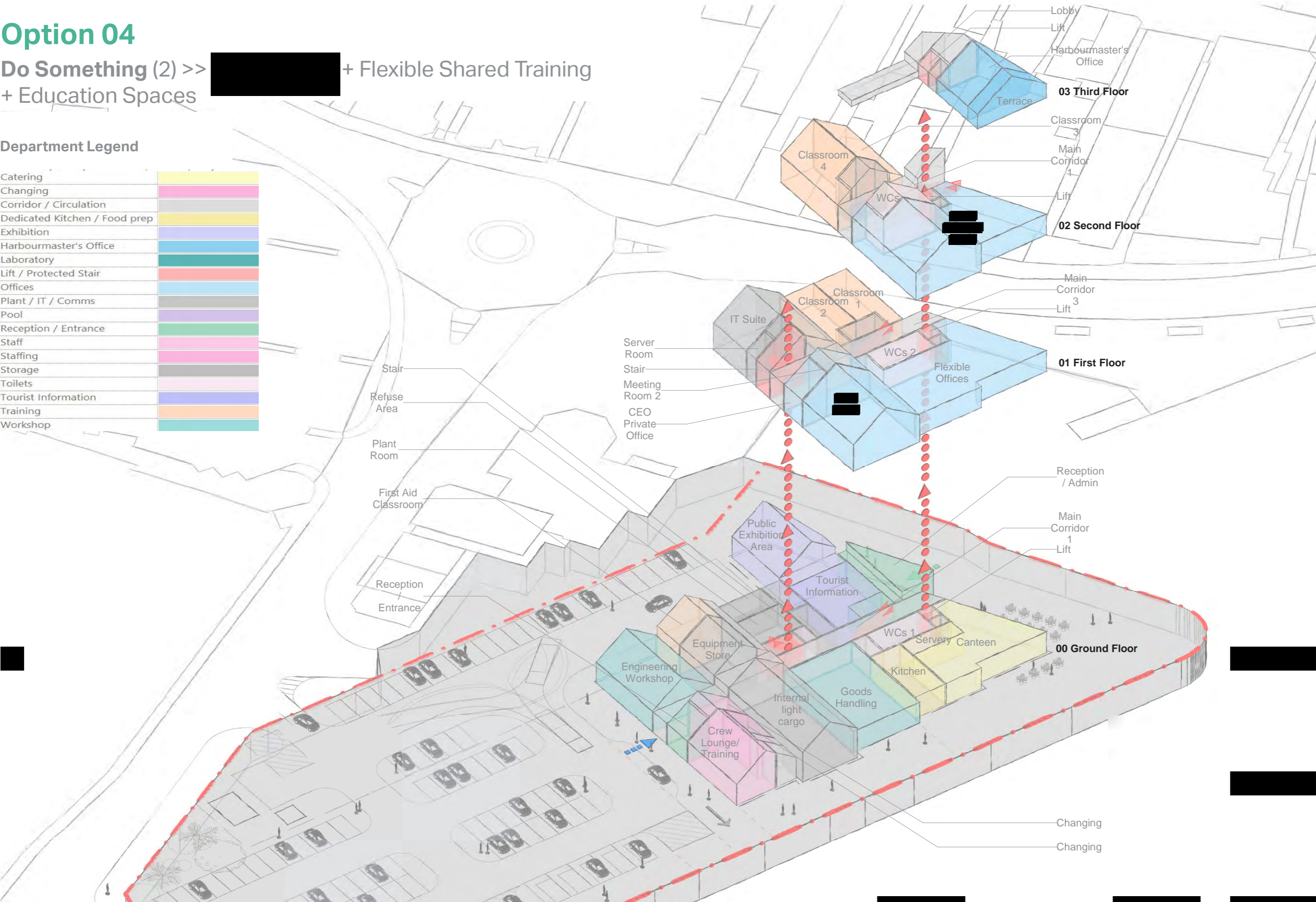


Option 04

Do Something (2) >> [redacted] + Flexible Shared Training + Education Spaces

Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Exhibition	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Tourist Information	
Training	
Workshop	

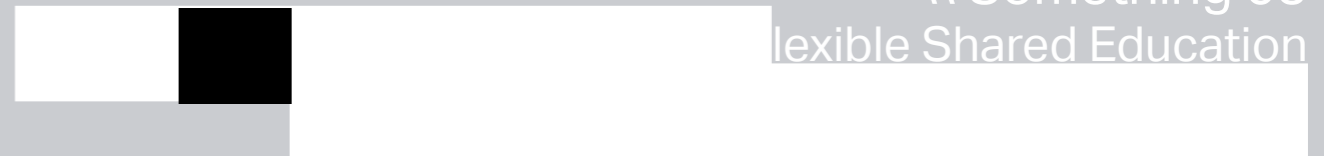


Option 04 - Uses - Exploded 3D View

# OPTION 05

\\ Something 03

lexible Shared Education



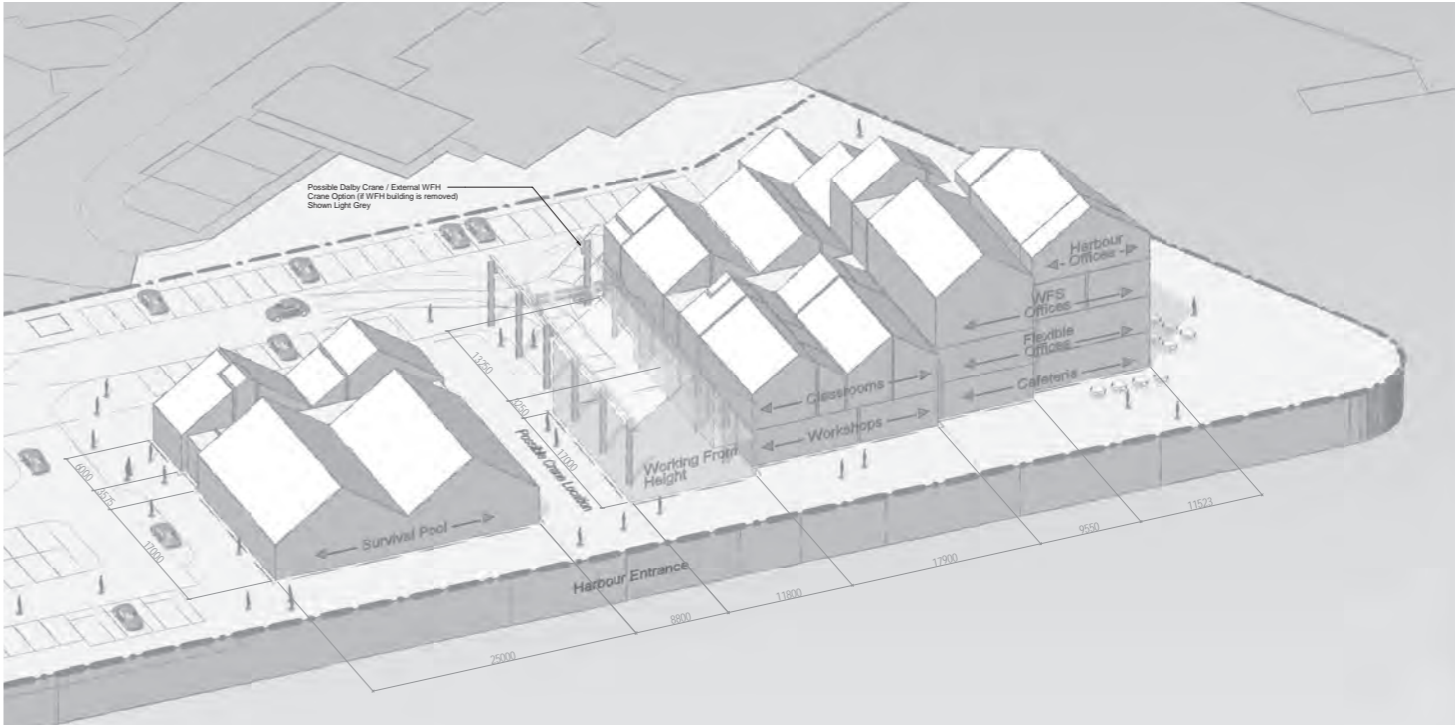
Option 05

Do Something (3) >> [redacted] Flexible Shared Education Spaces + S [redacted] (simulators)

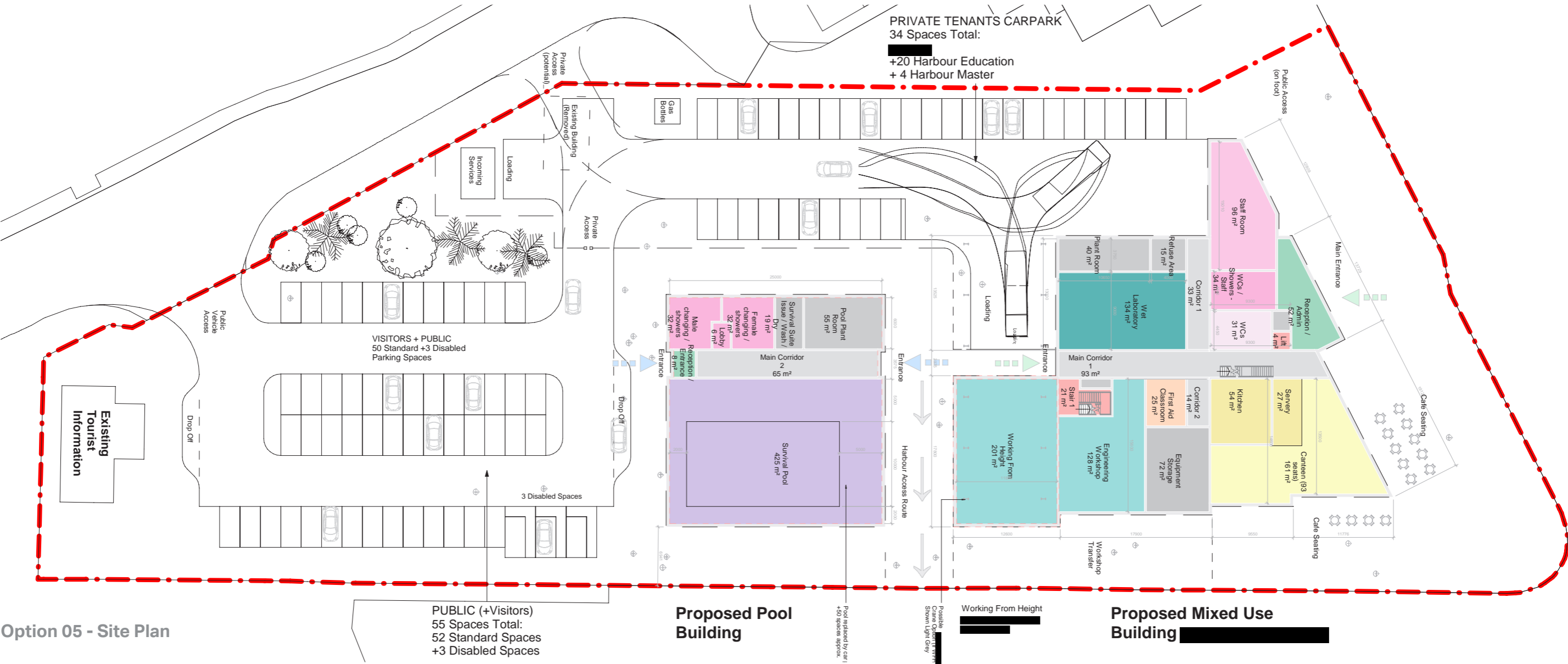
- Sta
- [redacted]
  - [redacted] ry supply chain
  - HE providers (Universities / Colleges / Other)
  - [redacted]
  - [redacted]

Ove

Proposal includes the maximum offering for [redacted] and for University / Providers. The scheme includes the more be [redacted] workshop functions of [redacted] and has an additional increased focus on flexible office and training classroom spaces.



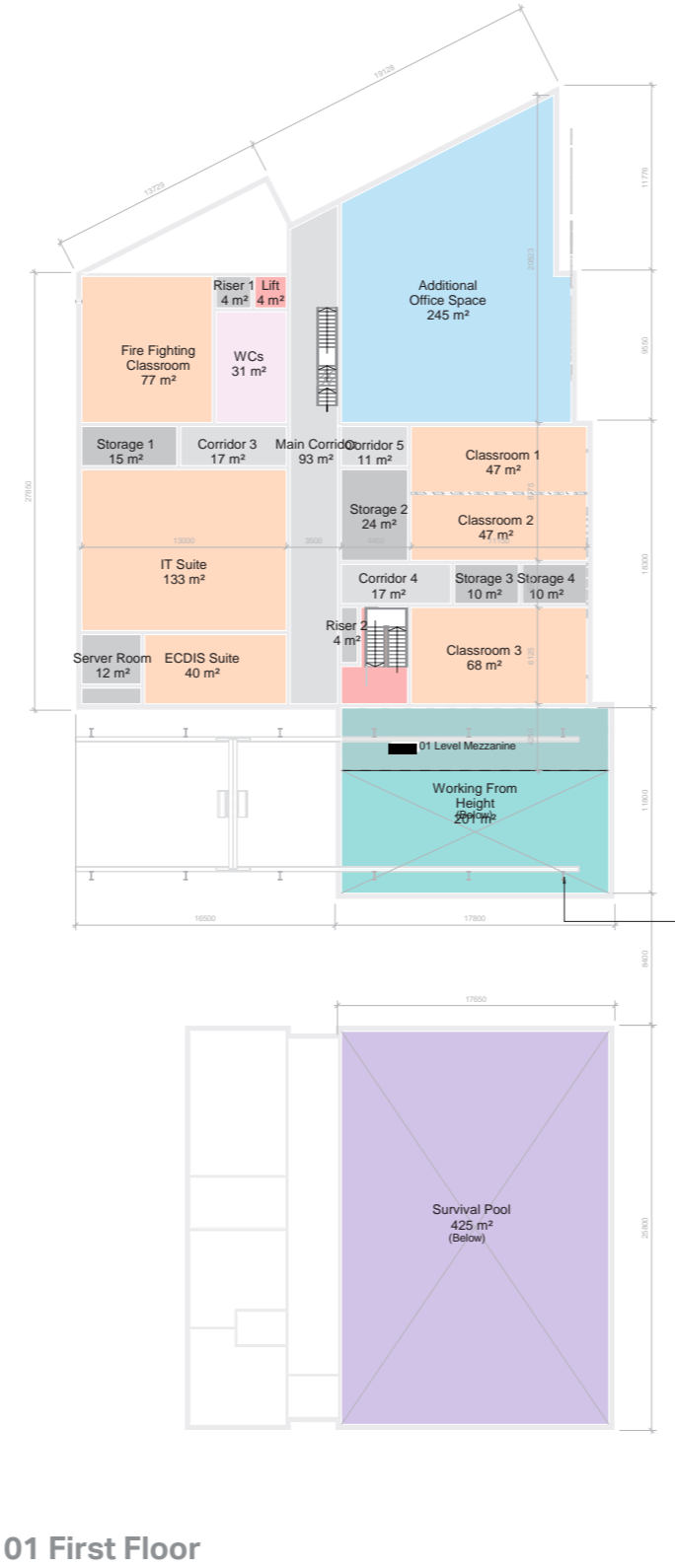
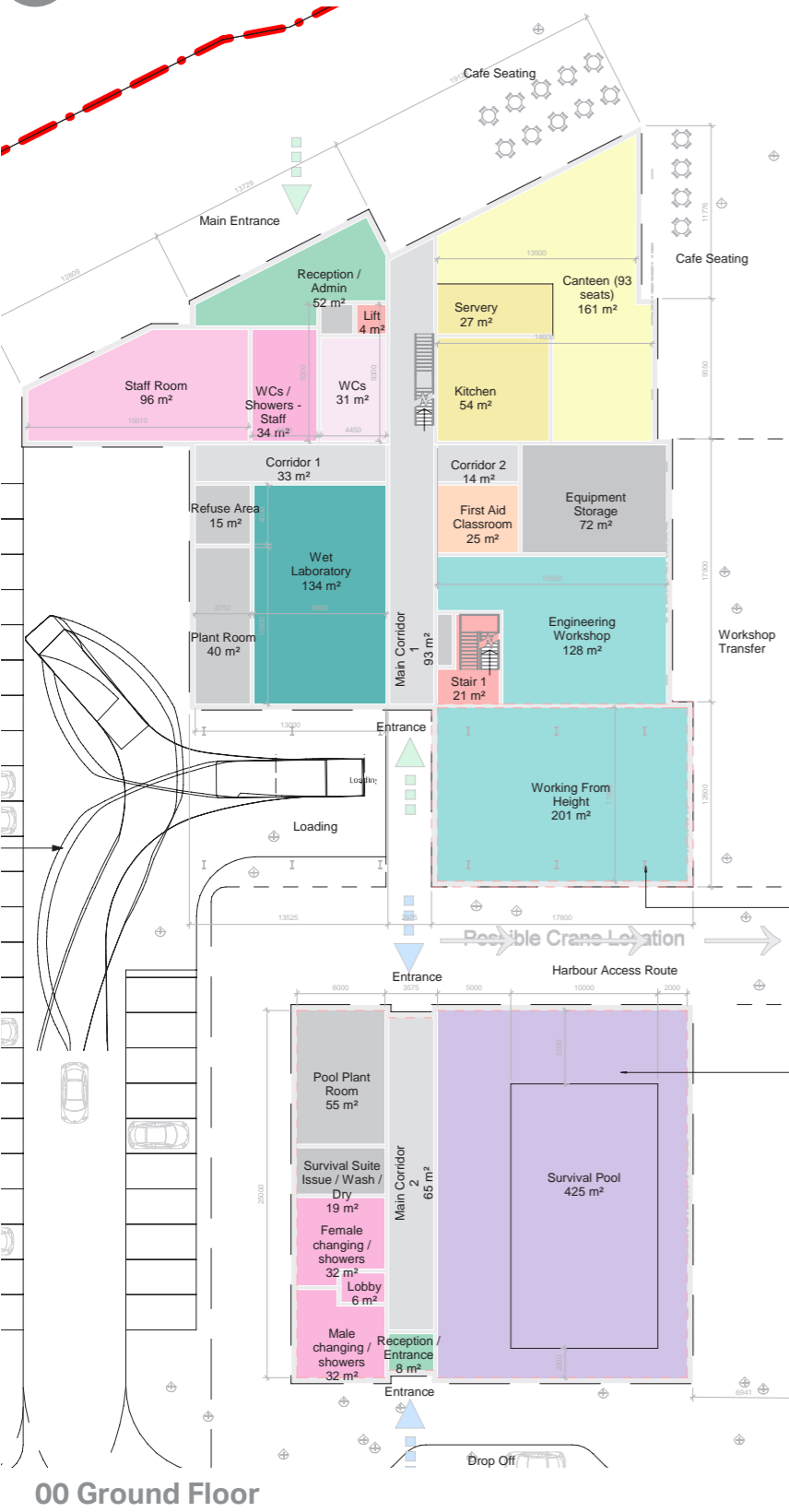
Option 05 - 3D Massing



Option 05 - Site Plan

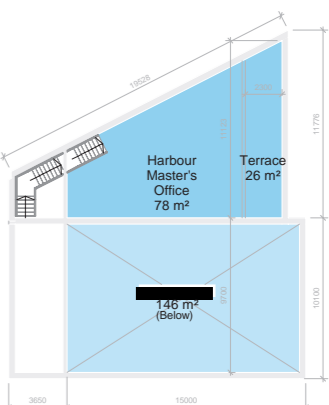
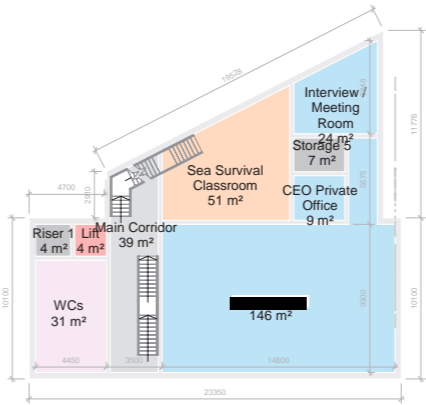
Option 05

Do Something (3) >> [redacted] + Max. Flexible Shared Education Spaces + S [redacted] Pool/Simulators)



Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Exhibition	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Tourist Information	
Training	
Workshop	



The [redacted] and shared Harbour Education focused building cluster and secure back of house / parking are located at the more private North end of the site.

The scheme locates more sacrificial and less technologically advanced functions at ground level since there is a flood risk associated with this site. These functions are also at this level due to loading / connection to the waterfront operational requirements. Flood defense measures will include [redacted] should automated flood barriers. [redacted] are [redacted]

The [redacted] more flexible use are situated at first floor level and then more private offices for [redacted] and the Harbour Master located on the uppermost levels offering the best view [redacted] to shared office and classroom function spaces in this option.

The canteen is aimed at full service flexibility to enable a franchise to open the unit for public usage. Its capacity is calculated to accommodate 60% of the anticipated medium-upper level of total building occupancy.

The working from height double height space is bolted to the side of the main building [redacted]

The survival pool and associated ancillary functions is a separate building for ease of removal.

The building is outlined for CAT A + Shell and Core delivery. It is envisaged that the CAT B development will be procured separately once tenants and detailed requirements of space usage are agreed in full.

The site, many of the key Stakeholders and Scarborough Borough Council have an aspiration to implement renewable energy technologies and measures to optimise the energy efficiency of the development and move towards Net Zero targets. AECOM is committed to reducing the environmental impact of all its projects.

Option 05

Do Something (3) >> Full Proposal + Max. Flexible Shared Education Spaces + Specialist Training (Pool/Simulators)

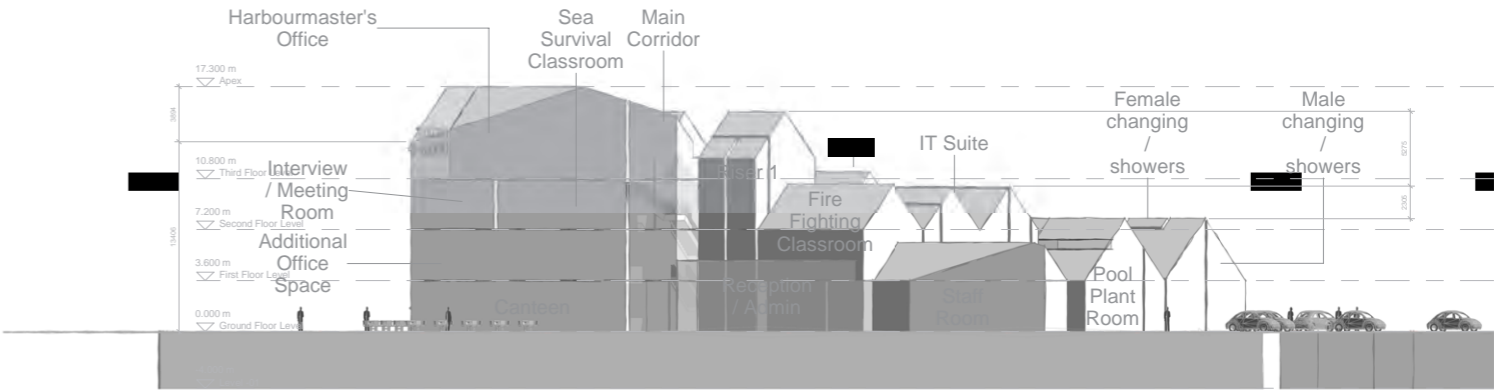
Room Schedule - Ground Floor Level - Option 5		
Room Name	Floor Area	Gross Volume
Canteen	161 m²	579.3 m³
Corridor 1	33 m²	117.0 m³
Corridor 2	14 m²	49.5 m³
Engineering Workshop	128 m²	462.3 m³
Equipment Storage	72 m²	260.6 m³
Female changing / showers	32 m²	183.8 m³
First Aid Classroom	25 m²	91.1 m³
Kitchen	54 m²	192.9 m³
Lift	4 m²	14.4 m³
Lobby	6 m²	45.7 m³
Main Corridor 1	93 m²	334.3 m³
Main Corridor 2	65 m²	235.2 m³
Male changing / showers	32 m²	178.1 m³
Plant Room	40 m²	143.8 m³
Pool 18x10m/4m deep within 'Survival Pool'	180 m²	720.0 m³
Pool Plant Room	55 m²	336.4 m³
Reception / Admin	52 m²	239.0 m³
Reception / Entrance	8 m²	27.7 m³
Refuse Area	15 m²	54.0 m³
Riser 1	4 m²	15.8 m³
Riser 2	4 m²	12.6 m³
Servery	27 m²	96.1 m³
Staff Room	96 m²	445.5 m³
Stair	21 m²	75.7 m³
Survival Pool	425 m²	2460.0 m³
Survival Suit Issue / Wash / Dry	19 m²	88.9 m³
WCs	31 m²	112.9 m³
WCs / Showers - Staff	34 m²	121.5 m³
Wet Laboratory	134 m²	482.8 m³
WFH	201 m²	1518.7 m³
	2065 m²	9695.6 m³

Room Schedule - First Floor Level - Option 5		
Room Name	Floor Area	Gross Volume
Additional Office Space	245 m²	881.7 m³
Classroom 1	47 m²	236.4 m³
Classroom 2	47 m²	237.4 m³
Classroom 3	68 m²	370.1 m³
Corridor 3	17 m²	75.0 m³
Corridor 4	17 m²	77.8 m³
Corridor 5	11 m²	47.0 m³
ECDIS Suite	40 m²	203.6 m³
Fire Fighting Classroom	77 m²	403.5 m³
IT Suite	133 m²	691.9 m³
Lift	4 m²	14.4 m³
Main Corridor	93 m²	334.3 m³
Riser 1	4 m²	15.8 m³
Riser 2	4 m²	21.3 m³
Riser 3	4 m²	14.8 m³
Server Room	12 m²	65.9 m³
Stair	21 m²	111.1 m³
Storage 1	15 m²	67.7 m³
Storage 2	24 m²	129.6 m³
Storage 3	10 m²	45.6 m³
Storage 4	10 m²	45.6 m³
WCs	31 m²	112.9 m³
WFH 01 Level Mezzanine	68 m²	340.0 m³
	1002 m²	4543.4 m³

Room Schedule - Second Floor Level - Option 5		
Room Name	Floor Area	Gross Volume
CEO Private office	9 m²	32.3 m³
Interview / Meeting Room	24 m²	85.3 m³
Lift	4 m²	23.2 m³
Main Corridor	39 m²	222.8 m³
Riser 1	4 m²	25.5 m³
Sea Survival Classroom	51 m²	185.3 m³
Storage 5	7 m²	24.5 m³
WCs	31 m²	219.5 m³
	146 m²	948.7 m³
	315 m²	1767.0 m³

Room Schedule - Third Floor Level - Option 5		
Room Name	Floor Area	Gross Volume
Harbourmaster's Office	78 m²	367.2 m³
Terrace	26 m²	122.0 m³
	104 m²	489.2 m³

Room Schedule - Total Option 05	
Floor Area	Gross Volume
3486 m²	64531.0 m³



Option 05 - North Elevation



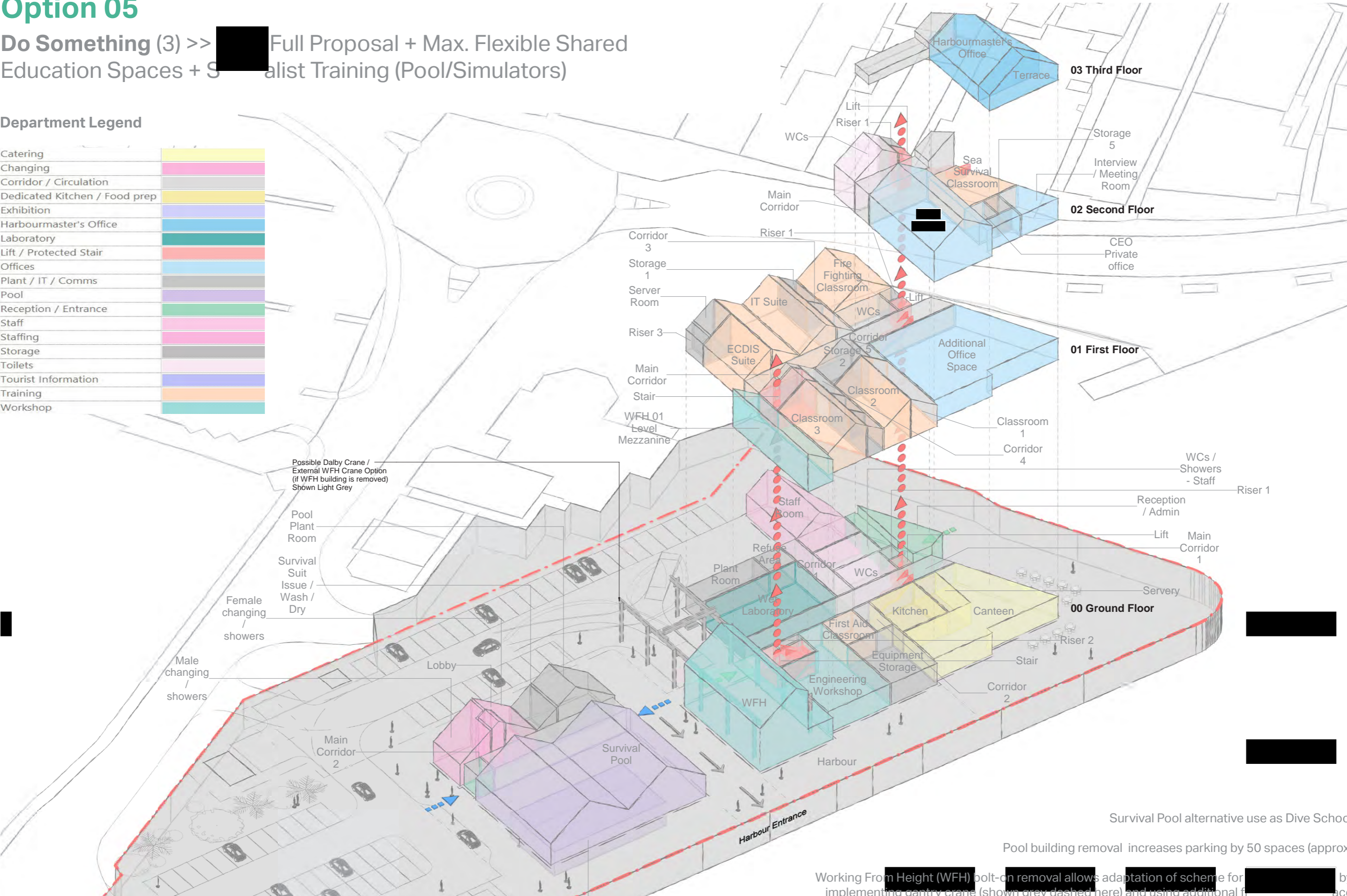
Option 05 - East Elevation

Option 05

Do Something (3) >> Full Proposal + Max. Flexible Shared Education Spaces + Specialist Training (Pool/Simulators)

Department Legend

Catering	
Changing	
Corridor / Circulation	
Dedicated Kitchen / Food prep	
Exhibition	
Harbourmaster's Office	
Laboratory	
Lift / Protected Stair	
Offices	
Plant / IT / Comms	
Pool	
Reception / Entrance	
Staff	
Staffing	
Storage	
Toilets	
Tourist Information	
Training	
Workshop	



Option 05 - Uses - Exploded 3D View

## OPTION 06

\\ Do Maximum  
flexible Shared Education



# Option 06

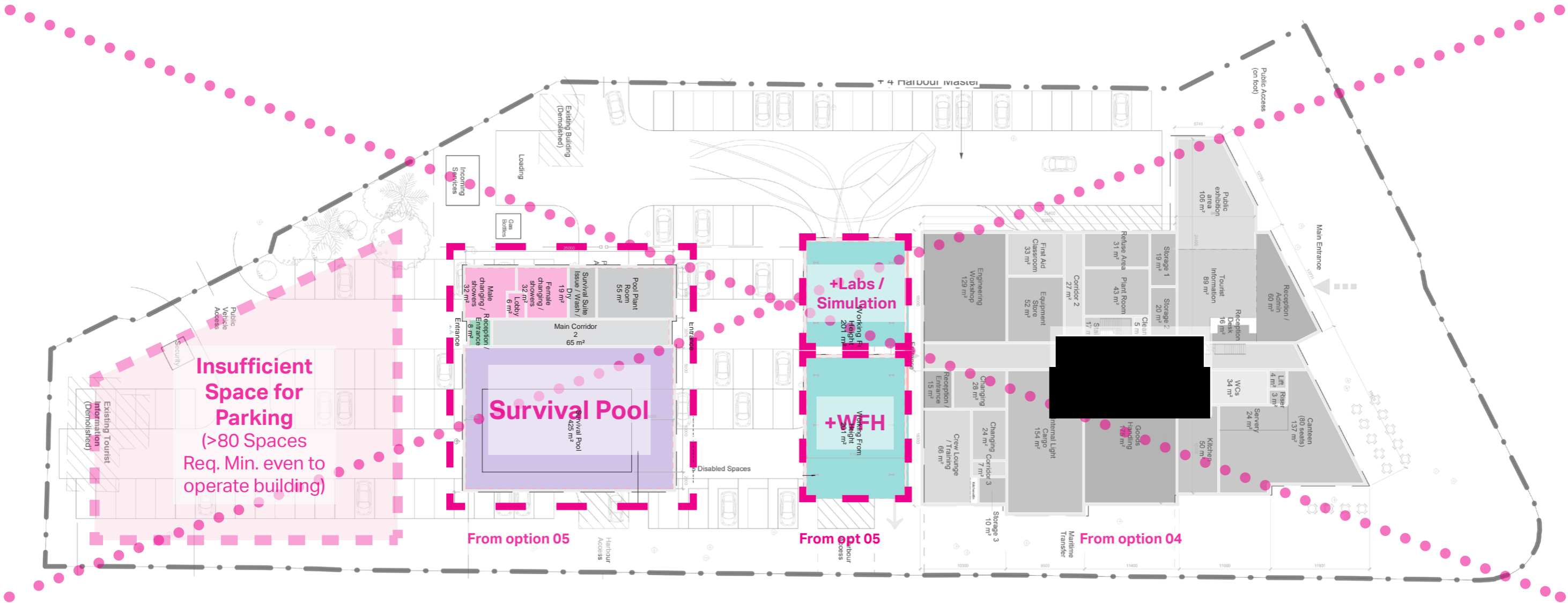
Do Maximum >> [Redacted]. Flexible Shared Education Space (Simulators)

Stakeholders

- Dalby Offshore
- WFS
- Maritime and offshore industry supply chain
- HE providers (Universities / Colleges / Other)
- Harbour Master

## NOT VIABLE

This combines the maximum aspirations of all stakeholders. This option has proven not to be viable because the spatial aspirations exceed the chosen site available area limitations. As visible from the graphic illustration below - including all of the required brief elements leaves insufficient space to include all necessary parking to support the buildings' primary functional needs.



Option 06 Viability Illustration

OPPORTUNITY >> Option 04 (A)

\\ Do Something 2  
ning + Education Spaces



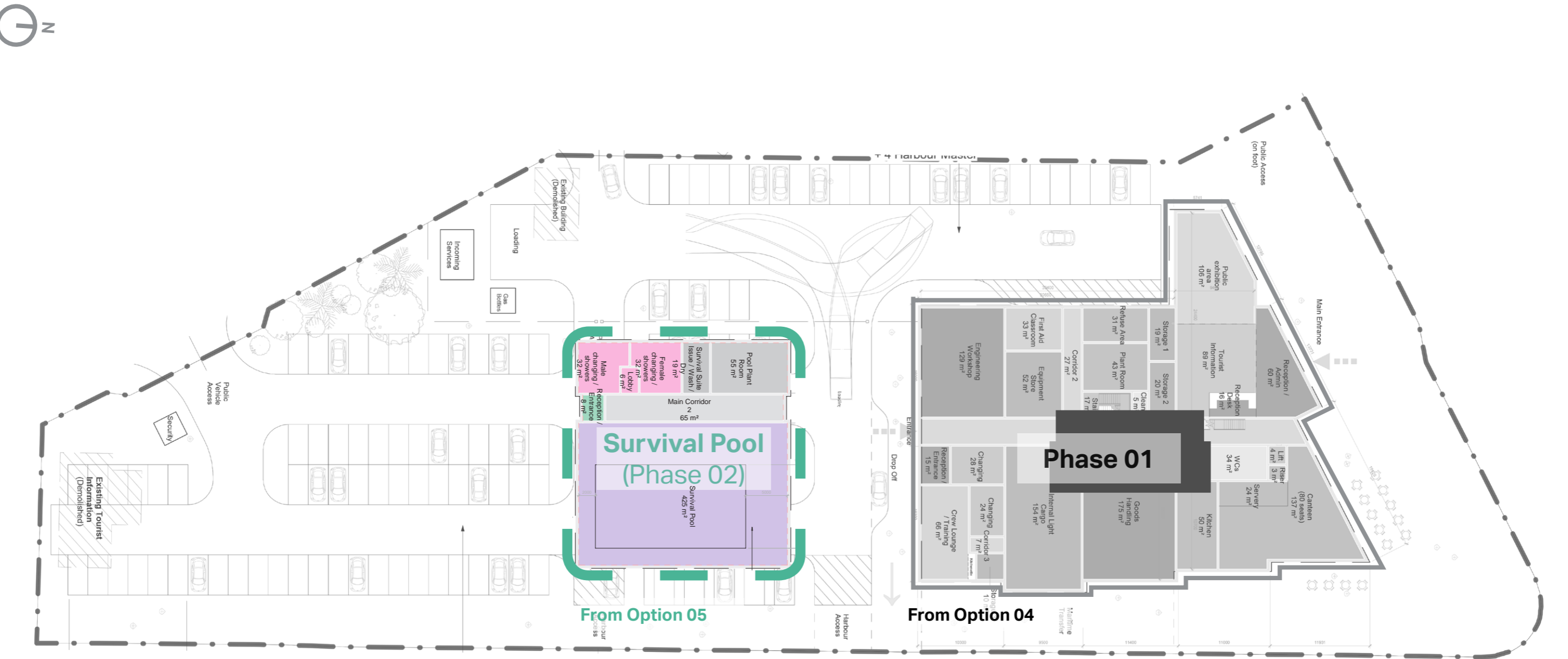
# Opportunity \ Option 04 (A)

Do Something (2) >> [redacted] Training  
+ Education Spaces + [redacted]

Phase 01 >> Phase 02

There is potential to include the isolated Survival Pool building block as an additional phase of construction within the site boundary. If future demand enables funding to be allocated, the block for a possible phase 02 building can be built in isolation with limited impact to the Phase 01 building function, except for some external areas and parking reduction during construction.

This illustration provides an indication only of the scale of development which could be possible. Additional design development would need to be carried out to fully assess the viability of this.



Option 04 (A) - Future Expansion Potential- Site Plan

Comparison

\\ Key Statistics  
Steps and Considerations




# Comparison

## All Options >> Key Statistics

### Value \ Offer

The Options described in this report increase in offering. The value of the schemes functionally is dependent on the non-monetised benefits each bring to the individual stakeholders and the local community. This is weighted against the capital / WLC costs within the economic report. The Revenue generating possibilities of each is dependent on the leasing of the flexible spaces. This will be determined through consultation with BE Group.

Increasing heights and the local vernacular of pitched roofs. The height of the clusters increases toward to northern most corner of the site, directing the scheme's viewpoint out towards the Harbour and Sea entrance.



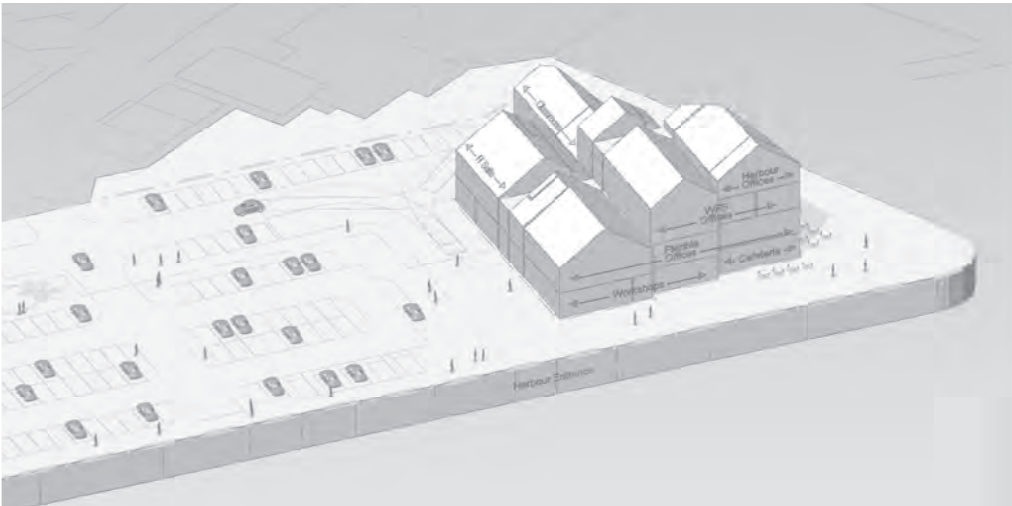
### Option 02

\ GIFA = 2171 m<sup>2</sup>

>> FOCUS:

Dedicated Offices / Flexible Shared Spaces (Med.)

- Harbour Education
- Harbour Master



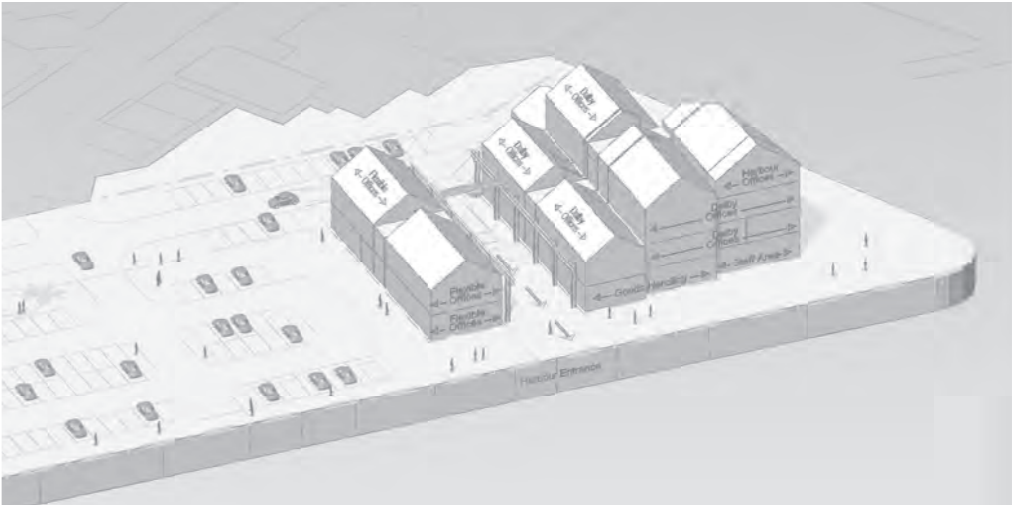
### Option 03

\ GIFA = 2577 m<sup>2</sup>

>> FOCUS:

Dedicated Offices / Flexible Shared Spaces (Min).

- Harbour Education
- Harbour Master



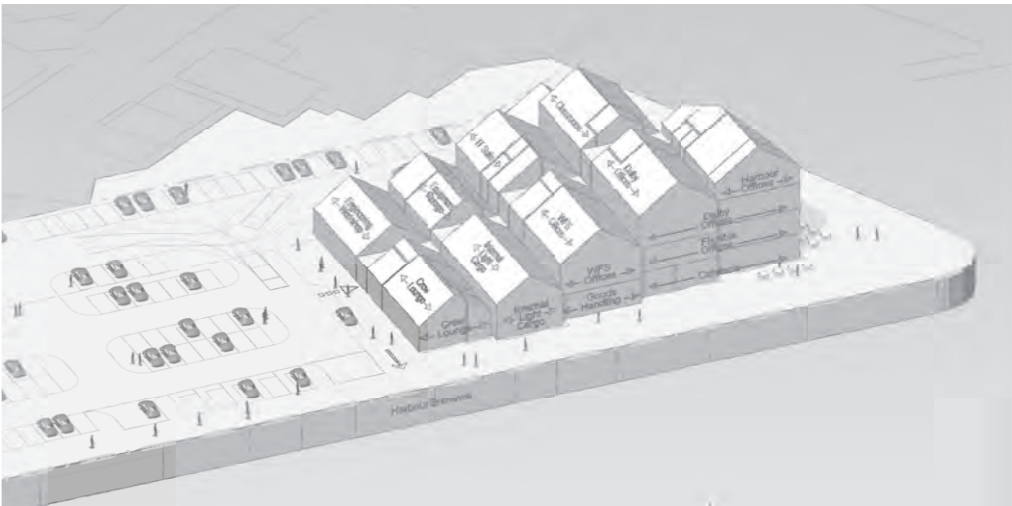
### Option 04

\ GIFA = 2853 m<sup>2</sup>

>> FOCUS:

Dedicated Offices / Flexible Shared Spaces (Med). Bespoke Functions (Min.)

- Harbour Education
- Harbour Master



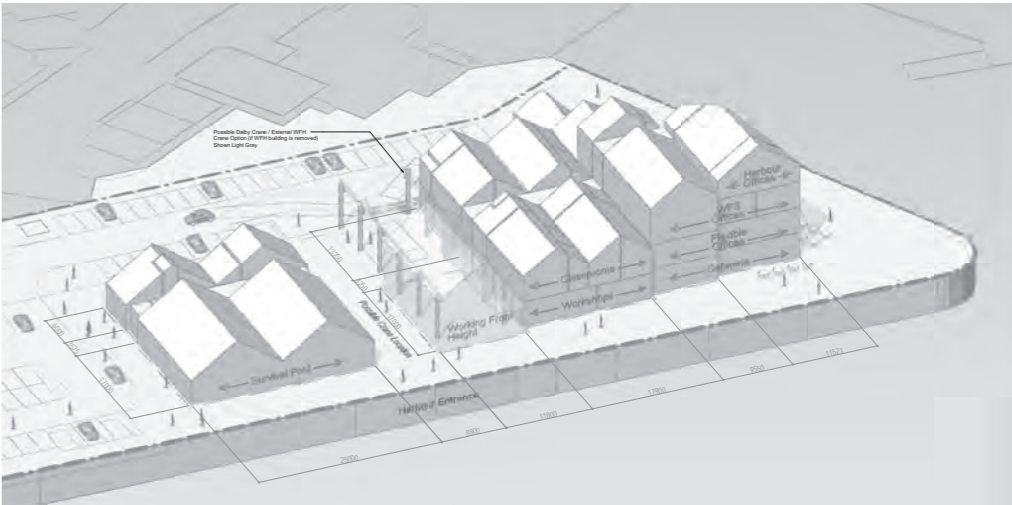
### Option 05

\ GIFA = 3486 m<sup>2</sup>

>> FOCUS:

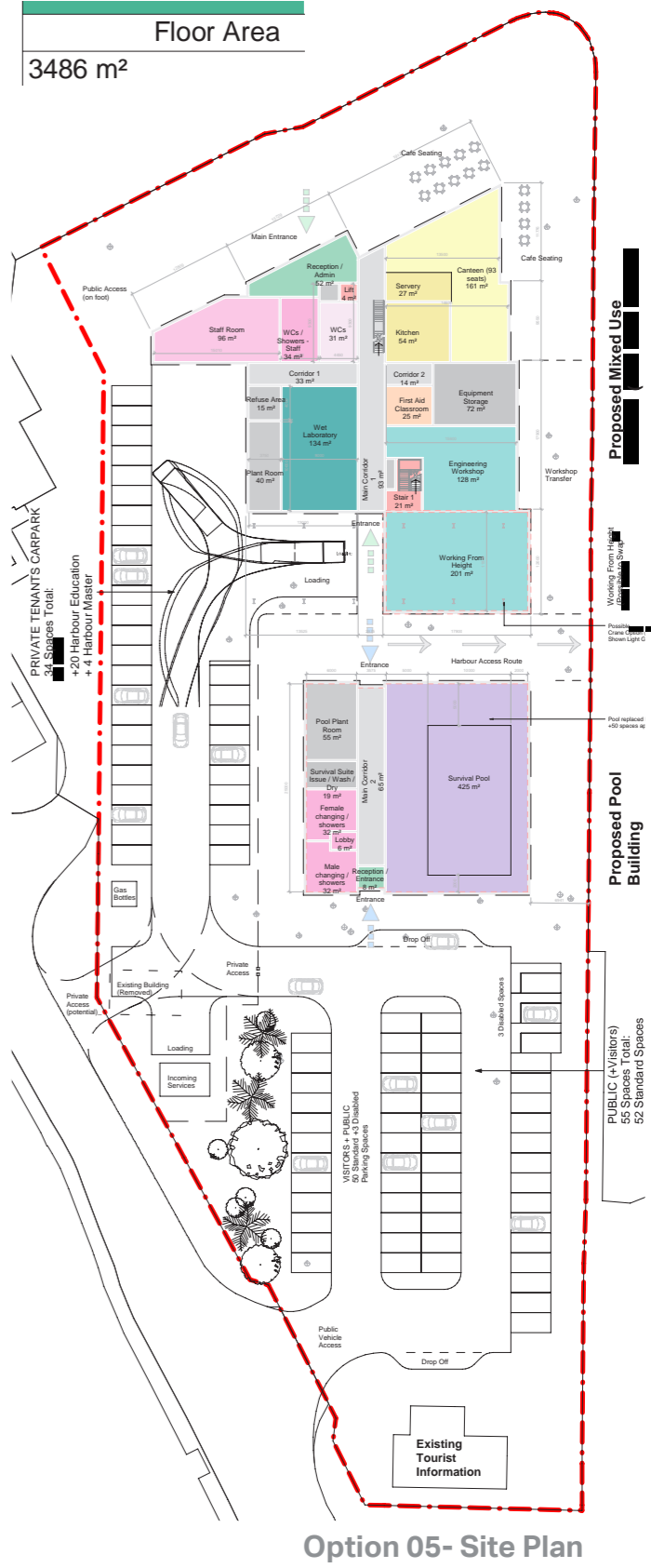
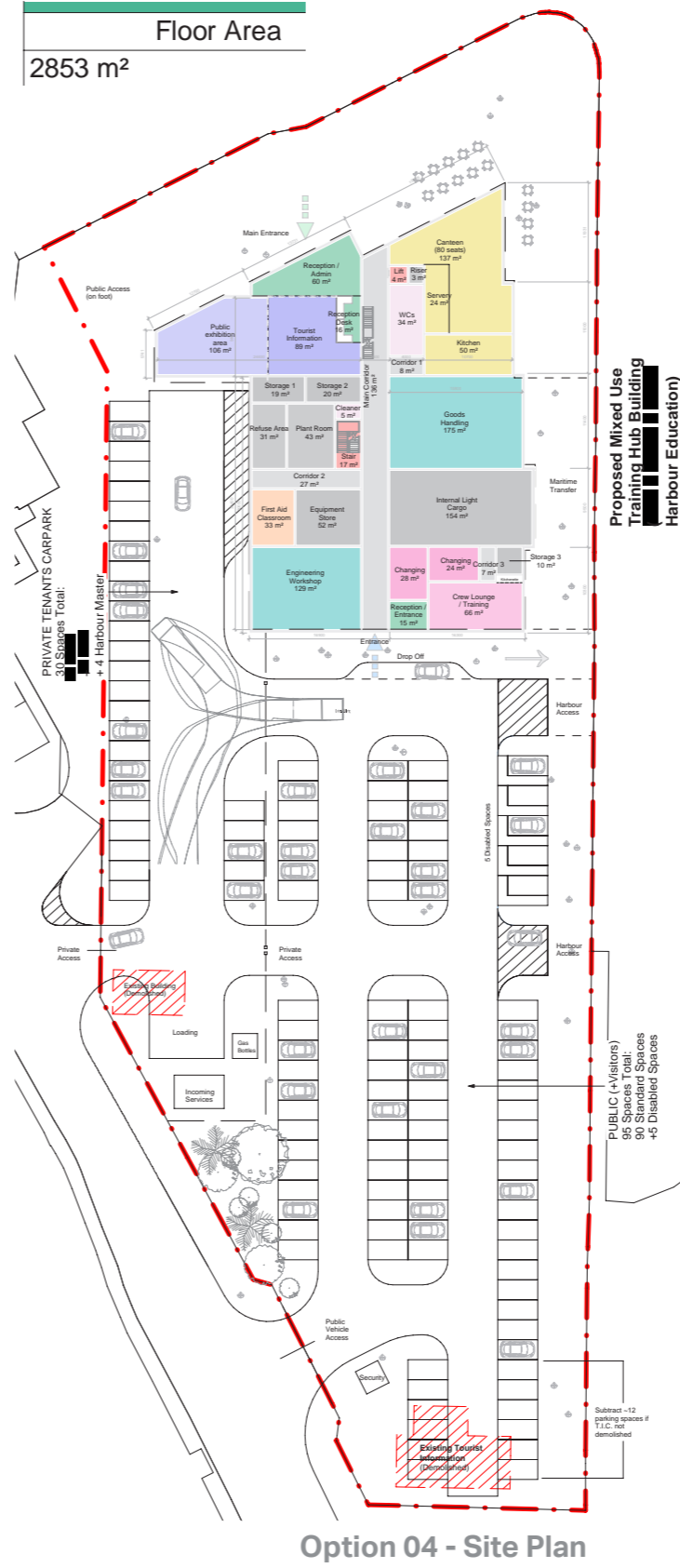
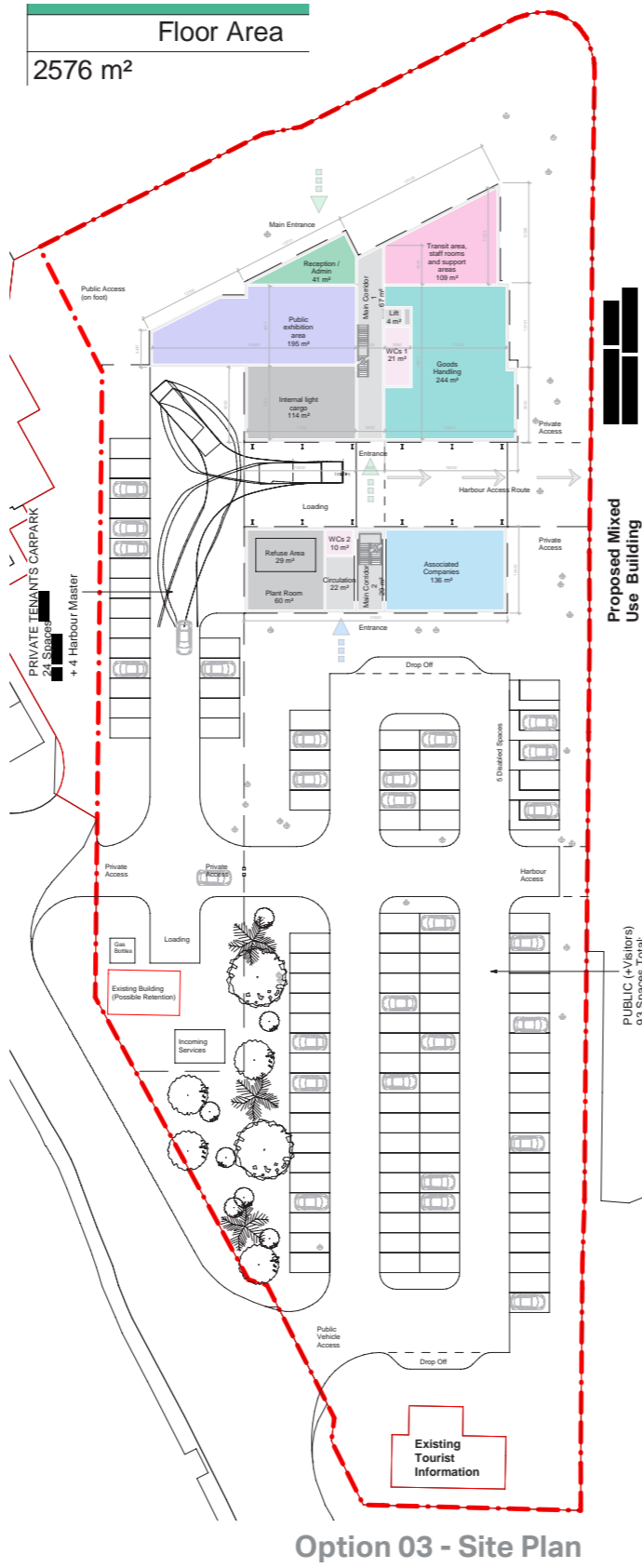
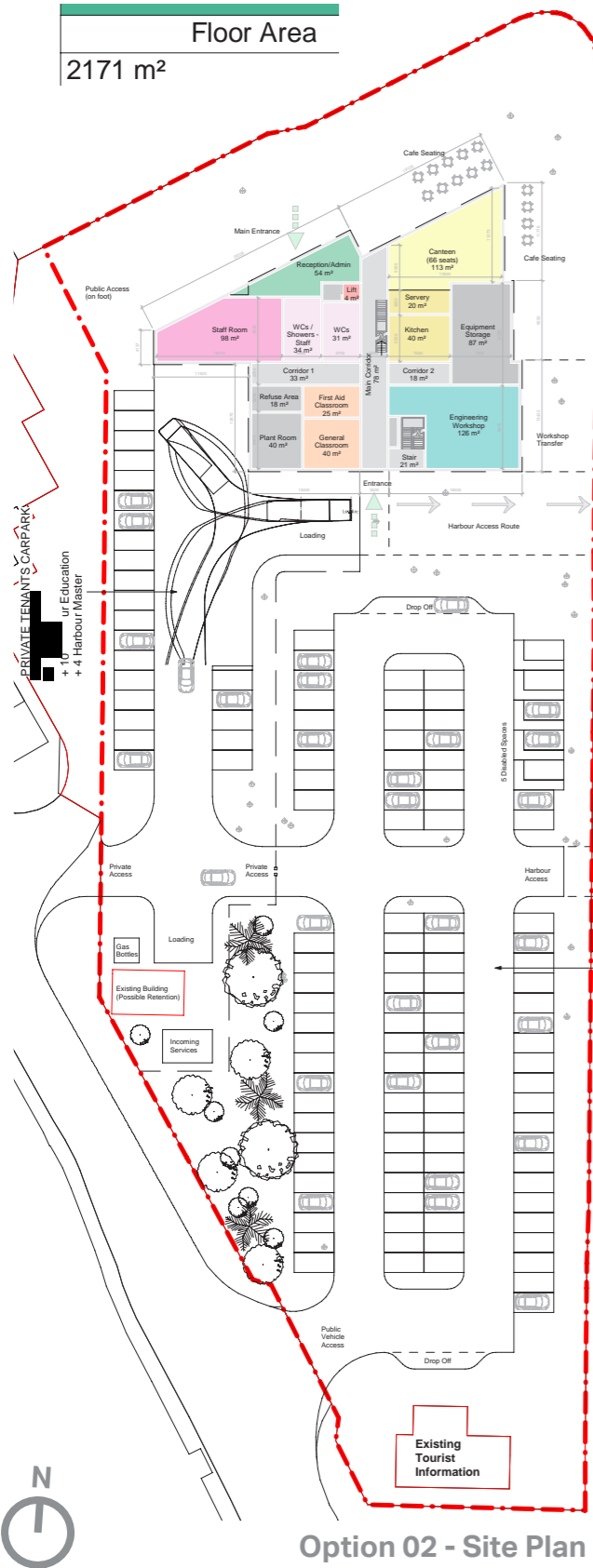
Dedicated Offices / Flexible Shared Spaces (Max). Bespoke Functions (Max)

- Harbour Education
- Harbour Master



# Comparison

## All Options >> Site Plans

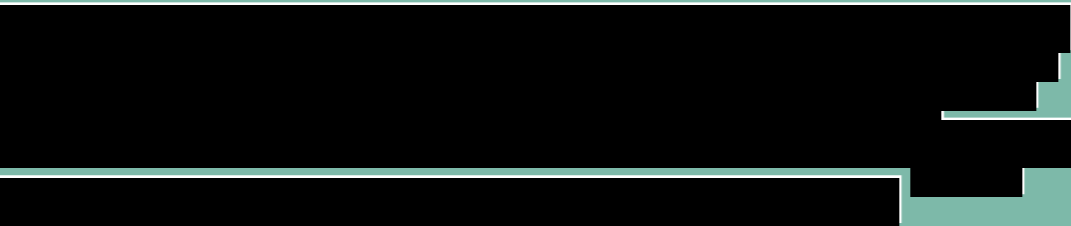


Type of Space	Occupancy Calculation (if applicable)	Occupancy (if applicable)	Area Ratio (m <sup>2</sup> /person)	Source	Scale Standard (Low >Mid > High)	Reasoning	Location	Notes	Occupancy Included for Canteen Calculations	Stakeholders
Canteen (seating space)	60% of worst case likely building headcount	Varies	1.7	Metric Handbook Design Experience	Mid-High level	To allow franchise occupation for public comfort + building visitors	Ground floor for public access water frontage prime situation for harbour views	Worst case likely building headcount is a presumption that most spaces are fully occupied, but about 2/3rds of flexible training and workshop spaces occupied at the same time	N/A	All where included + Public if franchised
Kitchen	To serve 60% of worst case likely building headcount	3-6	0.6			To allow franchise occupation for public comfort + building visitors + possible training space if required by WFS	Adjacent to Canteen with good access to refuse area in back of house			
Servery	To serve 60% of worst case likely building headcount	2-4	0.3							
Offices (ALL)	Brief from stakeholder consultations	Varies	10-12	British Council for Offices	Mid-High level	To allow flexibility of use and Cat B separation of different businesses if required	Upper floors	Net lettable area is calculated including open plan offices, cellular office, meeting rooms, kitchenette, support storage and printing spaces and break out / office circulation. It does not include building communal areas / WCs / stairs / lift and shared main building circulation	YES	██████████ Harbour Master Varies - named on plans and schedules
General Training Classrooms (ALL)	Brief from stakeholder consultations - expected occupancies based on likely use / courses provided	Varies (Standard Classrooms 15-20 persons each)	3-3.5	Metric Handbook Design Experience	Mid-High level	To allow flexibility of use and Cat B separation of different businesses if required	Upper floors	Area includes for flexible use space - seated arrangement including tables and small storage	YES (2 out of 3 15-person rooms assumed full)	Flexible to all users named on plans and schedules ██████████ / Universities
Fire Fighting / Sea Survival Classrooms	Brief from stakeholder consultations - expected occupancies based on likely use / courses provided	Varies (Standard Classrooms 15-20 persons each)	3-4	Metric Handbook	High level	To allow flexibility of use and occupancy amounts unknown equipment / demonstration requirements	Upper floors	Area includes for flexible use space - seated arrangement including tables and small storage	YES 1 of these counted	██████████ (Could be adapted for other users)
First Aid Classroom	Presumed figure from stakeholder consultations / brief	~5-10	5	Metric Handbook / British Council for Offices	Low - Mid Level	To allow flexibility of use and occupancy amounts unknown equipment / demonstration requirements. Presumed up to 5 participants typical to this sort of function, room could support up to 10 in standard seated arrangement	Varies	Presumed dual use as facility first aid room. Room size equal to enhance meeting room size based on occupancy	YES	██████████ / Universities
Wet Laboratory	Brief from stakeholder consultations	10	12-14	Metric Handbook	High level	To allow flexibility of use and occupancy amounts	Ground floor	Area includes for standard university level laboratory size, where perimeter of room is dedicated to tanks and test stations, with high, linear workbenches within main space	YES	██████████ / Universities
Workshops (Engineering Workshop)	Presumed figure from stakeholder consultations / brief	Engineering Workshop 15	8.4	Metric Handbook Design Experience	Mid-High level	To allow flexibility of use and occupancy amounts	Ground floor	Large scale machinery / static engines Link with Harbour front	YES	██████████ / Universities
IT Suite	Brief from stakeholder consultations	16	8	British Council for Offices Metric Handbook Design Experience	Mid level	Allows for 16 chairs and desks +/- specialised IT equipment unknown	First Floor	Adjacent to server room	YES	YES
ECDIS Suite	Presumed figure from stakeholder consultations / brief	4	10	Design Experience	Unknown	Control station, simulation equipment training arrangement	First Floor	Adjacent to IT Suite	NO	NO
Goods Storage and Cargo Spaces	From Group Ginger Design 2016	N/A	From Group Ginger Design 2016	From Group Ginger Design 2016	Unknown	Keep Dalby Offshore Original Aspirations	Ground Floor	Link with Harbour front	N/A	██████████
Working From Height (WFH)	Presumed figure from stakeholder consultations / brief + Previous Building Design for WFS	15-20	10-13	Metric Handbook / Previous Design for WFS appropriation for expected volume	Unknown	Portion of previous consultant's design taken based on expected capacity for likely courses	Ground Level (Double Height) with Upper Mezzanine (1/4 of footprint) to allow vertical transfer in double height  Opportunity to remove and replace with Dalby gantry crane in Option 05 if Dalby to be accommodated, and price of this element is too high	Functions considered and approximate amounts assumed: Platforms and Ladders (5-10) Casualties (5-10) Banksman (3-5) Slinging Area (10) Crane Simulation (1-5) Bridge Simulation (1-5) Specialist equipment unknown Cross-over expected with not all courses operating at once Link with Harbour front	YES	YES
Survival Pool	Presumed figure from stakeholder consultations / brief + Previous Building Design for WFS	15-20	15-20 (NIA) Specific Requirements Unknown but based on overall dimensions of pool	Metric Handbook / Previous Design for WFS appropriation for expected volume. 10m(w)x18m(l)x4m(d) Pool dimensions	Unknown	Portion of previous consultant's design taken based on expected capacity for likely courses	Ground Level (Double Height to allow high level transfer / operations for life raft, lifeboat on davits, 5m entry board, crew transfer to wind tower and wave machine/lighting effects )	Specialist equipment requirements assumed and unknown detail at this stage. Ancillary accommodation provided based on notional total occupancy figures Link with Harbour front	YES	YES
Toilets / Showers	Building / Floor Level Occupancies	Varies	Area for numbers generated using guidance	BS6465 + Building Regulations Part M + Design Experience	Mid level	Total quantity calculated for building occupancy and split logically across adjacent floor levels accounting for uneven concentration densities where applicable	All Levels	Space allowance calculated using experience based dimensions	N/A	N/A
Circulation	Capacity / size as required for volume of people	Varies	10-15% - Size determined from configuration reach	Best Practice + Building Regulations Part K+M +Design Experience	Mid level	As required for functionality	All Levels	Appropriate averages considering building usage	N/A	N/A

End \\ Thank You

Contact >>

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tom.willig@aeacom.com



## APPENDIX B: WHITBY TOWN DEAL BOARD MEMBERS

[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]

# APPENDIX C: DETAILED RISK REGISTER

No.	Date	Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Responsibility	Mitigated Likelihood	Mitigated Impact
R1	24/03/2021	Project Scope	project is ill defined, lacking robust market demand evidence from business and training and skills providers	C	4	Options and Feasibility Study	Marc Cole	B	2
R2	24/03/2021	Project Estimates and Costs	Lack of robust financial information linked to project bid figure of £10M. Financial case unviable	E	4	Feasibility Study - Inputs from Dalby on original costings. Full Cost exercise	Kerry Metcalfe	B	2
R3	24/03/2021	Project Dependencies	Lack of commitment from potential delivery partners and commercial lease negotiations	C	3	Feasibility Study and progression of discussions with end user occupiers (letter of intent/heads of terms)	Helen Jackson	B	3
R4	24/03/2021	Process Inputs low quality	Project not sufficiently developed to progress within TDF framework	C	3	Feasibility Study	Helen Jackson	B	2
R5	24/03/2021	Stakeholder Conflict over project changes	Reputational risk for SBC	C	3	Independent verification of project changes through Feasibility Study. Relationship managed	Helen Jackson	B	2
R6	24/03/2021	Building Design and Location Feasibility/flexibility	Project Deliverability in meeting both commercial and academic user requirements	D	4	Viability analysis options. Lease holder commitment before we build, Heads of terms prior to building work commitment.	Helen Jackson	A	2
R7	24/03/2021	Clarity on Infrastructure constraints on site e.g. broadband connectivity and Yorkshire Water tunnel renewal.	Project Deliverability - quality of outcomes	C	4	Site Feasibility NYNET and infrastructure providers e.g. Yorkshire Water	Helen Jackson	C	3
R8	24/03/2021	Procurement of external consultants for Feasibility Study	delay to project development	B	3	Potential use of existing SBC Framework/Panel	Helen Jackson	A	2
R9	23/03/2021	Financial - loss of income generated from car parking spaces to be lost as part of the building development plan	Loss of revenue estimated £X	C	3	Revenue Calculations	Kerry Metcalfe	A	1

R10	23/03/2021	Economic - competition effect on local providers, e.g. Whitby Fishery school	If Whitby Fisheries School does not relocate to the Hub an alternative skills provider could provide competing training and skills services	C	3	Confirmation from Whitby Fisheries School via a pre-let lease based on ground rent charge discussion	Chris	B	2
R11	23/03/2021	Legal	Uncertainty over HRO Implications if Dalby and/or other parties are not tenants	C	5	Maritime op operations must include OSW and use of Whitby port facilities as a condition of their occupancy of the building in order to avoid an HRO for development on Harbour land.	Carole	A	1
R12	23/03/2021	Reputational - if project does not progress beyond feasibility study	Negative Perception of SBC in putting forward project within TIP	C	4	Feasibility Study, Management of Stakeholder expectations through Town Deal Board and Project Steering Group	Marc Cole	B	3
R13	23/03/2021	Political	Negative political reaction if project does not go ahead	C	4	Feasibility Study with options /recommendations for various project scopes	Marc Cole	C	3
R14	23/03/2021	Project Feasibility outcome and options conclude not to proceed with full scale project	Recommended options do not meet project requirements	B	3	Options analysis in feasibility report to provide scaled down options	Marc Cole	A	2
R15	23/03/2021	Future Expansion requirements and feasibility not determined	Current plans do not provide for expansion on site. Tenants/Providers may seek future alternative locations to enable growth	B	2	Included in project development	Helen Jackson	A	1
R16	23/03/2021	Financial - VAT impacts relating to educational establishments	Affordability is impacted	C	4	Financial Advice	Kerry Metcalfe	A	2
R17	23/03/2021	Financial - capital cost risks linked to harbour ground conditions	Potential site contamination impacts on affordability. Pool option impacted - Increase in cost	D	4	Dalby site investigations partially address.	Finance / Capital projects team to advise	C	3
R18	23/03/2021	incorporating a pool is not possible due to cost constraints and building plans	Ability to create a nationally significant hub potentially diminished	D	5	Feasibility Study	Helen Jackson	C	2

R19	23/03/2021	Sustainability beyond the build phase of the project	SBC can only support capital investment to build the facility not revenue funding therefore needs third party operator of training facilities	D	5	Securing commitment from Training and Skills Hub providers to take leases in the Hub with clear plan strategy to delivery revenue generating skills and training programme	Project Manager	C	3
R20	23/03/2021	Project management	Project failure	B	2	Project governance in place	Marc Cole	A	1
R21	23/03/2021	Operation management	Project failure. Building use not delivered effectively	E	5	Feasibility study. Model of operational delivery to be determined	project Manager	C	3
R22	09/08/2021	Aecom Programme in delay	three weeks in delay due to negotiation of contract	E	3	Aecom to progress with nonlinear programme methodology	Helen Jackson	C	3
R23	02/12/2021	Aecom delay in options	Delay in SBC making a decision, and possible delay on business case submission	E	2	Work with Aecom to support option deliver, regular meetings on progress and share relevant information	Leigh Brand	C	2
R24	02/12/2021	Delay in revenue costs	Delay in SBC making a decision, and possible delay on business case submission	E	2	Work with Aecom to support option deliver, regular meetings on progress and share relevant information	Leigh Brand / Kerry Metcalfe	C	2
R25	07/12/2021	Yorkshire Water future work on pipeline running under E/Wharf	Impact to position of building, addressed through discussion. Currently waiting on confirmation of works.	C	2	Work with John Woodhead, Yorkshire Water to establish likely hood of works to pipeline	Gary Collinson / Leigh Brand	C	2

## **APPENDIX D: PROPERTY MARKET REPORT**

# Property Market overview Report – Whitby

## INTRODUCTION

The following prepared by BE Group in association with AECOM, provides an overview of the commercial property market in Whitby, to provide context for the assessment of the Whitby Maritime Training hub. This overview has assessed the commercial office and industrial markets in Whitby.

This assessment has been undertaken by BE Group as part of the consultant team led by Aecom. BE Group is a property and regeneration consultancy, experienced in undertaking assessments of property markets throughout the UK. BE Group assessed the Whitby property market on behalf of Scarborough Borough Council as part of the Whitby Town Spatial Plan and the following assessment updates and build upon that analysis.

The Whitby economy is a function of its geographic location on the North Sea, with a strong maritime heritage and an important tourist location. Whitby Harbour is a location for the landing of fish and shellfish, as well as cargo handling. The Whitby commercial property market is a small market, providing for local services and microbusinesses. Whitby's economy is also influenced by its relative isolation from major urban centres and transport links, which means that access to markets, suppliers and investment is more difficult.

This assessment of the commercial market in Whitby will help to inform the assessment of the Whitby Maritime Training hub, in particular opportunities for complementary facilities alongside the core training activities. In respect of this, the assessment looks at commercial office and industrial performance in Whitby as an indicator of potential demand at the proposed hub. However, it is also recognised that growth opportunities in the offshore energy sector mean that new market opportunities, not currently being realised in Whitby, could form a key element of demand for commercial premises the Whitby Maritime Training hub.

## PROPERTY ASSESSMENT – OFFICES

The current and recent activity within the office market in Whitby has been based on an analysis of recorded information on property transactions conducted within Whitby, currently marketed units and discussions with locally active property agents.

The office market in Whitby is very small, servicing local businesses and community organisations. The market is a mix of small town centre units and serviced offices in more edge of centre locations (east of River Esk).

### *Transactions*

Transactions of commercial stock in Whitby have been reviewed to gauge interest in the market and performance levels over the past decade. Typically, not all transactions are recorded, although the available data provides a good indication of types of transactions and market preferences.

The office market in Whitby is very limited, with few transactions having completed in the last 10 years. Only two sales have completed, both within the town centre, with the most recent occurring at 10, Skinner Street in 2019. The building, of an undisclosed size, sold for £255,000 to Bloody Minded Ltd. Additionally, 3-5, Victoria Square of 138 sqm sold in 2015 for £375,000.

Additionally, there have been two investment sales which both transacted in 2018, both outside of the town centre. Whitby Delivery Office, 26, Crescent Avenue was sold for £53,870 to Royal Mail

Group Ltd whilst Dignity Funerals Ltd purchased 19, Helredale Road of 45 sqm for £135,000. This latter building operates out of a converted house and therefore sits within a residential neighbourhood as there is no set office/ business park within Whitby and most offices are predominantly situated above existing retail.

One leasehold deal was recorded in Whitby, in 2015, for a 47 sqm unit at Baxtergate. Transactions recorded in Whitby are listed in the table below.

#### Transactions for Office Premises, Whitby

Address	Size (sqm)	Deal Year	Lease Details	Achieved Price
<b>Occupational Sales</b>				
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]				
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]				
[REDACTED]	47	2015	8 years, undisclosed rent	N/A

*Source: Radius Data Exchange (2021)*

The low volume of transactions in the town means that overall trends in price points or unit types is impossible to gauge. By comparison, there were some 22 recorded retail transactions over the last decade in Whitby. The transactions data demonstrates that the town is a very small office market and not suggestive of a need for further development of traditional office units.

#### *Serviced Offices*

Typically, serviced office leases, being shorter term and potentially only for a single desk, are not recorded in transaction data. Reportedly, these serviced offices have had higher levels of activity in Whitby and are recording good occupancy levels. Identified facilities include:

- **St Hilda's Business Centre** – 51-unit business centre at The Ropery located east of the River Esk and one road back from Church Street. The Business Centre reports that there are currently no units available. Occupiers include microbusinesses, generally servicing a residential population, including beauty services, property services, dance studio, etc. Basic unit costs are £16/sqft
- **Green Lane Centre** – business centre with a mix of community, public and private sector tenants. Includes workspaces up to 72 sqm as well as training and community facilities.

Conversations with commercial agents have revealed that the serviced office market is more active in Whitby than traditional offices and more in line with market requirements.

#### *Vacancies*

Vacancy levels within Whitby are extremely low with only one vacant unit being marketed at present, which is a 17 sqm office at Clarence Place. This unit is available on a freehold basis and has not include a listed price.

The serviced offices at St Hilda's Business Centre are being advertised; however no units are currently available.

The lack of supply of marketed and available premises would be a factor in the very low churn of transactions in Whitby in recent years. However, in turn, the low transactions volume would discourage further investment and development of stock, thus perpetuating the slow market. The high occupancy levels of the serviced offices suggests that if further traditional office stock was available, some occupiers may choose the longer term security of traditional office units.

#### *Comments from Commercial Agents*

The following comments were received from commercial agents in respect of the Whitby office market:

- This is a very small market, with few premises becoming available to the market.
- Agents receive very few (if any) requirements for office spaces in Whitby.
- Demand at St Hilda's Business Centre is good and understand that there are high occupancy levels. Most uses in the Business Centre are local services, including beauty and driving school.
- Town centre office space is difficult because of car-parking constraints. Businesses would prefer an out-of-town office location with adequate car-parking.
- Incubator units could work in Whitby to support start-up businesses, with serviced offices providing a similar function.
- There is a lack of suitable, flexible spaces for start-up or small businesses, with high demand in St Hilda's Business Centre and Green Lane Business Centre.
- There is a lack of training facilities in Whitby. If the maritime training hub was developed, this could help to attract businesses around the hub.
- Lack of space for corporate/business events in Whitby, though note that Green Land Business Centre has some space.
- Rents for traditional office space is likely to be about £8-10/sqft (though this is an estimate because of lack of stock on the market). Serviced offices at St Hilda's Business Centre are achieving £16/sqft.

#### PROPERTY ASSESSMENT – INDUSTRIAL

The industrial market is predominantly concentrated at Stainsacre Lane, in the south of the town. This industrial estate is a typical mix of occupiers for a town of this size and comprises of building suppliers, engineering, depot, waste transfer and warehousing.

The industrial mix in Whitby also includes maritime related activities at Whitby Harbour, including seafood handling and boatyards. This is centrally located and surrounded by town centre, residential and tourism uses, which could impact on expansion potential and operating conditions.

#### *Transactions*

The table below lists the industrial deals that occurred in Whitby in the past decade. This is a higher volume market than offices, but still only average about one transaction per annum.

#### Industrial Transactions in Whitby

Address	Size (sqm)	Deal Year	Achieved Rent (£/sqft)	Achieved Rent (£/annum)	Achieved Price
<b>Sales</b>					
Stainsacre Lane Industrial Estate, Fairfield Way, Whitby, YO22 4PU	920	2018	N/A	N/A	1,450,000
Sky Scaffolding Ltd, Stainsacre Lane Industrial Estate, Whitby, YO22 4PU	N/A	2018	N/A	N/A	4,000,000
W Eves & Co, Stainsacre Lane Industrial Estate, Whitby, YO22 4PU	N/A	2018	N/A	N/A	4,000,000
Unit 2c, Stainsacre Lane Industrial Estate, Fairfield Way, Whitby, YO22 4PU	N/A	2016	N/A	N/A	150,000
Unit 2, Stainsacre Lane Industrial Estate, Fairfield Way, Whitby, YO22 4PU	213	2011	N/A	N/A	N/A
<b>Leases</b>					
M&S, Stainsacre Lane Industrial Estate, Fairfield Way, Whitby, YO22 4PU	N/A	2019	N/A	242,000	N/A
Unit 2, Glass Warehouse, Cholmley Way, Whitby, YO22 4NJ	1472	2016	N/A	N/A	N/A
Unit 5c, Whitby Business Park, Enterprise Way, Whitby, YO22 4NH	138	2015	N/A	N/A	N/A
Unit 2d, Larpool Lane Industrial Estate, Larpool Lane, Whitby, YO22 4LX	47	2013	N/A	N/A	N/A

Source: Radius Data Exchange

Nine industrial deals occurred between 2011 and 2021 with the largest unit size recorded being a 1,472 sqm (15,840 sqft) unit at Cholmley Way leased in 2016. A further unit of 920 sqm (10,000 sqft) was sold for £1.45 million in 2018 at Stainsacre Lane. Therefore, while a small industrial market, there are some requirements for units at 1,000 sqm or above (over 10,000 sqft).

There has been just one recorded investment sale over the last 10 years, which occurred on Argyle Road with the sale of a workshop/ garage. This property was purchased in 2016 by Ledden Estates Ltd for £590,000.

#### Vacancies

From a review of marketed premises and conversations with commercial agents, the following industrial premises were identified as being marketed in Whitby.

#### Vacant Industrial Premises, Whitby

Address		Size (sqft)	Size (sqm)	Rent(£/sqft)	Rent (£/sqm)	Rent (per annum)	Tenure	Agent
Industrial								
Industrial Unit	Cholmley Way, Whitby, North Yorkshire, YO22	15,500	1,426	4.2-4.5	45.6-49.1	65,000-70,000	LH	Richardson & Smith
Industrial Unit	Fairfield Way, Whitby, YO22 4PU	9,875	908.5	N/A	N/A	N/A	FH	Hendersons Property Services

In addition to the above units, there is approximately 1.08 ha of vacant land available for development for industrial uses at Fairfield Way, Stainsacre Industrial Estate. However, this site is not on the market.

### *Comments from Commercial Agents*

The following comments were received from commercial agents in respect of the Whitby industrial market:

- Agents receive few requirements for industrial units in Whitby.
- The Stainsacre Industrial Estate appears to be operating at reasonable levels, including having some long-term occupiers.
- A lack of vocational training in Whitby means it is hard for industrial operators to attract, retain and up-skill workers in Whitby. People have to go to Scarborough or Middlesbrough for training.
- One agent stated that they had one unit on the market for sale in Stainsacre Industrial Estate and that it had been on the market for a considerable time.
- Demand for units related to the offshore energy industry could be limited in Whitby due to the constraints at the port, including capacity, tide restrictions, growth opportunities.
- Rents are typically fairly modest at £4-5/sqft.

### PROPERTY ASSESSMENT – IMPLICATIONS FOR MARITIME TRAINING HUB

The above assessment of the office and industrial property markets in Whitby has demonstrated that the commercial property sector is small in Whitby, with little churn of stock in the market. Occupiers are generally businesses that are serving a local market, including businesses whose main clients would be local residents, rather than other businesses.

With few transactions occurring over the last decade, there is little information upon which to form an estimate of likely price points. However, for traditional office stock, rents are likely to be around £10/sqft, which would be significantly short of levels required to encourage investment in new office development. Industrial rents at about £5/sqft are also relatively soft. Even allowing for a premium for new units, it is unlikely that the developer market would be encouraged by such rent levels.

It is noted that the demand for serviced offices appears to be significantly stronger than for traditional office space in Whitby. The serviced office schemes of St Hilda's Business Centre and

Green Lane Business Centre report good occupancy levels, including no current availabilities at St Hilda's Business Centre. Therefore, there appears to be an opportunity for further serviced office facilities, that provide for microbusinesses.

These existing serviced office facilities appear to be relatively generic business units, providing a good function for office-based occupiers. However, there appears to be a gap in the provision of employment spaces for very small enterprises that provide workshop or hybrid workshop/office spaces. Together with the existing serviced offices, the provision of such workshop or hybrid spaces would provide a well-rounded range of units and spaces for start-up and microbusinesses in Whitby.

## OFFSHORE ENERGY SECTOR OPPORTUNITIES

The offshore wind sector is a high-growth sector in the UK, with ambitious targets, including for energy output and employment. The North Sea will be a major component of the growth in the sector in coming years, with cities, towns and businesses that are well positioned to service this sector.

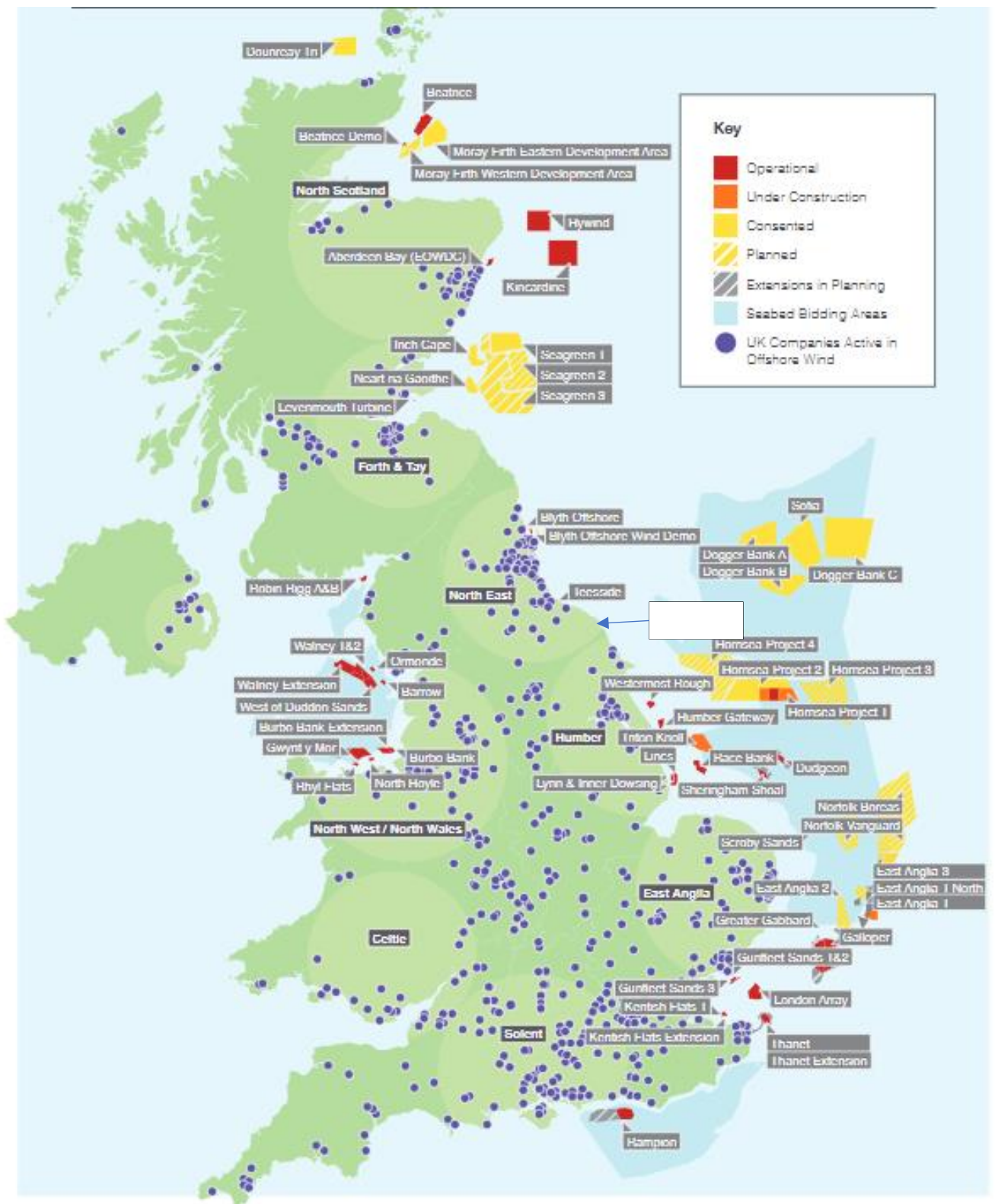
The Government's Industry Strategy – Offshore Wind Sector Deal (2019) is a partnership between the industry and government to guide growth in the sector. This will include improvements in the supply chain, increasing skills, increasing jobs, improving infrastructure and supporting business and regional clusters. The Deal will include investment through the government's Contracts for Difference schemes of up to £557 million in the sector and £250 million of industry investment. The Deal is to guide growth in energy output to 30GW by 2030.

Employment growth is expected to be considerable in the sector, with forecasts that jobs will increase from 10,000 in 2017 in the UK to 36,000 by 2032, of which the employment in Yorkshire/Humber region is forecast to increase from 1,500 to 9,200 jobs over the same period (Energy and Utility Skills).

Such substantial growth in jobs over a relatively short period will require significant increases in the capacity of supporting training facilities, appropriate provision of employment land to enable business growth and the support at all levels of government.

The Offshore Wind Council has prepared the following map, which identifies businesses operating in the offshore wind sector, as well as the locations of existing, under construction and planned offshore wind schemes. BE Group has added the approximate location of Whitby for comparison. Of note and relevance for this Whitby assessment are the following points:

- It is immediately apparent when comparing the scale of the operational schemes and the planned and consented schemes that there is substantial growth forecast in this sector.
- There is a wide spread of business locations across the UK that are involved in the offshore wind sector.
- However, there are clear business clusters in the UK, including around Newcastle and Sunderland, the Humber and Hull, the Solent, Aberdeen and Edinburgh. Most of these locations have ready access to the North Sea, where much of the planned growth in the sector is to be.
- Whitby is between the clusters around Newcastle and Hull but is in a gap in the provision of sector businesses.



Source: Offshore Wind Energy Council

In terms of commercial property requirements, the offshore energy sector has generated substantial investment in larger centres though it has not seen investment in Whitby. Whitby has some attributes that suggest good potential to service this sector, including its Harbour and proximity to the planned Hornsea projects in the North Sea. However, Whitby's isolation from larger centres,

including important sectoral clusters in Yorkshire and the North East, demonstrate that establishing and growing the sector in the town will be difficult and contain considerable uncertainty.

As demonstrated in the commercial property assessment, the overall scale of the property market in Whitby is small. This reflects the town's economy, being a small, localised mix of businesses serving a local market. The provision of employment spaces serves this function well, with appropriate sizes and types of units. The growth of the economy to accommodate a wider function, such as servicing the offshore energy market, is likely to require a broader array of employment spaces than currently provided in Whitby.

Whitby's role in servicing the offshore energy market, is unlikely to be through large scale production or assembly of wind turbines, which in the region is undertaken in the Humber, with plans for further expansion of manufacturing at this location. Whitby's role, if any, is more likely to be in the servicing and maintenance of the schemes once constructed. Therefore, property provision in Whitby to service this sector should be geared towards such a role. This would include spaces that provide storage for plant/equipment, access to the Harbour, storage of vessels, engineering works and training support.

#### OPPORTUNITIES FOR COMMERCIAL FACILITIES ALONGSIDE THE MARITIME TRAINING HUB

The development of the Maritime Training hub at Whitby has the potential to act as a catalyst to support broader maritime sector growth, attracting businesses and investment to the town. The substantial growth underway in the offshore energy sector suggests that this sector would be one of the key components of the broader maritime sector opportunities alongside the Training hub. However, the types of spaces required for this sector noted above may not all be appropriate to be alongside the Maritime Training hub.

Commercial property opportunities that would be appropriate for co-location with the Maritime Training hub in Whitby could be:

- Workshop and hybrid workshop/office space to act as incubator space for start-up and microbusinesses (20-150 sqm units)
- Serviced office space for start-up and microbusinesses (10-100 sqm units)

While ideally such spaces would be taken up by maritime or complementary businesses, it is likely that a broader array of businesses, including similar activities to those currently at St Hilda's Business Centre and Green Lane Business Centre, would take up these spaces at the Maritime Training Hub. While a policy of restricting tenancies to allied businesses could be imposed, it is not recommended that this approach is followed, given the small nature of the commercial property market in Whitby. Such a restriction would likely to result in a very slow up-take of premises as the number of potential occupiers would be reduced.

## **APPENDIX E: COST PLANS**

## 2.1 Order of Cost Estimate - Functional Quality

Functional quality considers the lowest range from office/educational cost data. This would however, usually increase the maintenance frequency and costs. This will require the design to be efficient and in turn possibly restrict the design of elevation treatments. shape, massing and finishes choice.

FUNCTIONAL QUALITY	Option 2	Option 3	Option 4 *	Option 5	Outline Specification
<b>Gross Internal Floor Area (m<sup>2</sup>)</b>	2,171	2,577	3,000	3,486	Wall to Floor ratio ~ 0.45 - 0.50
<b>Buildings Shell &amp; Core</b>					Non air-con, abnormal foundations, flood defences to ground floor, pitched roofs, massing to conservation area, excludes Tenant Fit Out.
<b>Survival Training Pool</b>					
<b>External Works</b>					~ 7,000m <sup>2</sup> to existing hard surface
<b>Utilities</b>					Allowance
<b>Construction Total (04Q 2021)</b>	<b>£5,270,000</b>	<b>£6,020,000</b>	<b>£6,800,000</b>	<b>£10,200,000</b>	
<b>Professional Fees @ 12%</b>					Allowance
<b>Development Contingency</b>					SBC Contingency @ 15%
<b>Development Total (03Q 2021)</b>	<b>£6,790,000</b>	<b>£7,750,000</b>	<b>£8,760,000</b>	<b>£13,130,000</b>	
<b>BCIS TPI Inflation to 04Q 2023 @ 14.0%</b>					Mid-point of construction
<b>Optimism Bias @ 24%</b>	Refer to Outline Business Case				Standard Building - No mitigating factors
<b>Development Total (04Q 2023)</b>	<b>£7,740,000</b>	<b>£8,834,000</b>	<b>£9,985,000</b>	<b>£14,967,000</b>	
<b>Budget Allowance for Tenant Fitout</b>					
Tenant Fit out (Cat A / B) Estimate					Allowance for the completion of net lettable areas with finishes and specific tenant requirements for partitions, suspended ceilings, services, loose furniture, I.T cabling.

Option4 \* - has an assumed Gross Internal Area of 3,000m<sup>2</sup> (a reduction of 287m<sup>2</sup>)