

Jaywick Sands Workspace Feasibility study report



HAT Projects
April 2020

1. Executive Summary

"Jaywick Sands through the provision of a deliverable development framework, will be a sustainable community with associated economic, community and employment opportunities."

Tendring District Council Emerging Local Plan policy

This study was commissioned by Tendring District Council to investigate the feasibility of creating a new managed workspace to support emerging and growing entrepreneurs and businesses in the Jaywick Sands area, meeting the key objective of the Place Plan and the Coastal Communities Team overseeing Jaywick's regeneration.

The purpose of the feasibility study is as follows:

- To examine the demand for incubation/managed workspace in the Jaywick Sands area
- To analyse existing workspace provision within the wider study area.
- To determine the economic impact of providing new workspace in Jaywick Sands.
- To determine the indicative costs of providing a building on a suitable site within the Jaywick Sands area.

The study area covered the village of Jaywick Sands and its immediate hinterland, acknowledging that the catchment for potential users of such a facility may (initially) fall beyond the Jaywick Sands area.

Findings from the study

The study has found that there is a high level of demand in the wider area for affordable business space within the light industrial, studio and basic office sectors, due to an undersupply of space. This is evidenced by the Tendring Employment Land Review in 2019 and by letting agent interviews undertaken as part of this study.

The study also found a higher than expected number of credible potential locally based occupiers for a new facility in Jaywick Sands, despite no formal marketing exercise being undertaken. The demand uncovered was through informal contacts only. The evidenced demand justifies the creation of new workspace in Jaywick Sands, to meet the sectors where demand is identified in the wider area as well as locally.

The range of potential occupiers, along with agent feedback, informed the development of a number of initial options for a new facility, which were market tested. Following further user and agent feedback, a recommended model has been developed and costed with a full operational model and cashflow as well as capital costings.

The recommended new workspace facility is a 10,500 sq ft (GIA) building offering 9,500 sq ft net lettable area (90% net:gross). The capital costs are estimated to be £1,858,175 in total project costs (including fees) of which £1,595,000 is the construction value of the scheme at Q1 2020 costs.

Cashflow modelling shows that the scheme should be expected to reach an operating surplus by year 2 of operation and a cumulative surplus in year 3. This assumes no requirement for capital return on investment but as surpluses will be consistently generated after year 3, a decision can be made about whether some capital return is recouped or whether (the preferred option) surpluses are reinvested in community development for the Jaywick Sands community.

The recommended model is an interim 10-15 year facility occupying a prominent site in the centre of Jaywick Sands to maximise its catalytic impact on the regeneration of the area. The design assumption is that the building should be constructed to be disassembled and reused as components or re-erected elsewhere.

The economic impact assessment finds a net additional impact to the local economy of £1,738,722 per annum. This excludes second round multipliers and the catalytic impact on raising property values and tax receipts from the local area, which will be considerable. Along with the economic impact, there will be a range of positive social impacts which would be expected to contribute to alleviating the severe deprivation experienced by much of the Jaywick Sands community.

The study therefore recommends that the project proceed to the next levels of development and design and a further gateway review prior to submitting the scheme for full planning permission. Key next steps will be:

- Approval to proceed to develop the next level of detail up to a further gateway review, from senior leadership and executive members at TDC as required.
- Procurement of a consultant team and preferred operator to develop detailed proposals to RIBA Stage 3 (submission of planning permission)

£1,858,175 capital project investment

Operating surplus in year 2

£1,738,722 net economic impact on the local economy

Wide regeneration benefits and catalytic economic impacts

2. Context

2.1 About Jaywick Sands

Jaywick Sands is located on the Essex coast, in Tendring District. The village of just under 4,800 residents (2,600 households) is sited along the seafront a few miles south west of Clacton-on-Sea.

A century ago the village did not exist. The plotlands settlement of small detached chalets was founded in 1928 and most of the estate was not 'purpose built' for permanent year round occupation. A unique combination of social, political, economical and geographic factors have meant that Jaywick Sands has retained its distinctive low-rise, self-built character, and strong community, although currently it is best known for including officially the most deprived statistical area in the UK.

Tendring 018A LSOA is the statistical unit which includes the western part of the community, and has been ranked as the most deprived area in England and Wales on the Index of Multiple Deprivation in 2010, 2015 and again in 2019. The adjacent LOSA, Tendring 018C, is also in the bottom 5% according to the IoMD, and Tendring 018B (mainly the north of the Tudor Estate) scores in the bottom decile across 3 of the 9 deprivation indices. These statistics are further supported by 2011 census data, other reports and datasets. The deprivation experienced by Jaywick Sands results from many factors, but a lack of local employment, and the difficulty of travelling to local employment centres due to poor public transport connections and geographical isolation, is a significant factor.

With collaboration and support from various authorities and agencies, represented in the Coastal Communities Team, a range of interventions, including a Place Plan, are being developed to improve the physical, economic and social resilience of Jaywick Sands. This study forms part of this regeneration programme and has been developed in an integrated dialogue with key stakeholders in the community and wider area.



2.2 Jaywick's economy

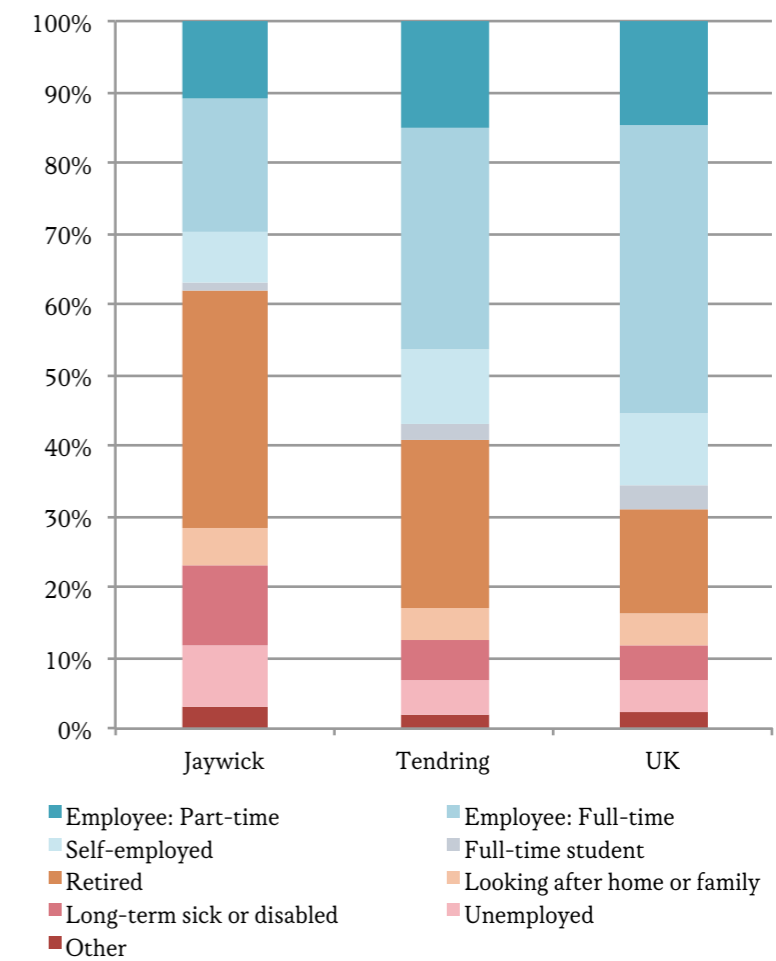
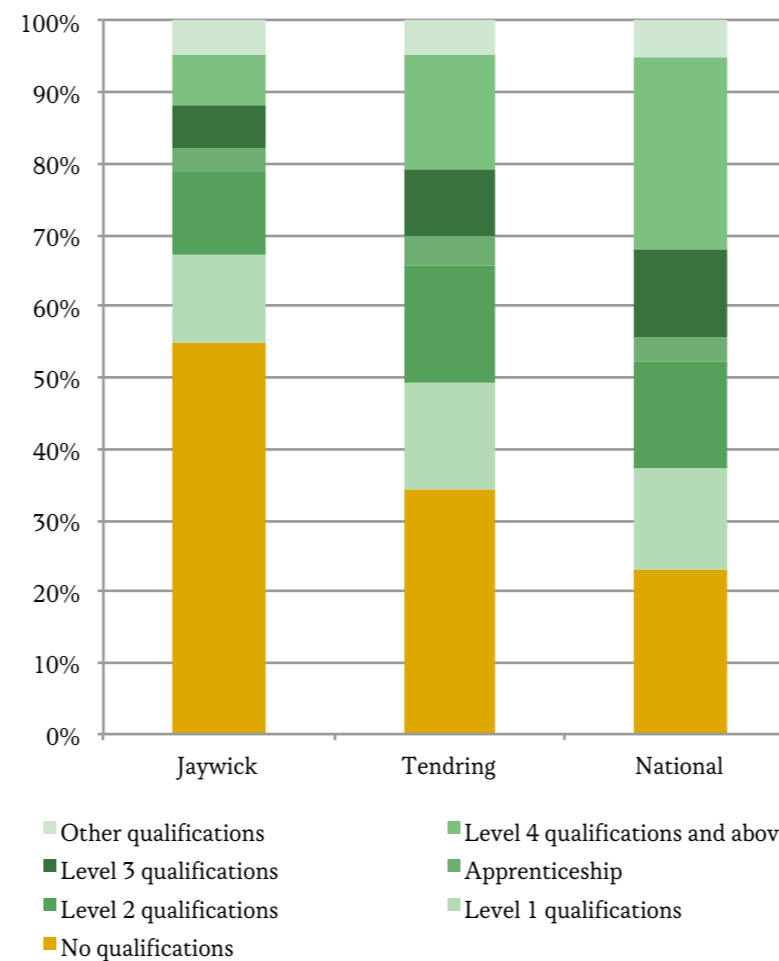
Data on economic activity in Jaywick Sands is limited due to the lack of very localized datasets and the significant informal economy in the community. The 2019 ONS Business Register and Employment Survey records only 360 jobs in Jaywick Sands, of which around half are part-time jobs. This equates to a job density of 1 job for every 14 residents in the community – a very low ratio compared to 1:3 for Tendring as a whole.

This figure does not include the self-employed – this only includes roles which are PAYE and/or VAT registered. Census data indicates that residents in full and part-time employment are significantly fewer than the national and district average, and of the employed residents, a higher proportion are self-employed than the national and district averages. The large majority of employed people in the community are therefore commuting out of the area, often significant distances, to access work.

There are 31 registered companies (Companies House) and 5 registered charities (Charities Commission) with their registered addresses in Jaywick Sands, but a greater number of businesses (over 100) listed as operating in the village on common websites such as www.oneofthelocal.co.uk.

The main sectors of employment in Jaywick Sands are health and care (including childcare) with approx. 130 jobs, tourism (including accommodation such as the holiday parks) which provides approx. 80 jobs and retail which provides approx. 70 jobs. While Tendring as a whole has strengths in construction, ports and logistics and some advanced manufacturing, neither of these are represented in Jaywick Sands.

Skills levels in the Jaywick community are low compared to Tendring, regional and national averages. There are few students going into higher education, and post-16 education take-up is lower than average. The number of residents of working age with no formal qualification at all is high, around 55%.



There are a number of barriers to accessing training and employment for Jaywick residents, including geographical isolation from centres of employment and education or training, along with an insufficient and unaffordable public transport service. Many school leavers do not meet the minimum skills levels required to start on further or higher education courses, training schemes or apprenticeships so cannot get onto the ladder towards skilled employment. These young people require basic level functional skills training and community based organisations are looking to provide more vocational and skills training in the area.

Map and directory of existing businesses and charities based in Jaywick Sands



Companies & Charities

- ◆ 1. RSCS Holding Ltd
- ◆ 2. DQP Ltd
- ◆ 3. Seconds Out Ltd
- ◆ 4. The Property Guru Limited
- ◆ 5. The Property Guru (Residential) Ltd
- ◆ 6. BRS Maintenance Ltd
- ◆ 7. Broadway Takeaway Ltd
- ◆ 8. Pyrkes Property Services Limited
- ◆ 9. Mmphotostudio Limited
- ◆ 10. Accounting Solutions (Anglia) Limited
- ◆ 11. Simply Self Assessment Ltd
- ◆ 12. Savio Investment Limited
- ◆ 13. Jaywick Stores Ltd
- ◆ 14. Jaywick Convenience Store Ltd
- ◆ 15. Jaywick Sands Revival Community Interest Company
- ◆ 16. Dreamy Petz Ltd
- ◆ 17. Colne Yacht Surveys Limited
- ◆ 18. L & B Transport Ltd
- ◆ 19. Luke Stevens Electrical Limited
- ◆ 20. Safe Therapeutic Training Ltd
- ◆ 21. Bluebird Resource Centre Ltd
- ◆ 22. Network 81
- ◆ 23. Nick's Mechanical Services Ltd
- ◆ 24. Boathouse Residents Association Limited
- ◆ 25. Boathouse Holdings Ltd
- ◆ 26. L&P Seltap Services Ltd
- ◆ 27. Trime Care Ltd
- ◆ 28. Gingerlilly Designs Limited
- ◆ 29. Cheque Bid Ltd
- ◆ 30. E & A Decorating Limited
- ◆ 31. Loyalty Project Ltd

Charities

- 32. Extra - Support for Families
- 33. Golf Green Hall Trust
- 34. Inclusion Ventures Limited
- 35. Jaywick Community & Resource Centre
- 36. Jaywick Millennium Lunch Club
- 37. The Frobisher Parent Teacher's Association

Source: Companies House; Charities Commission;
www.oneofthelocal.co.uk

2.3 Existing regeneration and community initiatives in Jaywick Sands

This study has been undertaken in line with a number of existing and emerging initiatives aimed at addressing the engrained issues of deprivation in Jaywick Sands. These are in line with the vision for Jaywick Sands as expressed in the emerging Local Plan:

“Jaywick Sands through the provision of a deliverable development framework, will be a sustainable community with associated economic, community and employment opportunities.”

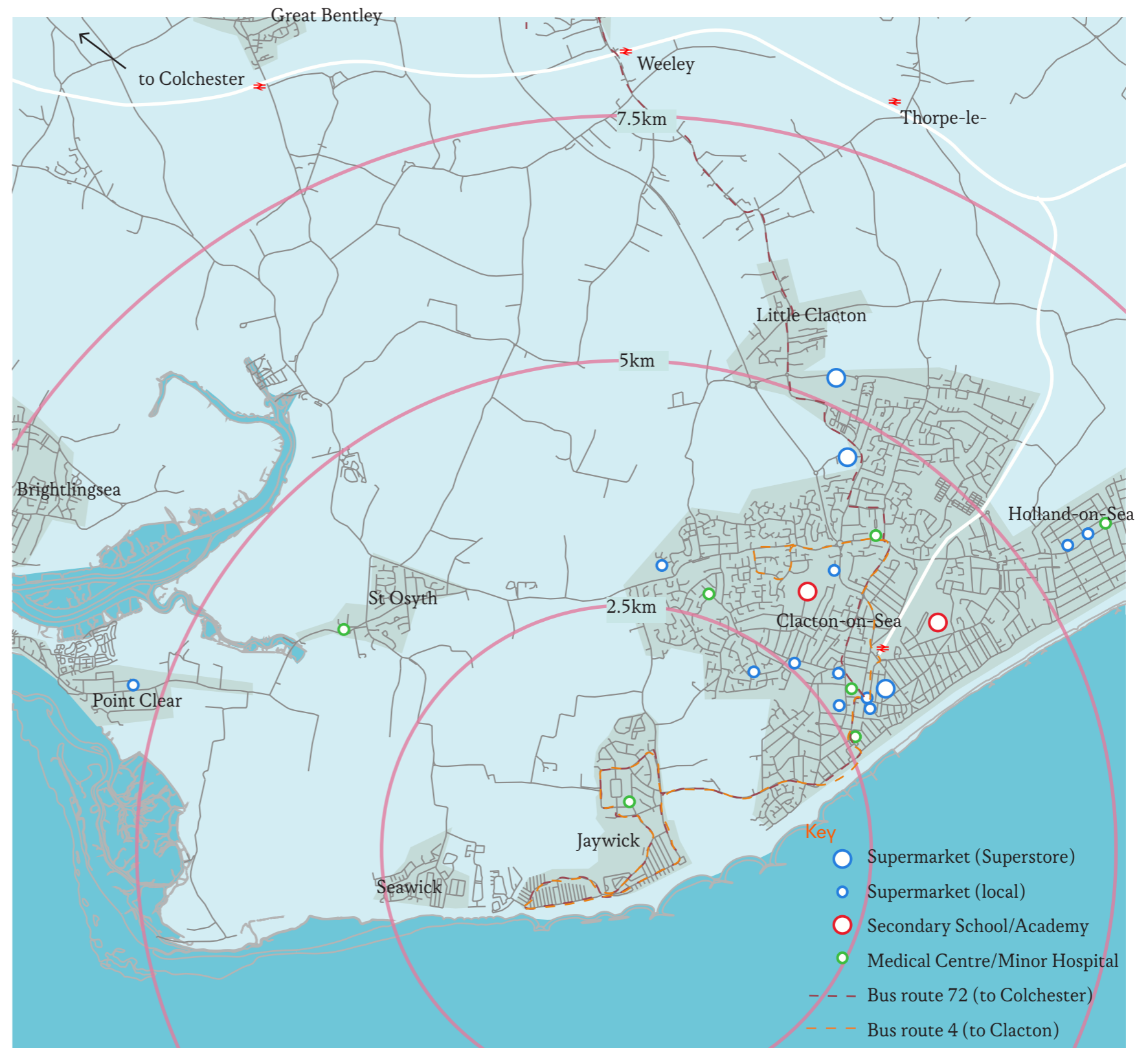
A Coastal Communities Team was set up for Jaywick Sands in 2016 to bring together the full range of stakeholders to tackle the multi-dimensional challenges of Jaywick Sands with the support and funding of MHCLG. The CCT has a Place Plan Strategy for Jaywick Sands which is underpinned by five strategic objectives:

1. Transform housing quality & the built environment
2. Ensure long term flood resilience
3. Create greater connectivity to neighbouring areas
4. Attract commerce and new economic opportunities
5. Improve people’s life chances & health and wellbeing.

HAT Projects are lead consultants for the Jaywick Sands Place Plan, a comprehensive spatial framework in development for the area. This plan, commissioned by Tendring District Council, will form the framework for phased regeneration and is being developed in collaboration with CCT members.

Individually, TDC, ECC and other third sector organisations and charities operate a number of schemes in the area to support different aspects of Jaywick’s regeneration. These include:

- Work with young people at risk including education and training
- Health and wellbeing initiatives including active living
- Physical improvements including streetscape and public realm
- Interventions on poor quality housing and rogue landlords
- Jaywick Sands Forum, a regular meeting of community groups
- Jaywick Sands Revival CIC, a relatively new CIC focusing on housing issues and advice to residents
- Jaywick Sands Community Land Trust, a relatively new CLT aiming to create affordable homes and support business.



3. Wider strategic and policy context

3.1 Tendring Economic Strategy 2019-2024

The Tendring Economic Strategy (TES) has recently been updated and it concludes that evidence from Office of National Statistics demonstrates that there have been some important changes in the local economy which require the need for a change of approach. These include:

- A greater focus on Clacton and Jaywick, noting a decline in economic performance of these locations. This focusses specifically on local participation within communities and addressing long term prosperity.
- Bold action in Clacton Town Centre, recognising that its future is unlikely to be led by retail alone.

The TES two year plan anticipates that an innovative new plan should be put in place for Clacton focussed on challenging and changing perceptions and building community capacity. Similarly, in Jaywick, bottom-up, participatory activities should be addressing inherent weaknesses and providing foundations for future engagement. Specifically with relevance to this project, the TES recommends that:

- There is a need for long term investment in both the physical and human assets of the area to enable a positive economic future for Jaywick. Bold new approaches, built around citizen participation and the building of community capacity, are needed. The response should be locally focussed and long-term, building upon the aspirations of the Jaywick Sands Coastal Community Team to develop a more sustainable and resilient community.
- TDC should identify property assets within public ownership which can be transformed to offer low-cost or free space to support new businesses and positive social activities, particularly in Clacton and Jaywick, to maximise their social value. Map spaces owned by Tendring DC, looking at where there is a stronger case (lower opportunity cost) of making them available for free or low-cost use by residents with ideas. Provide meanwhile space in perpetuity, with advice and guidance to support 'graduates' into more permanent spaces.

- Local people should be given more of a prominent role in developing and delivering projects within their community as part of a continuum of positive activity towards improved qualifications and employment. The strategy recommends first piloting this approach in Jaywick, particularly around the emerging Place Plan.
- Using the 2019 Employment Land Review, identify priority space to support 'move on' and growth space, activity promoting this amongst the local business population. This type of development should be encouraged through the use of cross-funding through the delivery of mixed-use sites. There are a number of proposed or allocated sites which have the potential to accommodate this type of development alongside residential and other uses and it should be ensured that these are treated favourably.
- Over the next five years, it will be particularly important to improve dialogue with local companies to support them in their growth ambitions and encourage them to innovate and diversify their offer.
- A key element of this offer will be the provision of spaces to support new companies to grow within a flexible and supportive environment. This includes thinking about how managed workspace and incubation space could be used to support new businesses in Tendring.
- Culture is also mentioned as a potential opportunity for Jaywick.

Emerging Local Plan 2013 -2033

Regeneration

Jaywick Sands is identified under **Policy PPL4 Priority Areas for Regeneration** as a priority for focused investment in "social, economic and physical infrastructure and initiatives to improve vitality, environmental quality, social inclusion, economic prospects, education, health, community safety, accessibility and green infrastructure." No specific employment land allocations are identified in Jaywick Sands.

Village services and other facilities

Under **Policy PP3 Village and Neighbourhood Centres** three areas of Jaywick Sands - Broadway, Tudor Parade and the junction of Tamarisk Way/Broadway are defined as neighbourhood centres to be protected and enhanced. Under **Policy PP11 Holiday Parks** the caravan park to the west of Jaywick Sands is identified as a safeguarded site protected against redevelopment.

Flood Risk

Under **Policy PPL1 Development and Flood Risk**, new development in areas of high flood risk "must be designed to be resilient in the event of a flood and ensure that, in the case of new residential development, that there are no bedrooms at ground floor level and that a means of escape is possible from first floor level." However commercial development is not affected by flood risk issues due to it not posing a risk to life.

4. Supply and demand for employment space in the wider area

4.1 Tending Employment Land Review (2019)

The recently updated Employment Land Review (2019) finds there is currently more than sufficient supply of land to meet future needs, but that there is a shortage of readily available stock of built space on the market. Consultations with local commercial agents to inform the Employment Land Review indicate good demand for stock in Tendring (predominantly small units) but a lack of supply. Office occupancy rates are at around 90-95% which suggests Tendring has a vibrant and attractive market with capacity for growth but with limited choice in the market.

Clacton-on-Sea remains the centre point of the office market with the largest number of deals and largest amount of floorspace transacted. In terms of the industrial market, industrial transactions have been fairly consistent over the last decade but have increased in the last couple of years. Clacton remains the dominant focus of this market with Gorse Lane industrial estate seeing the largest levels of activity.

The findings suggest that while the market is small, it is a strong market with high occupancy levels and above average transaction volumes in the most recent years. The low vacancy levels suggest that the momentum of these transaction volumes may struggle to be maintained without further stock being brought to the market. In terms of office space, there is a need to encourage the delivery of smaller scale mixed units with flexible terms to support newly established businesses. There is very little space available for either industrial or office uses, at the budget end of the spectrum.

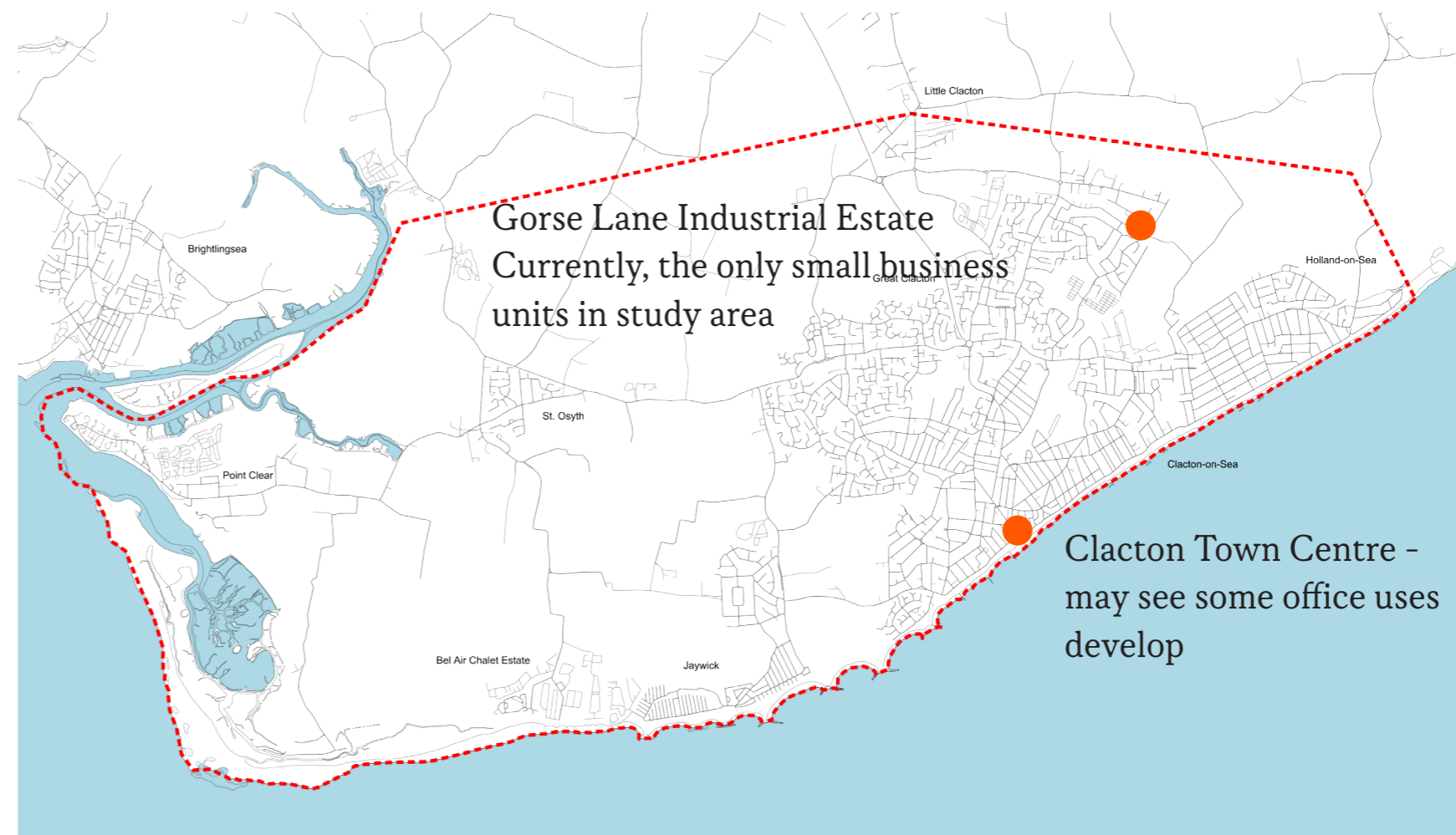
Based on available rental information between 2008 and 2018, the average office rent in the district is £96.45/sqm, and £55/sqm for industrial rent.

4.2 Analysis of current workspace provision

Employment space provision in the wider study area is limited, particularly with regard to managed or incubation space. There are only two complexes which could be described in this way – the Clacton Enterprise Centre and the Pace Centre, both in the Gorse Lane industrial area. This supports the findings of the Employment Land Review and also the findings from our demand research – see below.

While some new managed workspace may be developed in the future as part of the regeneration of Clacton Town Centre, this

is likely to be more office focused rather than light industrial/ low cost multi-purpose business units. This may meet some of the needs for a pipeline of low cost office space and meet some of the recommendations of the Economic Strategy, but will not address the lack of supply for more basic units suitable for small-scale manufacturing, food, and other sectors requiring larger, more robust space with good parking and delivery access.



5. Demand for employment space in Jaywick Sands

We have undertaken extensive research with local agents, community representatives and local businesses to assess if there is demand for employment space in Jaywick Sands and if so, of what nature.

5.1 Agent feedback

Agent feedback shows that while there is no formally registered demand for space in Jaywick Sands, this is due to a perception that it is not a location to look for space due to the lack of a meaningful existing business cluster and its currently poor reputation.

Agents do see advantages to Jaywick Sands as a location, such as affordability and easy parking, and due to the lack of available space in the wider study area, they consider that occupiers could be interested in taking space in Jaywick if space was actually available. A key driver is likely to be the low vacancy rates in the wider area, which is highlighted in the Tendring 2019 Employment Space Review. There is a particular shortage of smaller units (office and light industrial) highlighted in this report and this is an opportunity for Jaywick to become a destination for occupiers.

Agent feedback on initial models presented is that light industrial units of 600-1500 sq ft would be easy to let in Jaywick Sands due to the shortage in the area. We are currently pursuing contacts through agents, of businesses who are looking for space in the wider area and who are willing to participate in our research.

5.2 Potential tenants

Research through networks in the local community has resulted in approaches from several potential occupiers who have expressed interest in taking space in a potential employment space development in Jaywick Sands. Credible business interest includes:

- A successful local café owner/operator currently operating premises in Clacton, who would like to open a café/food business, ideally well located to attract beach trade, in Jaywick Sands. They

are interested in 1000-1800 sq ft of space. 4-8 people would be employed depending on the time of year.

- A Jaywick based retail manager with a long track record in London and Essex, who would like to set up a snack bar
- A Jaywick based custom fabrication business currently operating out of unsuitable premises elsewhere and struggling to find somewhere in the area, has been looking as far as Marks Tey due to lack of supply but this is too far to travel. Interested in customer facing space to sell from as well as fabrication space of c.500sqft.
- A Jaywick based retiree who previously operated successful vehicle repair businesses and who is interested in setting up a similar enterprise locally, has much of his equipment. Would rent 3000-4000 sq ft of light industrial space.
- A Jaywick based individual would rent a small (kiosk) unit to sell fruit and veg – has experience running similar operations and contacts with suppliers.
- A Jaywick based person would rent a kiosk/small unit to sell baby clothing and accessories retail.
- Interest in operating a gym/fitness business.
- Several locally based individuals interested in shared studio space for their creative practice (light industrial/makerspace not 'office' studios.) and/or makerspace membership (i.e. low cost access to shared space as they cannot afford their own studio)

The level of response so far from credible potential occupiers, despite no formal marketing or publicity, is encouraging.

Community contacts from social enterprises, third sector agencies and institutional partners has indicated a healthy demand for space to expand their range of social programmes and their physical presence in Jaywick Sands. These groups have expressed demand for meeting/training space; hot-desking or co-working space; and similar. While space is available at the Community Resource Centre it is recognised that this is often busy and does not always meet the needs of potential users. These users are able to pay for space rental by the hour and potentially on a more ongoing basis.

Almost all organisations and individuals contacted, have stressed the importance of business support for local entrepreneurs and business owners, to ensure a healthy business survival and growth rate. The added value of clustering and co-production, as well as a range of unit sizes to allow businesses to grow and expand on site, has also been emphasized. Formal and informal business support on site should form part of the future management model to maximise the opportunities to encourage existing businesses and new start-ups to grow sustainably.



The only small business units in the study area are at Gorse Lane on the edge of Clacton (top). The next nearest provision is in Colchester, a 40 minute drive or over an hour by bus.

5.3 SWOT analysis

In summary, we have analysed the strengths, weaknesses, opportunities and threats of Jaywick Sands as a location for new workspace provision as follows:

Strengths

- Low land costs
- Easy parking and space to create more
- Good social enterprises on the ground
- Good broadband
- Beachfront location and caravan parks
- Relatively large local population – relatively ‘captive’ (poor public transport/low car ownership) – provides customer base
- Land ownership in public hands

Weaknesses

- Low skills in population
- Low current level of economic activity
- Low disposable income among residents
- Poor reputation and visible blight
- Coastal location has the 180° issue i.e. lack of catchment and poor accessibility for attracting workforce and customers from outside local area
- Flood risk - although not an issue from a planning perspective, may impact insurance premiums.

Opportunities

- Lack of pipeline for space and good demand in the wider area/district
- Negative image can become a positive – it has name recognition and impact investment is a growing sector. Can create a positive social enterprise and innovation ‘brand’ for Jaywick Sands with potential to attract brands who wish to project a strong ethical and social image.
- Strong community support for community owned and managed business
- Capture market demand for small units in the wider area
- Building from a low base – the only way is up
- Beachfront location – build tourist offer, attract caravan park users
- Social enterprise and community enterprise
- Creative industries
- Potential for funding from external sources due to the deprivation rating

Threats

- Lack of action by public sector means a lack of trust that projects may be delivered and well managed
- Lack of business support could lead to high failure rates and loss of confidence
- Wider regeneration plans and public investment could affect outcomes
- Flood strategy could change
- Low viability due to low values



6. Case studies of comparator facilities

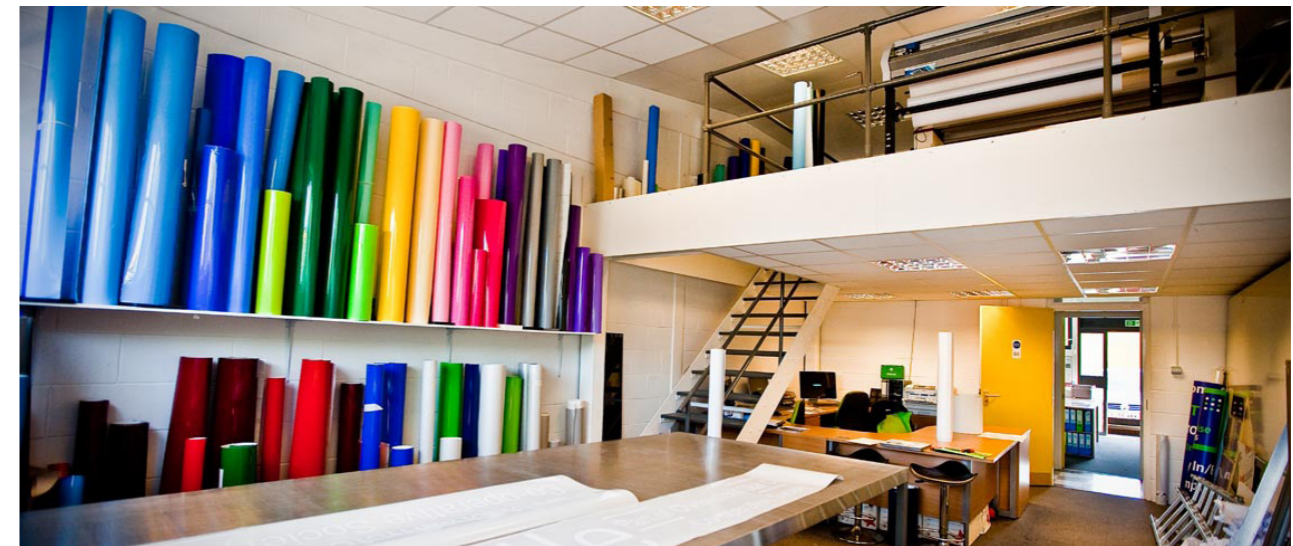
Clacton Enterprise Centre

Location: Clacton
Size: 5,600 sq ft - 20 units
Year completed: c. 1980
Cost (construction): Unknown
Unit types/sizes: Office and light workshops, 175-500 sq ft
Typical rent/sqft: £16-17/sqft inclusive of service charge. Service charge includes all electricity and heating.
Tenancy model: One year licences, one month's notice
On-site facilities: Shared reception (unmanned), CCTV, meeting room for hire, free parking, wifi
Management/ownership structure: Now owned and managed by private company who also occupies a proportion of the office space.



Seedbed Centre

Location: Colchester
Size: 44 units
Year completed: 1998
Cost (construction): Unknown
Unit types/sizes: Office/studio and light industrial, 250-1500 sq ft
Typical rent/sqft: £12-28/sqft depending on size of unit. Rent is inclusive of service charge. Service charge includes fibre internet, water, building insurance, external repair, lighting and cleaning to common areas, CCTV, site security and management. Tenants are responsible for business rates, gas, electricity and telephone.
Tenancy model: Monthly licence fee
On-site facilities: Cafe on site, free parking, printing/photocopying available on request. Partners with BEST Growth Hub for business support
Management/ownership structure: Run by commercial business unit provider (Capital Space) specialising in premises for startup and growing businesses.



Colbea North

Location: Colchester
Size: c 10,000 sq ft - 27 units on three floors
Year completed: 2010
Cost (construction): unknown
Unit types/sizes: Offices, 250-450 sq ft
Typical rent/sqft: c £20.70 per sq ft pa. Includes lighting; excludes, heating, internet, rates, unit cleaning.
Tenancy model: Flexible licences, usually from one month upwards on one month's notice.
On-site facilities: Reception, meeting and training room hire, post service, virtual tenancy, kitchenettes on each floor, hot drinks machine, parking.
Management/ownership structure: Colbea run under Colchester BC freehold ownership.



Ongar Business Centre

Location: Ongar
Size: 15,000 sq ft. - 30 units on two floors.
Year completed: 2007
Cost (construction): unknown - new build.
Unit types/sizes: Offices. 150 - 847 sq ft
Typical rent/sqft: £31.00 per sq ft pa. Includes, all electricity heating and wifi, excludes rates and unit cleaning.
Tenancy model: Flexible licences or max three year leases.
On-site facilities: Reception, meeting room hire, virtual tenancies, kitchen on each floor, parking
Management/ownership structure: Run by Let's Do Business Group on a lease and management arrangement from Essex CC freehold ownership.



Harlow Enterprise Hub

Location: Harlow
Size: c 20,000 sq ft - 54 units on three floors
Year completed: c 2009
Cost (construction): Unknown - new build.
Unit types/sizes: Offices. 161 - 1,635 sq ft
Typical rent/sqft: c £26 per sq ft pa. Includes electricity, heating internet.
Tenancy model: Flexible terms
On-site facilities: Reception, telephone answering service, conference facilities,
Management/ownership structure: was run by NWES on management arrangement with Harlow BC



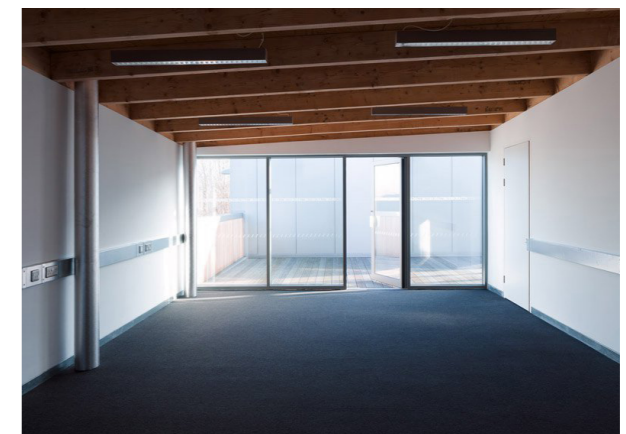
Soar Works

Location: Sheffield
Size: 3,600m² / 38,750 sq ft GIA
Year completed: 2011
Cost (construction): £4.1m / £1138/m²
Unit types/sizes: 110-730 sqft office and workshop units
Typical rent/sqft: £10/sq ft approx depending on size of unit. Rent is inclusive of service charge. Service charge includes manned reception, security, heat light and power (offices only), kitchen, shower and locker facilities, building maintenance, waste management.
Tenancy model: Monthly licence fee
On-site facilities: Three meeting rooms (bookable for a fee) and a conference room. Open plan 'atrium' space for gatherings with cafe open 10am-2pm. Free parking. Broadband and phone on request (at additional cost)
Management/ownership structure: Run by the trading arm of a community regeneration charity that provides a range of services designed to improve people's health, well-being and employability.



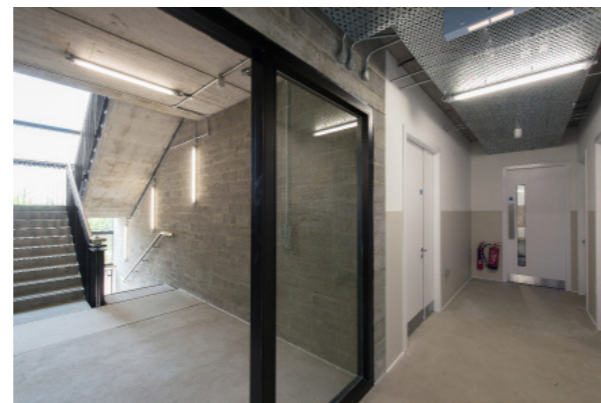
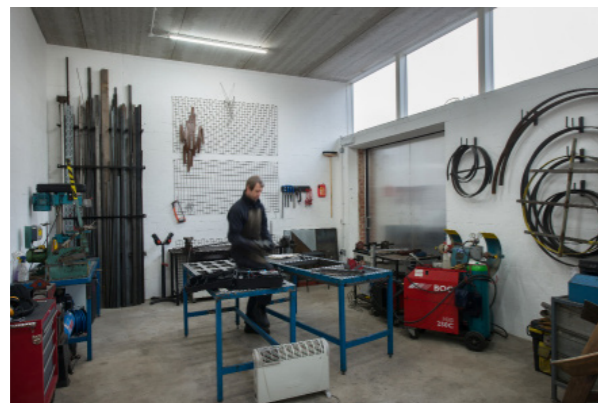
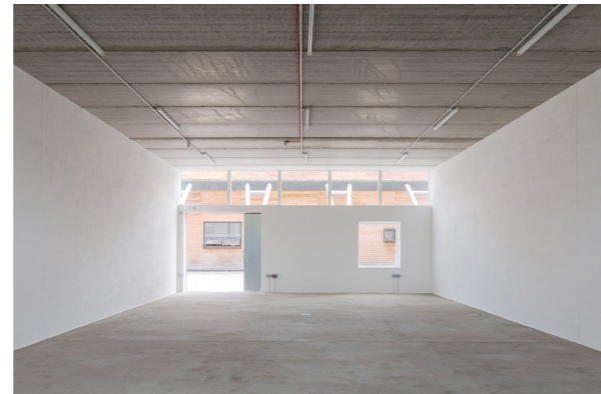
Manor Works

Location: Sheffield
Size: 1,600m² / 17,216 sq ft GIA
Year completed: 2014
Cost (construction): £3m / £1,875/m²
Unit types/sizes: Offices 220-540sqft, Workshops 430-540 q ft
Typical rent/sq ft: £15-18/sqft depending on unit type. Inclusive of heating, light, electricity, central wifi, security, reception service, breakout areas, central atrium and decked terrace, kitchen, 24 hour access, cctv, waste management, cycle storage.
Tenancy model: Monthly licence fee
On-site facilities: Meeting rooms (bookable at a fee), interview rooms and a main event room (up to 50 people). At an extra cost, telecoms system, secretarial services, franking & postal services. Virtual office option.
Management/ownership structure: Run by the trading arm of a local charity that uses any surpluses to reinvest in activities that promote training, volunteering and employment opportunities for the local community.



High House Artists' Studios

Location: Purfleet
Size: 2151m² / 23,150 sq ft GIA - 44 units on 3 floors
Year completed: 2014
Cost (construction): £1.8m / £836/m² GIA
Unit types/sizes: 23-1400 sq ft + work-live studios
Typical rent/sqft: £11/sqft. Rent is inclusive of service charge. Service charge includes internet, security, building maintenance, water, landlord power.
Tenancy model: Annual tenancy
On-site facilities: Shared washup, shower and WC facilities. Free parking.
Management/ownership structure: Run by Acme Studios, a dedicated studios operator and registered charity.



Ty Pawb

Location: Wrexham
Size: 3700m² / 40,000 sqft GIA
Year completed: 2018
Cost (construction): £4.5m / £1,215/m² GIA
Unit types/sizes: Kiosks and market stalls included in wider adaptive reuse of former multi-storey carpark into arts and market building
Typical rent/sqft:
Tenancy model: Annual tenancy
On-site facilities: Shared 'food court' eating area, meeting rooms, classroom/learning studios, art gallery, theatre space
Management/ownership structure: Run by Wrexham Borough Council



Blackhorse Studios

Location: Walthamstow

Size: 810m²

Year completed: 2014

Cost (construction): £3m / £1,875/m²

Unit types/sizes: Open plan studio space with 35 desk units available. 6 self-contained studios and 8 converted shipping containers. Workshop provides 12 woodwork and 4 metalwork benches available.

Typical rent/sq ft: Desk in open-plan studio is £250pcm (inc VAT), inclusive of service charge to cover electric, water, waste, broadband etc and workshop use. Access to wood & metal workshops with bench space and machinery: Half day - wood: £21 / metal: £23. Full day - wood: £29 / metal: £32. Month (rolling start date): £225. 6 months: £855. Year: £1590.

Tenancy model: Open plan studio space on a monthly licence fee, with initial commitment of 3 months. Workshop rate as above, with an induction required before access.

On-site facilities: Studio: Serviced reception, wifi, layout table, access to workshop facilities, kitchen.

Workshop: Short term storage space available. Technicians on-site. Wide range of woodwork, metalwork, hand and power tools available. On-site café-bakery and brewery.

Management/ownership structure: Run as a Community Interest Company to enable and support creative practice in the community.



Trinity Works

Location: Colchester

Size: 355m² / 3820sqft GIA

Year completed: 2018

Cost (construction): £130,000 (Note: reduced construction cost as the build was directly managed by HAT Projects)

Unit types/sizes: Office, cafe and shared workshop space, 3no small studios (100sqft)

Typical rent/sq ft: £12-25/sqft, Makerspace membership £15-30/month depending on usage.

Tenancy model: Leases with break clauses, small studios on monthly licence fee, makerspace on monthly membership model

On-site facilities: Shared event space, courtyard.

Management/ownership structure: Owned and managed by HAT Projects



7. Initial options appraisal

7.1 Site appraisal

An appraisal of potential sites was undertaken to inform the potential models and options for market testing. This only assessed sites currently owned by TDC but the land holding is significant.

The site appraisal was undertaken with the understanding of the wider emerging Place Plan framework and the likely location of early phases of housing-led development. However the concept for the workspace proposal is for a medium-term project which can be demounted as values rise and higher-value uses or more intensive development become viable and desirable on the site. Selecting a centrally located site was therefore scoped in as placing an 'interim' use scheme in a central location is considered to be an effective way of reducing blight and improving perceptions of the area, leading to a rise in values which can catalyse future development.

The key consideration for siting are:

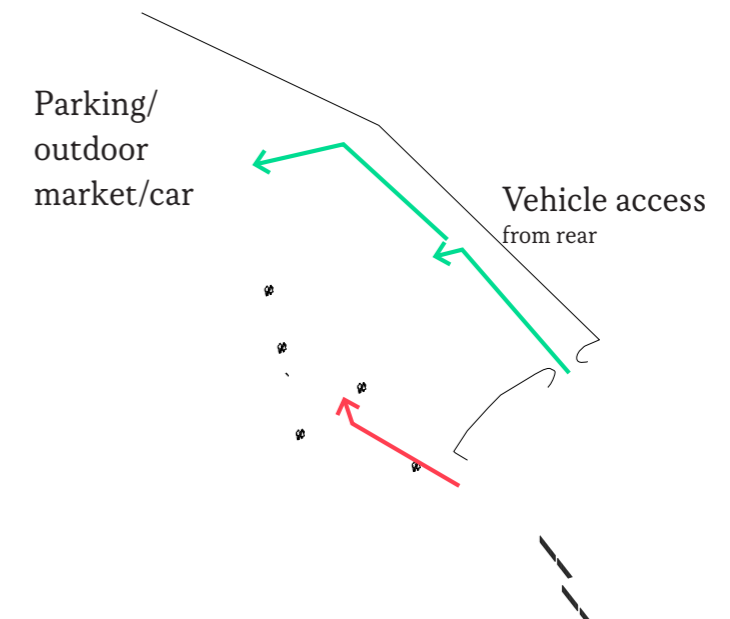
- Excellent visibility and profile within Jaywick Sands - presenting a public face.
- Good road accessibility for deliveries
- Space for parking
- Links/clustering with existing businesses/social enterprise
- Links to beachfront for consumer facing businesses

Three sites were shortlisted and used to develop an initial suite of options which were then tested with potential occupiers, local agents and community groups.



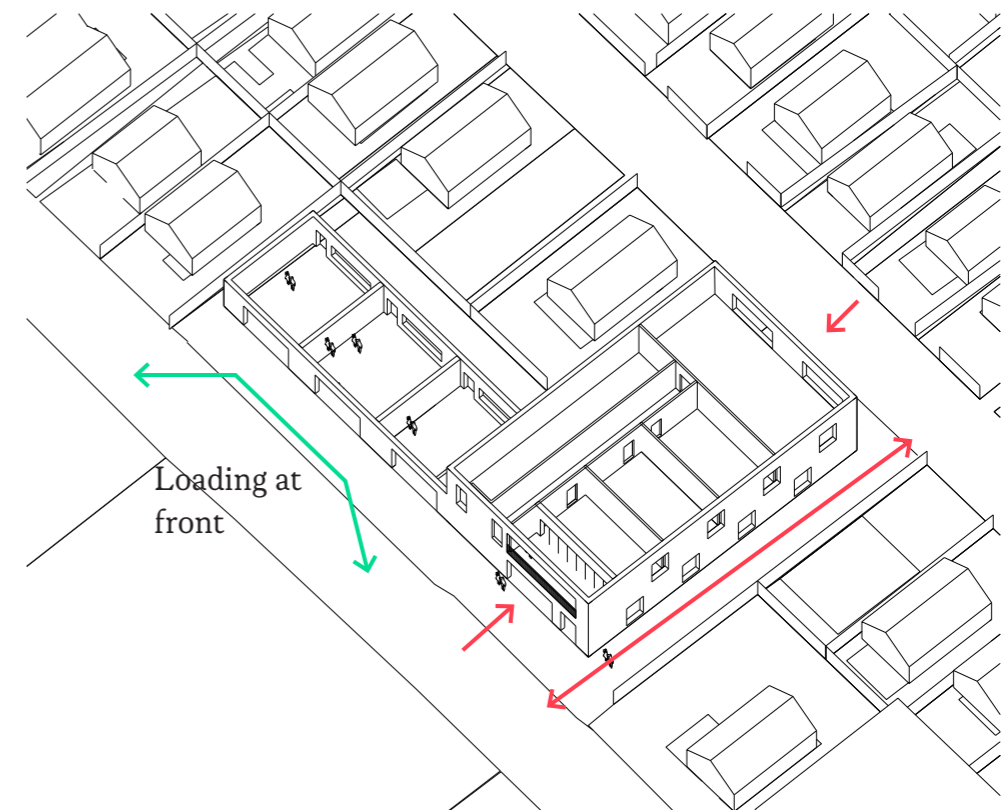
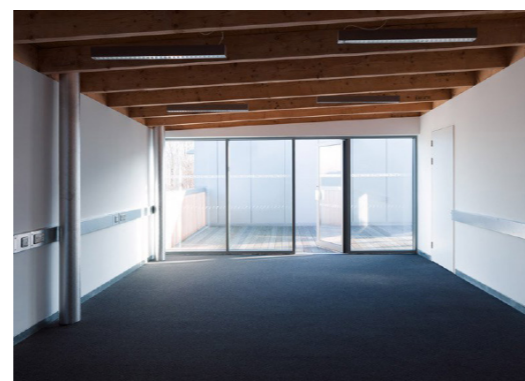
7.2 Initial Market site option

- Flexible space for small kiosks to larger units, within large 'shed' - approx 900m2 floorspace shown
- Could support/interact with car boot sale and have external active frontage
- Could include community space as well as commercial space
- Capture visitor trade and service beach in summer - external public realm
- Highly visible at central junction - serve retail and trade customers
- Vehicle access from rear
- Could provide 6-12 kiosks (36m2) and 3-6 larger units (50-100m2)
- Demountable so site can be redeveloped if needs/viability change



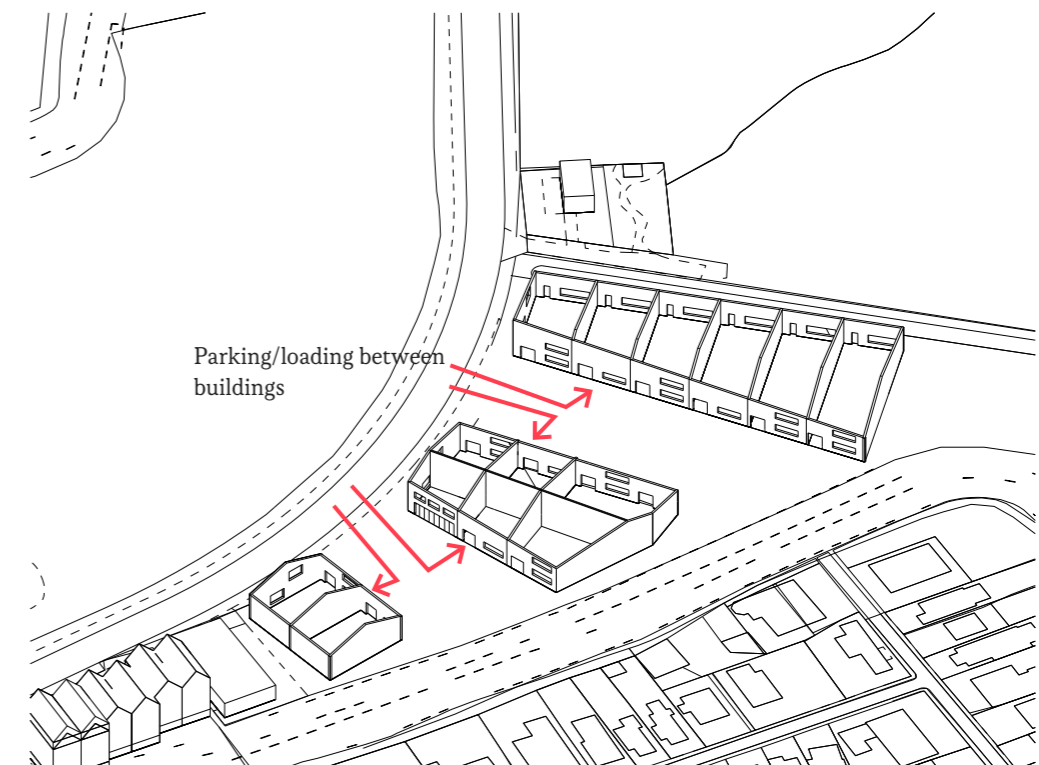
7.3 Initial Brooklands Gardens option

- c.550m² (6000 sq ft) footprint building + loading bay, cycle parking, refuse storage
- Could be part 2-storey to reach c. 800m² GIA
- Small retail/business units, some with direct street access
- Businesses could provide local retail/services to Brooklands residents e.g. food, cafe
- Could provide co-working, social enterprise, small makerspace, training facilities
- Use parking at Resource Centre and could be jointly managed
- Could also take over 12 Brooklands etc
- Animates public realm, natural surveillance of alleyway



7.4 Initial Lotus Way option

- Range of units from small office to larger light industrial, rented to private and community/public sector tenants
- Basic shell spec to keep affordable rental, expect tenant to fitout
- Could offer a range of shared facilities, e.g. bookable meeting space, can also serve for training
- Peer networking and user mix supports business growth
- Could be used for a range of activities including makerspace, training, service provision, gym/dance classes, etc
- Single storey but with generous floor to ceiling heights i.e. capacity for mezzanine
- Parking between buildings
- Could be phased



7.5 Market response to initial models

The Market site and Lotus Way options were favoured by occupiers, local stakeholders and agents. The Market site had most community support due to visible presence and impact on perceptions of Jaywick Sands, link to existing market activity and was also most attractive to consumer facing occupiers (retail, cafe) due to its visibility and beach adjacency.

Agent feedback was that it would be easy to let Lotus Way units due to the shortage of light industrial space locally. If similar sized units (600-1500 sq ft) were created on the Market site it was considered that these would also let easily. Agent feedback also indicated that the smaller 'kiosk' type units would be popular due to their affordability for start-up businesses and this has informed the unit mix in the final proposal.

Brooklands Gardens was felt to be tricky - some occupiers could work from there but location is felt to be sub-optimal from a market perspective.

In consultation with TDC, the preferred site was therefore identified as the Market site, but with a greater emphasis on light industrial type units to offer a more market friendly range of units, based on agent feedback. This is the model developed further to the recommended option.

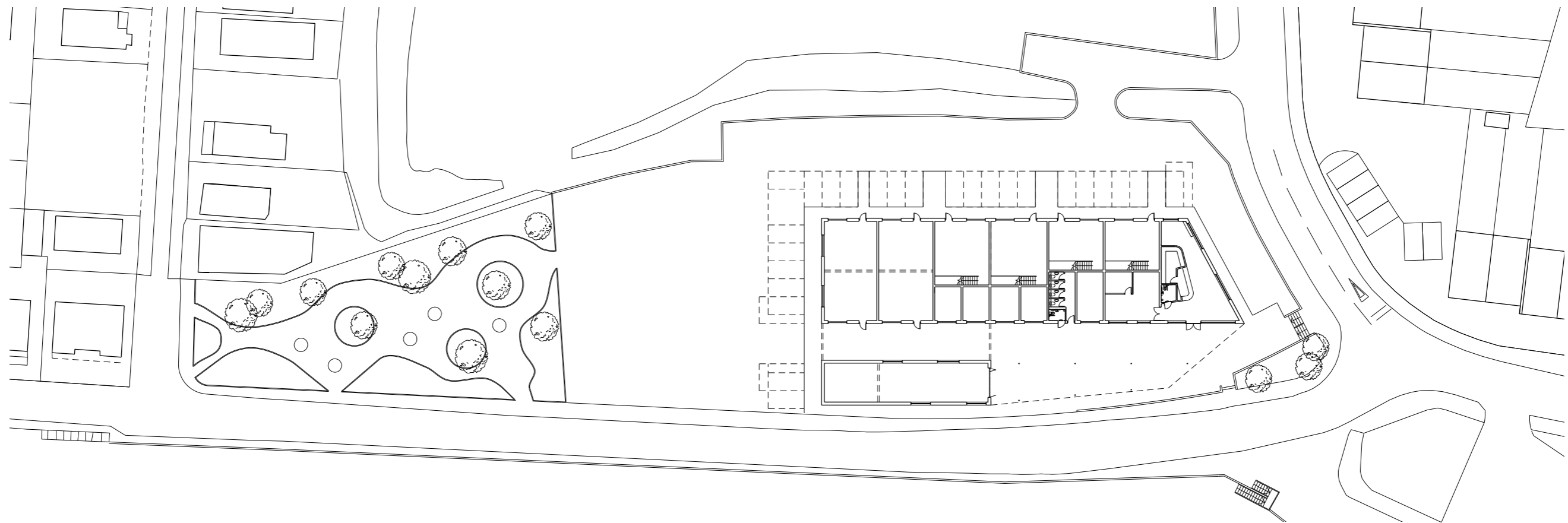


8. Recommended option

8.1 Siting and layout

The design and layout for the recommended option has been informed by the feedback from agents and potential occupiers to create a broad mix of unit sizes and types ranging from small kiosks (170sqft) to larger light industrial units (1000sqft). Variety in unit sizes is always critical to attract occupiers who tend to have differing needs and budgets.

The building is sited at the most visible corner of the site and should be an eye-catching symbol of change for the local community to take pride in. Covered market space has been included from feedback from the community and to create a clear pathway for business start-up and growth, allowing new businesses to test their model in a low cost market stall model and then grown on to a permanent unit. This is located to be sheltered from the



north and west so the buildings block prevailing winds, creating a welcoming environment and also serving as solar shading for the building itself, reducing overheating and energy costs.

There is little formal public realm in Jaywick Sands for visitors and residents to dwell so this space will help attract and retain footfall to the site. This will also create informal meeting space for the community and a focus for activity particularly in the summer months, increasing dwell time and customer activity for businesses.

Informal outdoor overspill parking and market space is created to the west of the building, allowing the existing car boot sale to continue to operate and benefit from the footfall to the facility.

The business centre is split into two parts - a main section containing the majority of the units, and a street-facing cafe/retail unit. The two buildings are linked by a covered walkway that creates a further link from the car boot sale area to the covered market and other units to drive footfall: this is designed with roller shutters so it can be closed off at night for security. All the units, apart from the kiosks, have direct loading access from the parking areas to the rear and sides and roller shutter access.

8.2 Design and specification

The building is envisaged and costed as an economic steel framed shed which would be almost entirely dry construction and therefore demountable when the site is required for future redevelopment. All units should be designed as basic shell units to keep capital costs and rents down to affordable levels. This is proven to be much more attractive to occupiers, who have the option to customise their unit to meet the specific needs of their business. The shed building form allows mezzanine space to be created for the larger units, adding value at little cost. All units should have excellent daylighting to reduce energy costs and create a good quality working environment from a wellbeing perspective.

Use of supergraphics and colour on the exterior will ensure the building presents a positive image which will reinforce the message of change and also spread online on social media. It should be a fresh and accessible building with a clear 'shopfront' - high quality design using low budget materials inventively to strengthen the message of creativity and resilience.

8.3 Climate change mitigation and adaptation

Tendring District Council has declared a climate emergency and climate impacts must be considered at the outset and throughout the development of the project. Climate change responses should encompass:

- Mitigation - this means reducing impacts on the climate, through reducing carbon emissions, water usage and material waste
- Adaptation - this means adapting to the climate change that is already happening and will continue to happen over the lifetime of the building - specifically hotter, drier summers and warmer, wetter winters along with sea level rise and increased extreme weather events.

Addressing climate change is also good for operational viability - reduced energy use and resource consumption reduces running costs, and designing for climate resilience and cradle-to-cradle lifecycles reduces ongoing maintenance costs and ensures that value is retained in the material fabric of the building when it is demounted and reused

The following should form part of the detailed design and specification as a minimum and have been costed into the feasibility costs for this report:

- High fabric performance and careful elevation design to reduce heat loss during winter and overheating in the summer
- Submetering of all tenanted units for electrical usage including heating - this has been proven on many projects to reduce actual energy consumption well below Building Regulations standards,

as users can adjust their heat and electrical usage to actual requirements.

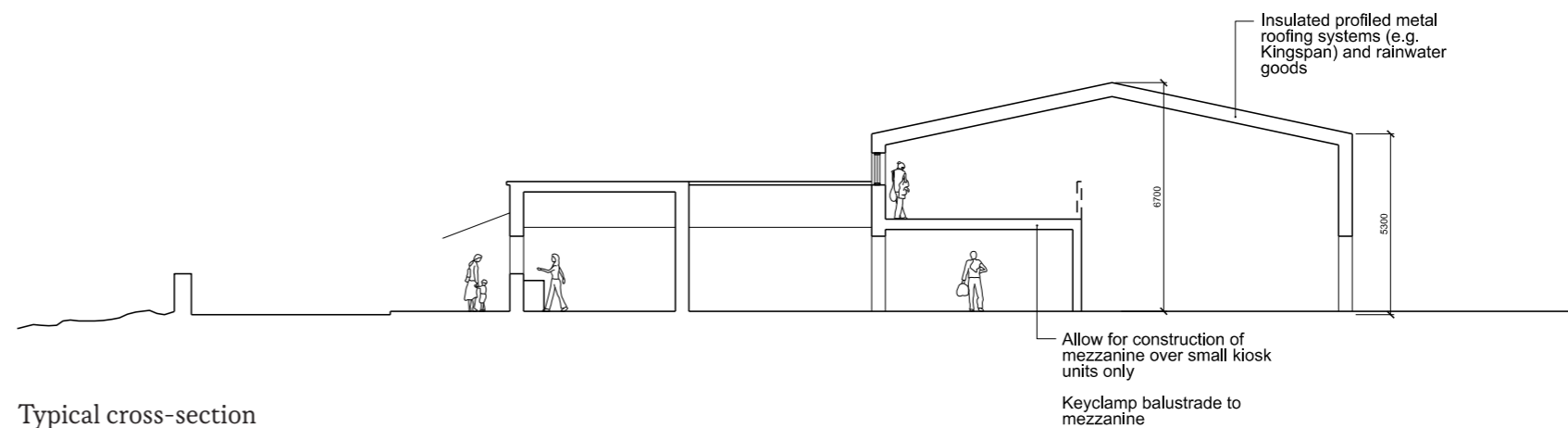
- Low energy, low cost LED lighting throughout.
- Low flow water fittings
- Dry demountable construction above ground for maximum flexibility, adaptability and reuse (cradle to cradle design)

We recommend that at the next stage a full feasibility study be carried out into the whole life climate impacts of the building and the viability of additional measures to reduce these further. These should focus on:

- Additional fabric performance upgrades including triple glazed windows and fully airtight roller shutter doors
- Installation of renewable energy technologies including solar thermal hot water, photovoltaic panels
- Rainwater harvesting systems and greywater reuse
- Green or brown roof systems

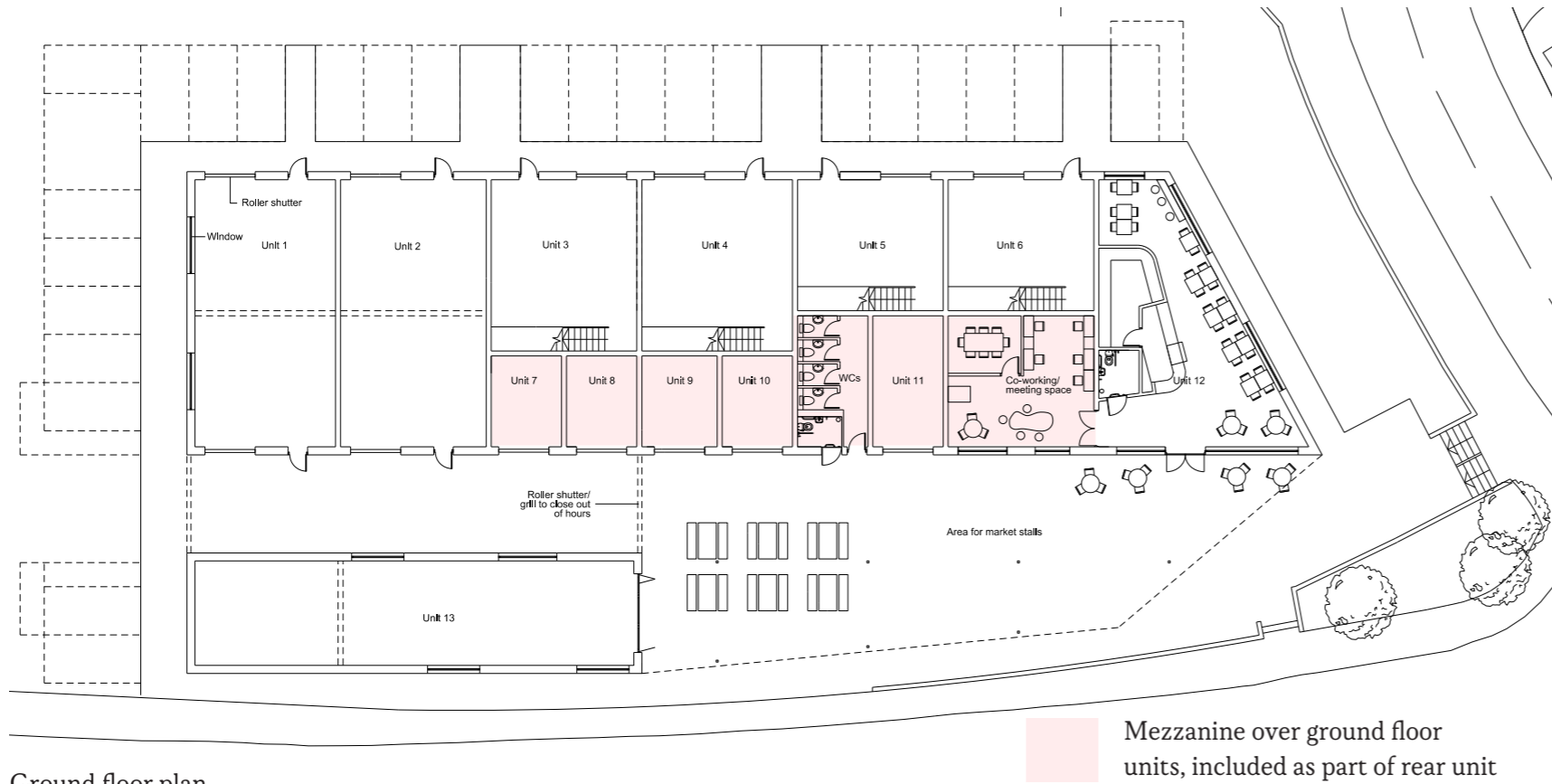
8.4 Parking

27no parking spaces are shown on the layout, averaging 2 spaces per unit. This will meet demand for day to day usage bearing in mind that most employees and customers will come from the local area and should be encouraged to walk or cycle to work. Overspill parking is available on the car boot sale area as well as TDC's public car park located adjacent to the site.



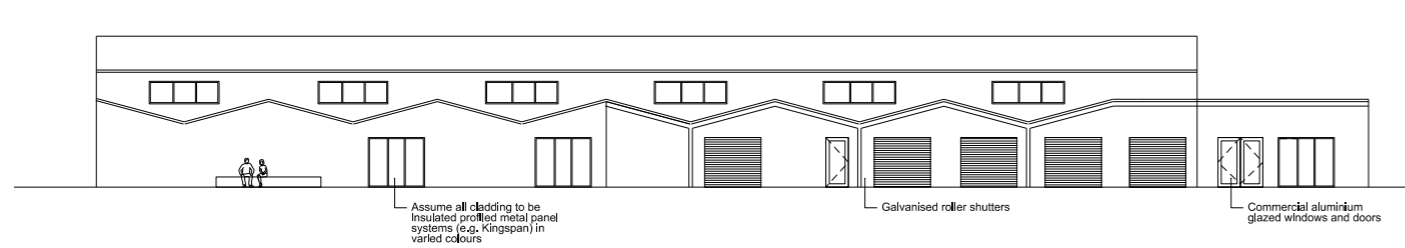
Typical cross-section

Unit mix and sizes

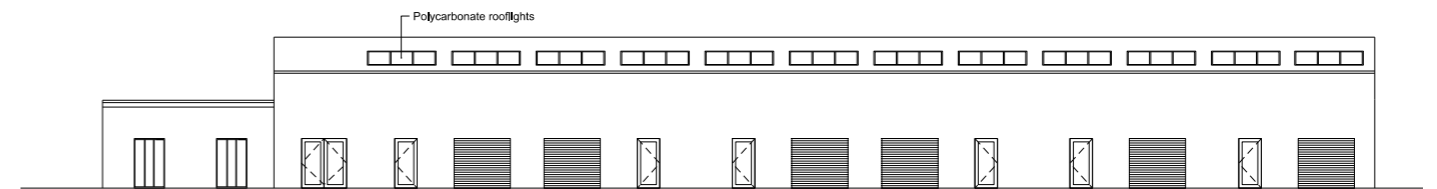


Ground floor plan

	Area (Sq ft)	
	Ground Floor	Mezzanine
Unit 1	1002	
Unit 2	1038	
Unit 3	590	373
Unit 4	609	385
Unit 5	434	529
Unit 6	434	529
Unit 7	170	
Unit 8	170	
Unit 9	183	
Unit 10	170	
Unit 11	246	
Unit 12 Café	982	
Unit 13	1223	
Co-working/meeting space	509	
Total	7760	1816
Total net lettable area	9576	
Gross internal floor area (GIFA)	10511	
Net: gross	91%	



South (seafront) elevation



North (rear) elevation

9. Operating model

9.1 Operating model assumptions

The operational model and business plan has been developed as a typical three year initial business plan, with the aim that initial operating deficits as the facility becomes established, are offset by year 3, resulting in a break-even position over the three year initial period. After the initial three year period, the assumption is that the facility should be operationally self-funding, generating a small operating surplus but as the aim is to provide affordable workspace and support community business growth, it is not anticipated that a return on capital investment will be provided. Operating surpluses should be used to build up reserves to buffer against economic cycles and to be reinvested in further business support, training and community development.

The objectives for the operator are:

- To let and manage affordable space for a range of business uses, including retail, café, and B1 office/light industrial uses.
- To provide and manage bookable hot-desk and meeting space
- To provide and manage covered market stall space, and oversee the operation of car boot sales and other external events on the adjacent parking area
- To oversee the provision of business support for occupiers

We believe it is important that the operational structure is at arms-length from TDC, for the following reasons:

- TDC does not have the expertise or capacity to manage the operations of a workspace facility
- TDC should limit its exposure to financial risk due to low take-up of units or poor management
- The facility should have 'buy-in' from the local community and be perceived as a community resource

We therefore recommend that Tendring District Council would retain the freehold ownership and either lease or contract out the operation of the facility, and we have based the business model on

this assumption. The terms of the lease or contract will need to fairly reflect the risk that the operator will be taking, effectively ensuring that the contract is attractive to operators to take on, while not disincentivising them to make every effort to fill vacancies and run a cost-efficient operation.

9.2 Recommended operating model

The long-term management of the facility would ideally sit with a community governed organization such as a Community Interest Company, to ensure support for and buy-in by the community it will be serving. However it is recognized that in the initial set-up period, there is no community organization already existing in Jaywick Sands, with the skills and the capacity to take on this role. It is vital that in the early years, the facility is professionally and competently managed to establish its credibility within the market as an attractive and secure location for businesses to locate, particularly as attracting tenants from the wider area is a key market opportunity due to the undersupply of similar space in east Tendring. This is critical to building up occupation of the units to a sustainable level.

We therefore recommend that the initial 3-5 years of operation are managed through a professional workspace management provider, and this provider should be brought on board in an advisory capacity during the design stages to ensure that they can influence the layout and specification of the units and therefore have confidence in the viability of the scheme and its attractiveness to tenants. This would require procurement of the operator at an early stage, and typically this would involve a professional services contract (essentially consultancy) role during the design and construction phases, tied to the initial management contract or lease.

For management to be successful from the outset the operator needs to be a professional and experienced operator. There are no experienced operators in Jaywick Sands so external experience is essential. There are some experienced operators across Essex, including the authors of this report, and further afield. It would

be desirable for the operator to be able to offer business support services as an add-on both formally and informally. If this is not the case, a separate business support provider should be sought and this must be hard-wired into the proposition from the outset albeit funded separately and outside the cashflow as presented in this report.

We recommend that the operator should take on a mentoring role to community-led organisations on the ground in Jaywick Sands with a view to either handing over to an existing organisation after the initial 3-5 year period or helping to set up a dedicated new CIC.

9.3 Letting and management of tenanted units and market stalls

The key objective is attract, support and retain as many genuine business users as possible and it is therefore important that rents and tenancies are attractive to occupiers. We recommend an 'easy in and easy out' licence agreement as an alternative to a full tenancy, which allows a person to start a new business without the liability of a fixed term lease on a property. If things go badly,



Soar Works is a CIC-managed workspace in Sheffield, offering a range of light industrial and office spaces along with co-working.

tenants should be able to leave without accruing large debts. This also allows seasonal variation in occupancy which will be attractive to some potential tenants. This seasonal flow could also be acknowledged by weighting rents seasonally, which helps cashflow for tenants.

The cashflow in chapter 10 shows affordable rent levels which are set competitively in relation to other local facilities offering a similar type of space. For comparison, the Clacton Enterprise Centre typically rents space at £16-17 per sq ft per annum and in our model we have input rents at £7.50-£14.50 per sq ft. This is critical to draw demand to Jaywick Sands.

Community use of the facility should be considered carefully, Jaywick Sands has a high level of third sector providers occupying a large amount of space and the lessons learnt from the existing Enterprise Centre on Lotus Way is that they can be seen as an 'easy way out' from seeking genuine business tenants. This would have a negative effect on the economic and social impact of this project and the operator must be clearly incentivised through the contract to limit third sector rental of space even as a temporary stopgap.

The proposed market stalls would be rented on a weekly basis at an affordable level of £10 per week. These provide an important stepping stone for start-up and emerging businesses to test their models.

9.4 Management of desk rental and meeting space

The provision of desk rental/hot-desking and bookable meeting space is a key part of providing a pathway for emerging businesses to move from home-working to full rental of a self-contained unit. The informal support of working in a space with other businesses at a similar stage in their development, and having access to professional facilities such as virtual office services, is a vital part of growing entrepreneurship and building confidence.

Managing desk rental/hot-desking and meeting space requires an on-site 'host' presence to book users in and out, manage access and provide trouble-shooting for any technology or other requirements. Although the actual work required of this 'host' role is not great, it does require a consistent physical presence during the hours

for which this facility is available. This goes beyond the on-site management presence which would be required for the other aspects of the facility's operation, which would typically be once a week or even less (excluding security patrols if required).

We have assessed a range of commonly used models for managing similar space. The most viable and feasible is to make 'hosting' the responsibility of one of the tenants in an adjoining unit, typically a café, but sometimes a community organization with a permanent office team, a business support organization which is based out of the facility but operates in the wider area, or another tenant with the on-site presence and resource to provide the 'host' role. Typically the 'host' tenant receives a discounted rent in exchange for providing the hosting service as a contract.

We have based the business plan on one of the café units acting as the 'host' to the adjacent space which would be fitted out to provide desk rental/hot-desks and a meeting room, and adjusted rental assumptions to discount the café rent. The hosting service would at a minimum comprise management of desk rental and meeting space, and daily opening and locking up with regular walk-rounds of the facility as a whole. Unit letting, marketing, rent collection, maintenance and repairs would remain the responsibility of the overall facility operator.

10. Capital and revenue costs and cashflow

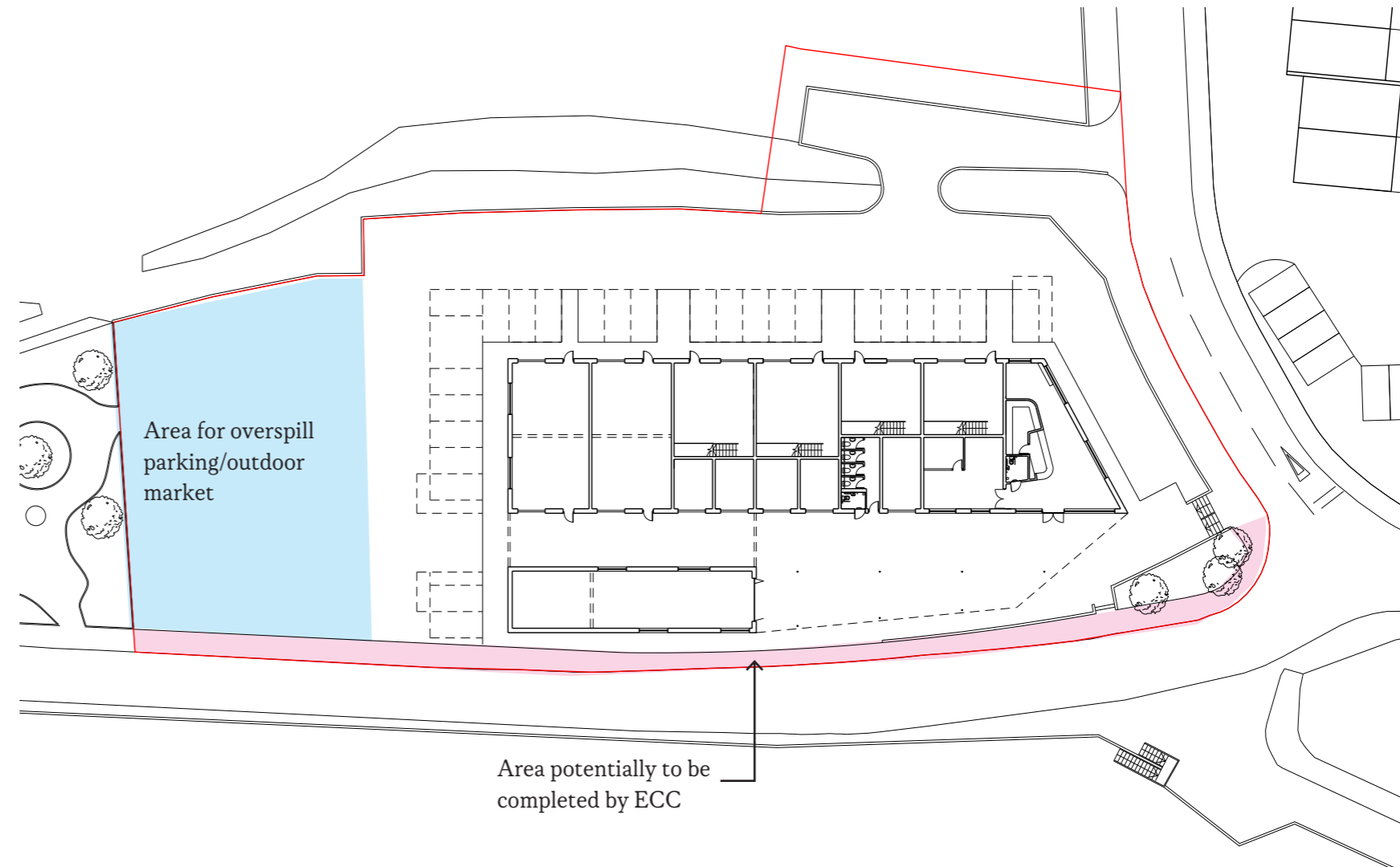
10.1 Capital costs

The preferred option has been costed by Potter Raper Partnership. For costing purposes the following assumptions have been made regarding construction, specification and form of contract:

- Steel frame construction with insulated cladding panel roof and walls, i.e. a completely demountable dry construction above ground, basic shell finishes only.
- Basic lighting, electric heating and basic wet services capped off to each unit.
- Fitout of the cafe unit, including catering equipment, has been excluded but fitout of the WCs and the co-working space has been included.
- Foul and surface water drainage will discharge by gravity into the existing mains sewer, which is deemed to have sufficient capacity.
- No contaminated soil, invasive species or other deleterious materials, but an allowance for removing all the existing hardstanding on the site.
- An allowance of £20,000 has been included for ecological mitigation due to protected species present on the site.
- It has been assumed that the works to the site will be carried out by a single building contractor procured via a competitive tender under a 'Traditional' Contract, built over a single phase.
- An on site construction programme in the region of 22 weeks.

Construction costs summary

New pavement (pink) - possibly by ECC	£37,000
Outdoor market/car boot sale area (blue)	£82,000
Workspace buildings and associated landscaping	£1,253,000
Subtotal construction	£1,372,000
Preliminaries	£110,000
Risk contingency @ 8%	£113,000
Total (Q1 2020)	£1,595,000



Capital project cost summary

Construction costs	£1,595,000
Design team fees, surveys and planning fees @ 15%	£239,250
Risk contingency on fees and other costs @ 10%	£23,925
Total capital project costs (Q1 2020)	£1,858,175

10.2 Operating costs and five year cashflow

A five year operating budget has been developed and is presented on the following pages.

Operating costs

Operating costs, including management, utilities and maintenance, have been benchmarked against known costs from other HAT Projects workspaces. A conservative contingency has been included due to the outline nature of this study.

	Annual cost	Annual cost per sq ft lettable area	Monthly cost
Management costs	£15,000	£1.57	£1,250
Building & Public liability insurance	£4,309	£0.45	£359
Electricity - common parts	£600	£0.06	£50
Water - whole building	£1,436	£0.15	£120
Fire alarm & extinguisher testing	£479	£0.05	£40
Workshop door servicing	£720	£0.08	£60
CCTV servicing	£500	£0.05	£42
Fibre broadband	£1,915	£0.20	£160
Maintenance	£1,915	£0.20	£160
Signage renewals	£240	£0.03	£20
Marketing costs	£1,500	£0.16	£125
Cleaning	£3,120	£0.33	£260
IT & website maintenance	£500	£0.05	£42
Security	£1,200	£0.13	£100
Subtotal	£33,435	£3.49	£2,786
Business rates for voids and co-working unit	£5,470	£0.05	£456
Contingency on costs	£6,000	£0.05	£500
Totals	£44,905	£3.59	£3,742

Rental yield

Rental levels have been market tested with local agents and occupiers and have taken on board comments received, with the aim of keeping space affordable and therefore as fully occupied as possible.

Unit no.	Ground floor		Mezzanine		Service charge contribution	Gross rent pa	Gross rent pcm	Rounded gross rents pcm
	Area	£/sqft	Area	£/sqft				
1	1002	5			2.5	£7,515	£626	£630
2	1038	5			2.5	£7,785	£649	£650
3	590	6	373	2	2.5	£5,761	£480	£480
4	609	6	385	2	2.5	£6,909	£576	£580
5	434	6	529	2	2.5	£6,070	£506	£510
6	434	6	529	2	2.5	£4,747	£396	£400
7	170	12			2.5	£2,465	£205	£210
8	170	12			2.5	£2,465	£205	£210
9	183	12			2.5	£2,654	£221	£220
10	170	12			2.5	£2,465	£205	£210
11	246	11			2.5	£3,321	£277	£280
12	982	7			2.5	£9,329	£777	£800
13	1223	8			2.5	£12,842	£1,070	£1,070
The co-working space is assumed to make only a nominal contribution to income								£200
7no market stalls at £10/week for 30 weeks in the year								
Total gross rental yield at 100% occupancy (2020 prices)								£77,575

- Retail and cafe rents could be seasonally weighted to help cashflow
- Unit 12 (the cafe which also oversees the co-working space) has a discounted rent to account for their role in management
- Rents would exclude rates, electricity, internal cleaning and repairs, public liability insurance.
- Rents would include exterior maintenance, water rates, broadband, site CCTV & security.
- Heating would be occupiers responsibility, submetered as part of electricity consumption

Five year cashflow

The cashflow shows that an operating surplus is achieved in year 2, and a cumulative surplus in year 3.

A conservative estimate of occupancy levels has been taken to ensure no over-estimation of viability at this stage. However our market research shows that similar business centres are at full occupancy and there is strong demand.

Inflation on costs and rents has been estimated at 5% per annum but this should be reviewed as economic circumstances are currently changeable.

A sensitivity analysis is also presented to demonstrate the impact of lower occupancy and increased running costs. In all scenarios a cumulative surplus is achieved in year 4.

Year 1

It is anticipated that rent free periods and other incentives will be offered to occupiers during year 1. Overall occupancy has been assumed to be as follows:

- Units: an average occupancy of 65%, ranging from 40-90% over the year to reflect seasonal trends and the likelihood of some ‘trial’ tenancies which do not continue long term.
- Market stalls: an average of 5 per week over 30 weeks of the year
- A 50% reduction in rents through rent free periods and other incentives. This is a relatively high level but it will be important to get the facility as fully occupied as possible to raise confidence and the cluster effect, rather than prioritising income generation in year 1.

Year 2

- Units: an average occupancy of 70%, ranging from 50-90% over the year to reflect seasonal trends.
- Market stalls: an average of 5 per week over 30 weeks of the year
- No allowance for rent free periods/incentives - any income reduction from these is assumed to form part of the overall occupancy level of 70%.

	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	65% + 50% rent free period incentives	70%	80%	85%	85%
Cash receipts	£25,905	£58,464	£70,968	£78,996	£82,946
Cash expenditure	£44,905	£47,151	£49,508	£51,983	£54,583
Annual surplus/deficit	(£19,000)	£11,313	£21,460	£27,013	£28,363
Cumulative surplus/deficit	(£19,000)	(£7,687)	£13,773	£40,786	£69,149

Sensitivity analysis

Occupancy lower than projected					
Occupancy	50%	60%	70%	80%	80%
Cash receipts	£20,100	£50,337	£62,435	£74,516	£75,264
Cash expenditure	£44,905	£47,151	£49,508	£51,983	£54,583
Annual surplus/deficit	(£24,805)	£3,186	£12,926	£22,533	£20,681
Cumulative surplus/deficit	(£24,805)	(£21,619)	(£8,692)	£13,840	£34,522

Costs at 120% of projections					
Cash receipts	£25,905	£58,464	£70,968	£78,996	£82,946
Cash expenditure	£53,886	£56,581	£59,410	£62,380	£65,499
Annual surplus/deficit	(£27,981)	£1,883	£11,558	£16,616	£17,447
Cumulative surplus/deficit	(£27,981)	(£26,098)	(£14,540)	£2,076	£19,523

Year 3

- Units: an average occupancy of 80%, ranging from 50-90% over the year to reflect seasonal trends.
- Market stalls: an average of 7 per week over 30 weeks of the year
- No allowance for rent free periods/incentives.

Years 4 and 5

- Units: an average occupancy of 85%, ranging from 50-90% over the year to reflect seasonal trends.

11. Integrated impact assessment

The main output from the project will be new space for a variety of business and community uses, on what is currently an unattractive and under-used piece of open space. There are a variety of economic outputs from the project as well as a range of other impacts and these are set out in this section of the report.

11.1 Measurable Economic Impact

The forecast direct impact of the project is likely to be in excess of £1 mn in annual revenue that will support around 43 jobs.

Sources of direct economic impact:

- Jobs created/relocated to Jaywick Sands. The project is estimated to host 25 to 30 jobs at worst scenario and 30 to 40 at best, averaged out at 30 jobs. This is calculated on the basis of 1-2 jobs per kiosk/small unit, and 4-5 jobs per larger unit. The average wage per job for the project is estimated to be £20k per annum, which is conservatively estimated relative to Tendring averages of £28.7k per annum.
- The UK Assets Publishing Service suggests the GVA per job in predominantly rural areas was £43,900 pa in 2018. This is the figure used for GVA above to avoid over estimation.

Sources of indirect economic impact:

- Business spend on supply chain (first round multiplier). ONS statistics indicate the following employment multipliers

Manufacturing - 1.91
 Wholesale and retail trade - 1.45
 Food service - 1.26
 Other service activities - 1.29

The proposal will be multi-sectoral across these sectors and therefore we have taken a median multiplier of 1.45 for the purposes of this assessment.

- Management and running costs of the facility, estimated to be around £33,500 per annum of which a large proportion will be

retained locally, and equivalent to 1 FTE job.

Sources of induced economic impact:

- Spend in the Jaywick Sands economy by customers/visitors coming to the area as a result of the facility existing. While it is difficult to estimate additional footfall, a conservative estimate of 2,700 additional day visits to Jaywick Sands has been used, calculated as an average of 30 additional day visits for a three-month summer season. Studies show that a coastal day visitor in Essex spends on average around £33 per visit and this has been used to estimate the economic impact.

Second round multiplier

To avoid over-estimation for what is a relatively small project, we have not accounted for a second round multiplier effect.

Estimated Gross Impact

	GVA	Local FTE jobs
Direct	£1,317,000	30
Indirect	£592,650	13.5
Induced	£89,100	2.5
Total Gross Impact	£2,031,750	46

Deadweight, displacement and leakage

There is not predicted to be any deadweight as a result of the proposals as no existing businesses will be directly closed down in Jaywick Sands due to the project.

There will be some limited displacement spend from other businesses in the area. Based on our initial demand study we estimate around 10% of businesses that may occupy the new facility, are currently operating in Jaywick Sands or the wider area.

There will be leakage of spend outside the immediate area and this

is estimated at around 50% of first round multiplier effects due to the limited locally based supply chain. However there will be very limited leakage beyond the wider Tendring area due to the anticipated type of tenants for the business centre.

	GVA	Local FTE jobs
Displacement	£131,700	3
Leakage	£161,325	7
Net additional impact	£1,738,322	36

11.2 Catalytic economic impacts

It is widely acknowledged among local investors and stakeholders that there would be positive catalytic impacts from the workspace project. This supports the evidence reported in the previous chapter. The expectation among stakeholders is that the workspace project will add most value and catalytic economic benefits by:

- Improving Jaywick Sands' reputation, and the visual appearance of a key site in the community, which in turn will complement the other regeneration projects, resulting in raising property values for both commercial and residential properties. While in other locations this might not be viewed as a positive impact, in Jaywick Sands development is currently suppressed due to the low values generated. Raising values will increase the viability of development and redevelopment of sites in private and public ownership and this will be a significant catalytic impact.
- Encouraging wider entrepreneurship in the local community and a mutually supportive local business network, leading to an increased rate of start-up of businesses in the community, and a higher survival rate for businesses.
- Creating training opportunities leading to higher average earnings among Jaywick Sands residents, and therefore increased consumer spend locally supporting business growth among local shops and services.

Catalytic economic impacts will measurably result in:

- Increased values of residential and commercial property, including the large amount of land owned by Tendring District Council
- Increased tax receipts to local and national government through increased income and commercial activity locally and rising values
- Reduced local and national government spend on benefits and financial support to the community through a range of current programmes.

It is difficult within the scope of this study to quantify all these impacts but based on national averages, over £100,000 per annum in employment taxes and national insurance contributions alone, would accrue as a direct result of the project.

11.3 Impact on Index of Multiple Deprivation

Creating space for businesses to start-up, relocate and operate in Jaywick Sands will have a wide range of impacts on the community as a whole. Current public sector spend in Jaywick Sands is heavily weighted to mitigating the effects of deprivation in the community and these would be impacted by the project on a number of fronts:

- Increased employment opportunities leading to a reduction in deprivation due to unemployment and involuntary exclusion from the labour market, and a reduction in deprivation caused by low income.
- Increased training opportunities leading to a rise in skills and employability, and a rise in aspiration among young people in particular.
- Access to a wider range of fresh food creating positive health impacts across age groups but particularly impactful on the 46% of Jaywick Sands households who do not own a car and therefore struggle to access affordable, healthy food.

11.4 Environmental impact

Tendring District Council declared a climate emergency in 2019 and is developing an action plan with the aim of making its activities carbon neutral by 2030. TDC aims to act as a community leader to encourage the rest of Tendring to join this mission. It is therefore critical that the project demonstrates a positive climate impact as well as wider environmental benefits.

The climate impacts of the project derive from a range of aspects of its conception and delivery.

Siting and vehicle trip impacts

The site is in an easily accessible location for non-car modes of transport, including walking, cycling and bus. A community of 5000 people live within walking distance of the site and the provision of new retail and services in this central location will create a positive impact on car use by residents who currently need to travel outside of the local area to access similar services.

The project will of course generate new vehicle trips to the site through supply and customer activity. The carbon footprint of this can be measured and businesses encouraged to reduce their trip generation through their operational planning as part of the business support offer.

Building construction and running costs

The project concept is for a facility that can be deconstructed and moved or reused into new development elsewhere when wider regeneration plans require the redevelopment of the site. This means that a cradle-to-cradle design approach has been adopted from the outset, and will reduce the embodied carbon impacts of the project very significantly. Specification of materials and detailed design should ensure this philosophy is carried through the design and construction process, using off-site manufacture to minimise material wastage. By creating a lean adaptable building design which can accommodate multiple sector or user types, wastage costs in fitout are minimised.

The facility will be built to current energy and resource usage standards as required by Building Regulations. This states a very low carbon impact from running costs. Tenants will be incentivised to minimise their operational energy and water usage through submetering of utilities and direct billing to each tenant. This has

proved on other projects to lower energy usage well below building regulations targets.

Wider environmental benefits

The workspace proposal will deliver environmental benefits by replacing a low value, unattractive use of a prominent site in Jaywick Sands, with a high quality, attractive location.

The development will incorporate sustainable drainage strategies (SuDS) to minimise surface water runoff and pluvial flooding impacts. The development is sited on a relatively high part of Jaywick Sands relative to tidal flooding and will be resilient against flood risk for its lifetime.

Ecological surveys of the site have shown that some protected species are present on and around the site. The capital budget includes a sum for relocation and mitigation. Biodiversity mitigation will involve on-site and off-site measures and will achieve biodiversity net gain for the project.